

## **BILL ANALYSIS**

C.S.H.B. 2712  
By: Bonnen  
Environmental Regulation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

In response to the requirements of HB 965 (79<sup>th</sup> Texas Legislature), the Texas Commission on Environmental Quality (TCEQ) conducted a study and issued a report in December 2005 which concluded that residential water heaters meeting the lower emission standard of 10 nanograms per joule (ng/J) continue to be technically and economically infeasible. The TCEQ then initiated a rulemaking process to repeal the current rule which became effective on January 1, 2007. The rulemaking was scheduled for July 2006, but was delayed and was ultimately included in the DFW/HGB SIP rulemaking process which was proposed in December 2006. Also in December 2006, the TCEQ Executive Director signed a "Discretionary Enforcement" memo which allows for the continued manufacture and sale of residential water heaters that meet the technologically achievable standard of 40 ng/J after January 1, 2007 when the lower standard of 10 ng/J became effective. Leaving the 40 ng/J standard in place will prevent the imposition of an unnecessary regulatory cost burden on Texas residents.

C.S.H.B. 2712 would exclude residential water heater emissions from TCEQ authority unless a lower emission limit is established by federal statute or rule.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2712 amends the Health and Safety Code to prohibit the TCEQ from adopting or enforcing a rule, determination, or order limiting emissions from residential water heaters to less than 40 nanograms of nitrogen oxides per joule unless a lower limit is established by a federal statute or rule.

The bill removes provisions relating to the executive director of the TCEQ performing a study regarding the technical and economic feasibility of regulating residential water heaters.

The bill removes provisions that requires the TCEQ to make up for emissions reductions that would have come from regulations on residential water heaters with emissions reductions from the same category.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute repeals provisions in statute that require the TCEQ to make up for emissions reduction that would have come from regulations on residential water heaters with emissions reductions from the same category.