

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 1, 2007

TO: Honorable Dennis Bonnen, Chair, House Committee on Environmental Regulation

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2847 by Anderson (Relating to the consideration of the cumulative effects of certain air contaminant emissions in the emissions permitting process for electric generating facilities.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB2847, As Introduced: an impact of \$0 through the biennium ending August 31, 2009.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2008 | \$0 |
| 2009 | \$0 |
| 2010 | \$0 |
| 2011 | \$0 |
| 2012 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from CLEAN AIR ACCOUNT 151 |
|-------------|--|
| 2008 | (\$200,000) |
| 2009 | (\$200,000) |
| 2010 | \$0 |
| 2011 | \$0 |
| 2012 | \$0 |

Fiscal Analysis

The bill would mandate that the Texas Commission on Environmental Quality (TCEQ), when issuing a new permit, amending a permit, or renewing preconstruction permits for electric generating facilities (EGFs), consider the cumulative effects of expected mercury emissions, sulphur dioxide emissions, nitrogen oxide emissions, and particulate matter emissions from the facility or other EGFs located less than 100 miles from the facility on the public’s health and physical property.

Methodology

The TCEQ reports that it does not have complete data regarding pollutant emissions, and, specifically emissions that are permitted by rule. The bill would require emissions from the facility and from off-

site facilities located less than 100 miles from the facility being reviewed to be included in the modeling analysis to determine if there is the potential for cumulative effects. The agency reports that this extra evaluation in the process will require longer review processing times.

The TCEQ also reports that to conduct a cumulative effects analysis, a database to store the emissions data would need to be developed. This estimate assumes that the agency would hire contractors to develop the database at a total cost of \$400,000 out of the General Revenue-Dedicated Clean Air Account No. 151, with the cost split between the two years of the 2008-09 biennium.

In addition to procedural changes, the bill would potentially require rulemaking. This estimate assumes that it would be an applicant's responsibility to provide emissions data; not the TCEQ. If the TCEQ were required to obtain emissions data, the agency reports it would need additional FTEs to collect and process the data. None of these costs are included in this estimate.

Local Government Impact

Local governments operating EGFs would be required to gather emissions data from other EGFs, which could result in a cost to the affected local governments. The cost would depend on the number of EGFs within a 100-mile radius of the local government and the availability of emissions data for those entities.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, WK, ZS, TL