

## **BILL ANALYSIS**

Senate Research Center  
81R3926 KFF-D

S.B. 380  
By: Van de Putte  
Natural Resources  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Hydrogen is among the cleanest renewable energy sources. However, the infrastructure needed to use hydrogen commercially and help reduce greenhouse gases to create needed jobs associated with the growth of this energy market is not currently in place. Many projects around the state have been spearheaded by municipalities, universities, and private corporations seeking a chance to expand this market in Texas, but many projects cannot be completed due to funding obstacles.

As proposed, S.B. 380 requires the State Energy Conservation Office to establish and administer a loan program available to certain entities for projects related to the manufacture, storage, distribution, or sale in this state of hydrogen as a fuel source and to issue general obligation bonds in an aggregate amount not to exceed \$250 million as authorized by S.J.R. 17 for the purposes of the program.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 (Section 447.014, Government Code), of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 447, Government Code, by adding Section 447.014, as follows:

Sec. 447.014. CLEANER HYDROGEN FUEL LOAN PROGRAM. (a) Requires the state energy conservation office (office) to establish and administer a program to make and guarantee loans to business entities, state agencies, institutions of higher education, and political subdivisions of this state for projects related to the manufacture, storage, distribution, or sale in this state of hydrogen as a fuel source.

(b) Requires the office to prioritize program funding and the program applications process so that, in determining eligibility for a loan or guarantee under the program and in determining the amount of a loan or guarantee to be provided under the program, the program favors projects related to the manufacture of hydrogen fuel by processes that result in the least emissions of greenhouse gases per unit of hydrogen fuel produced or related to the storage, distribution, or sale of hydrogen produced by processes that result in the least emissions of greenhouse gases per unit of hydrogen fuel produced.

(c) Requires the Texas Public Finance Authority to issue general obligation bonds in an aggregate amount not to exceed \$250 million as authorized by Section 49-q, Article III, Texas Constitution, for the purposes of the program.

(d) Authorizes the program to be funded by the proceeds of bonds issued under Subsection (c) or by gifts, grants, and donations made for the purposes of the program.

(e) Authorizes the comptroller of public accounts to adopt rules to implement this section.

SECTION 2. Requires the office to establish a program under Section 447.014, Government Code, as added by this Act, not later than January 1, 2010.

SECTION 3. Makes application of this Act contingent upon approval by the voters of the constitutional amendment relating to the issuance of state general obligation bonds to stimulate economic development by providing and guaranteeing loans to encourage the use of hydrogen as a cleaner fuel source.