

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 20, 2007

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

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

IN RE: HB3859 by Bonnen (Relating to certain applications filed with Texas Commission on Environmental Quality.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would allow the Texas Commission on Environmental Quality (TCEQ) to grant permits for new coal-fired steam electric generating units utilizing conventional pulverized coal or circulating fluidized bed technology only if a unit would meet the following criteria: (1) the unit would have to utilize an air-cooled condenser, or other dry cooling technology, for the steam, and (2) such other controls would have to be proposed for the site through new permit applications or implementing other measures such as fuel switching, or a combination of new applications and fuel switching, to achieve offsetting emissions for the facilities covered by the application to result in no significant project emissions increase under the Nonattainment New Source Review or Prevention of Significant Deterioration permitting programs for nitrogen oxides or sulfur dioxide. Projects would also have to show no net site increase in mercury emissions, to be achieved within two years of commercial operation of a new generating unit.

Any costs associated with rulemaking and procedural changes are not expected to result in significant costs to the TCEQ.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, DB, WK, TL