

Amend CSSB 1016 (house committee printing) by adding the following appropriately numbered SECTIONS to Article 4 of the bill and renumbering subsequent SECTIONS of that Article accordingly:

SECTION 4.____. Title 3, Agriculture Code, is amended by adding Chapter 50D to read as follows:

CHAPTER 50D. TEXAS BIOENERGY POLICY COUNCIL AND TEXAS BIOENERGY
RESEARCH COMMITTEE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 50D.001. PURPOSE. The purpose of the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee is to promote the goal of making biofuels a significant part of the energy industry in this state not later than January 1, 2019.

Sec. 50D.002. DEFINITIONS. In this chapter:

(1) "Alternative chemical feedstock" means a feedstock that is produced by a thermochemical process that converts alternative sources of fuel, including biomass, or other renewable sources, to a raw material to be used in the chemical manufacturing process.

(2) "Policy council" means the Texas Bioenergy Policy Council.

(3) "Research committee" means the Texas Bioenergy Research Committee.

Sec. 50D.003. ADMINISTRATIVE SUPPORT. The department:

(1) shall provide administrative support, including staff, to the policy council; and

(2) may allocate appropriate administrative support to the research committee.

[Sections 50D.004-50D.010 reserved for expansion]

SUBCHAPTER B. TEXAS BIOENERGY POLICY COUNCIL

Sec. 50D.011. COMPOSITION. (a) The policy council is composed of the following 18 members:

(1) the commissioner, who serves as chair of the policy council;

(2) one representative of the Railroad Commission of Texas;

(3) one representative of the Texas Commission on Environmental Quality;

(4) one representative of the Public Utility Commission of Texas;

(5) one representative of the Texas Water Development Board;

(6) the chancellor of The Texas A&M University System, or the person designated by the chancellor;

(7) the chancellor of the Texas Tech University System, or the person designated by the chancellor;

(8) the chancellor of The University of Texas System, or the person designated by the chancellor;

(9) one member of the senate appointed by the lieutenant governor;

(10) one member of the house of representatives appointed by the speaker of the house of representatives; and

(11) eight members appointed by the governor, with each of the following industries or groups represented by one member:

(A) research and development of feedstock and feedstock production;

(B) retail distribution of energy;

(C) transportation of biomass feedstock;

(D) agricultural production for bioenergy production or agricultural waste used for production of bioenergy;

(E) production of biodiesel from nonfood feedstocks;

(F) production of ethanol from nonfood feedstocks;

(G) bio-based electricity generation; and

(H) chemical manufacturing.

(b) The eight members of the policy council appointed by the governor serve at the governor's pleasure and have two-year staggered terms, with the terms of either three or four members expiring on January 1 of each year.

(c) The governor shall fill any vacancy in a position appointed by the governor for the remainder of the unexpired term.

(d) Appointments to the policy council must be made without regard to the race, color, disability, sex, religion, age, or

national origin of the appointees.

(e) The policy council is subject to Chapters 551 and 2001, Government Code.

Sec. 50D.012. REMOVAL OF POLICY COUNCIL MEMBERS. (a) A member of the policy council may be removed from the policy council if the member:

(1) is not able to devote the time necessary to perform the member's duties as a member;

(2) cannot because of illness or disability discharge the member's duties or cannot discharge those duties for a substantial part of the term for which the member is appointed; or

(3) is absent from more than half of the regularly scheduled policy council meetings that the member is eligible to attend during a calendar year, unless the absence is excused by a majority vote of the policy council.

(b) An action of the policy council is not invalid because a ground for removal of a policy council member exists at the time the action is taken.

(c) If the commissioner has knowledge that a potential ground for removal of a policy council member exists, the commissioner shall notify the governor and attorney general of the potential ground for removal.

Sec. 50D.013. DUTIES OF POLICY COUNCIL. (a) The policy council shall:

(1) provide a vision for unifying this state's agricultural, energy, and research strengths in a successful launch of a cellulosic biofuel and bioenergy industry;

(2) foster development of cellulosic-based and bio-based fuels and build on the Texas emerging technology fund's investments in leading-edge energy research and efforts to commercialize the production of bioenergy;

(3) pursue the creation of a next-generation biofuels energy research program at a university in this state;

(4) work to procure federal and other funding to aid this state in becoming a bioenergy leader;

(5) study the feasibility and economic development effect of a blending requirement for biodiesel or cellulosic fuels;

(6) pursue the development and use of thermochemical process technologies to produce alternative chemical feedstocks;

(7) study the feasibility and economic development of the requirements for pipeline-quality, renewable natural gas; and

(8) perform other advisory duties as requested by the commissioner regarding the responsible development of bioenergy resources in this state.

(b) The policy council shall meet regularly as necessary at the call of the commissioner.

Sec. 50D.014. REIMBURSEMENT OF EXPENSES. A member of the policy council may not receive compensation for service on the council. Subject to availability of funds, a policy council member may receive reimbursement for the actual and necessary expenses incurred while conducting policy council business.

Sec. 50D.015. COORDINATION WITH FEDERAL GOVERNMENT ON BIOENERGY POLICY. (a) In this section, "state agency" has the meaning assigned by Section 315.002, Government Code.

(b) The policy council shall take reasonable steps to track the development of federal bioenergy policy and provide information relating to federal regulatory developments to each affected state agency.

(c) Not later than October 1, 2009, the Texas Commission on Environmental Quality shall request a determination by the United States Environmental Protection Agency that this state will not lose nitrogen oxide emission reduction credits currently recognized as part of the state implementation plan if:

(1) this state allows the use of biodiesel and biodiesel blends with no additives; and

(2) the final blend of fuel complies with state and federal standards for cetane and aromatic hydrocarbon content.

(d) If the Texas Commission on Environmental Quality receives a determination from the United States Environmental Protection Agency that this state will not lose nitrogen oxide emission reduction credits as a result of the use of biodiesel or biodiesel blends with no additives, or if the commission independently makes that determination, the commission may not adopt or implement rules that restrict the production or

distribution of biodiesel or biodiesel blends in a manner more stringent than provided by federal law.

[Sections 50D.016-50D.020 reserved for expansion]

SUBCHAPTER C. TEXAS BIOENERGY RESEARCH COMMITTEE

Sec. 50D.021. COMPOSITION. (a) The research committee is composed of the following 16 members:

(1) the commissioner or the person designated by the commissioner, who serves as the chair of the research committee;

(2) one representative of the Railroad Commission of Texas;

(3) one representative of the Texas Commission on Environmental Quality;

(4) one representative of the Public Utility Commission of Texas;

(5) one representative of the Texas Water Development Board;

(6) one researcher or specialist in the bioenergy field from each of the following university systems, appointed by the chancellor of the system:

(A) The Texas A&M University System;

(B) the Texas Tech University System; and

(C) The University of Texas System; and

(7) eight members, with a member appointed by each policy council member appointed by the governor under Section 50D.011(a)(11).

(b) The eight members of the research committee appointed under Subsection (a)(7) serve at the governor's pleasure and have two-year staggered terms, with the terms of either three or four members expiring on January 1 of each year.

(c) The governor shall fill any vacancy in a position appointed under Subsection (a)(7) for the remainder of the unexpired term.

(d) Appointments to the research committee must be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

(e) The research committee is subject to Chapters 551 and 2001, Government Code.

Sec. 50D.022. REMOVAL OF RESEARCH COMMITTEE MEMBERS. (a) A member of the research committee may be removed from the research committee if the member:

(1) is not able to devote the time necessary to perform the member's duties as a member;

(2) cannot because of illness or disability discharge the member's duties or cannot discharge those duties for a substantial part of the term for which the member is appointed; or

(3) is absent from more than half of the regularly scheduled committee meetings that the member is eligible to attend during a calendar year, unless the absence is excused by a majority vote of the committee.

(b) An action of the research committee is not invalid because a ground for removal of a committee member exists at the time the action is taken.

(c) If the commissioner has knowledge that a potential ground for removal of a committee member exists, the commissioner shall notify the governor and attorney general of the potential ground for removal.

Sec. 50D.023. PURPOSES AND DUTY OF RESEARCH COMMITTEE. (a) The research committee is a research consortium among academic and technical research leadership, with active involvement by all sectors of the economy interested in bioenergy development.

(b) The research committee shall:

(1) identify and research appropriate and desirable biomass feedstock for each geographic region of this state;

(2) investigate logistical challenges to the planting, harvesting, and transporting of large volumes of biomass and provide recommendations to the policy council that will aid in overcoming barriers to the transportation, distribution, and marketing of bioenergy;

(3) identify strategies for and obstacles to the potential transition of the agriculture industry in western regions of this state to dryland bioenergy crops that are not dependent on groundwater resources;

(4) explore regions of this state, including coastal areas, that may contain available marginal land for use in growing

bioenergy feedstocks;

(5) study the potential for producing oil from algae;

(6) study the potential for the advancement of thermochemical process technologies to produce alternative chemical feedstocks;

(7) study the potential for producing pipeline-quality natural gas from renewable sources; and

(8) perform other research duties as requested by the commissioner relating to the responsible development of bioenergy resources in this state.

(c) The research committee shall meet at the call of the commissioner.

Sec. 50D.024. REIMBURSEMENT OF EXPENSES. A member of the research committee may not receive compensation for service on the committee. Subject to availability of funds, a research committee member may receive reimbursement for the actual and necessary expenses incurred while conducting research committee business.

SECTION 4.____. (a) As soon as practicable after the effective date of this Act, the appropriate persons shall appoint the members of the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee established by Sections 50D.011 and 50D.021, Agriculture Code, as added by this Act.

(b) Not later than the 30th day after the date the final member is appointed to the Texas Bioenergy Policy Council, the commissioner of agriculture shall call the first meeting of the policy council.