

BILL ANALYSIS

C.S.H.B. 366
By: Anderson
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

When permits for electric generating plants are processed, there is no high-level policy review of how much power is needed to meet growing demand, of the effect a plant or group of plants may have on the environment in various locales, or whether or not a proposed technology for a plant or group of plants meets long-term economic and environmental goals in this state.

C.S.H.B. 366 creates an interagency task force to review electric generation policies as they relate to overall environmental quality, and to review long-term demand in Texas for electric generation capacity.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the electric energy and environmental impact task force in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 366 amends the Utilities Code to create the electric energy and environmental impact task force. The bill requires the task force to meet quarterly to:

- study the state's long-term demand for electric generation capacity and the infrastructure and technology available and necessary for meeting that demand;
- study the environmental effects of existing and proposed electric generating facilities;
- inventory all existing electric generating facilities operating in Texas;
- review changes to state statutes, administrative rules and regulations, judicial decisions, and executive branch policies regarding electric energy generation.

C.S.H.B. 366 specifies that the task force is composed of representatives of the Public Utility Commission of Texas, the Texas Commission on Environmental Quality, the Electric Reliability Council of Texas, the Texas Water Development Board, the Railroad Commission of Texas, and the state energy conservation office.

C.S.H.B. 366 requires the task force to elect a presiding officer from among the members and to adopt rules governing the operation of the committee. The bill requires the task force to conduct all meetings in accordance with the open meetings law. The bill authorizes the task force to solicit and accept gifts, grants, and appropriations. The bill requires the task force to conduct an organizational meeting not later than October 1, 2009. The bill requires the task force to submit to the governor, the lieutenant governor, and each member of the legislature a report on the task force's findings and recommendations, not later than December 31 of each year.

C.S.H.B. 366 defines "task force."

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 366 differs from the original by adding task force representation from the Railroad Commission of Texas and the state energy conservation office, and by adding a requirement that the task force submit a report annually to the governor, the lieutenant governor, and each member of the legislature.

C.S.H.B. 366 removes provisions in the original amending the Texas Clean Air Act to require the Texas Commission on Environmental Quality (TCEQ) before issuing a permit for an electric generating facility to submit a copy of the permit application to the task force for a determination on whether issuance is necessary to meet the state's demand for electric generation capacity. The substitute removes a provision in the original prohibiting TCEQ from granting such a permit if the task force determines that issuance is not necessary to meet demand. The substitute differs from the original also by removing an associated transition provision relating to air quality permits and by removing a provision including consideration of proposed air quality permits among the purposes of the task force's quarterly meetings.