

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 14, 2009

TO: Honorable Byron Cook, Chair, House Committee on Environmental Regulation

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

IN RE: HB2497 by Dunnam (Relating to a conditional reduction of nitrogen oxides emissions from certain coal-fired electric generating facilities.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to determine if any coal-fired electric generating facility that uses pulverized coal and that became operational on or after January 1, 2009, and emits nitrogen oxides at a rate greater than 0.02 pounds per million British Thermal Units (Btu) caused or contributed to a new nonattainment area designation because of failure to meet the federal ambient air quality standards for ozone. If the TCEQ determines that the electric generating facility failed to reduce the facility's nitrogen oxide emissions to the extent technically feasible, regardless of cost, the TCEQ would be directed to require emission reductions to the electric generating facility prior to requiring any reductions from automobiles, area sources, or other stationary sources to reduce air contaminants that contribute to the area's nonattainment status.

Additional workload to the TCEQ could result if the agency would need to determine if an electric generating unit as described in the bill caused or contributed to a designation of non-attainment status. To make this determination, the agency would need to determine what change in the ozone concentration defines a contribution to exceedance of the ozone under National Ambient Air Quality standards. The agency would have to establish a procedure or procedures to quantify a contribution, which could require additional modeling analyses. The documentation from those analyses would have to be accomplished either by staff or through professional service contract. A second change would occur in the development of a SIP revision to get the area into attainment for air quality standards.

Total resources to implement the provisions of the bill are estimated at 1.0 FTE and approximately \$60,000 per year. This estimate assumes such costs could be absorbed using current agency resources.

Local Government Impact

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

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, SD, TL