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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 28, 2009

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

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

IN RE: **HB3374** by Deshotel (Relating to permits for air contaminant emissions of stationary natural gas engines.), **Committee Report 1st House, As Amended**

> **No significant fiscal implication to the State is anticipated.**

The bill would require the Texas Commission on Environmental Quality (TCEQ) to issue a standard permit or permit by rule for stationary natural gas engines used in a combined heat and power projects. The engines would include a natural gas internal combustion engine, natural gas stationary internal combustion reciprocating engine, and natural gas turbines. The permit by rule or standard permit could consider geographic location including proximity to non-attainment areas, total annual hours of operation, technology used, type of fuel, and other emission control policies of the state. The TCEQ would be prohibited from distinguishing between the end-use functions powered by stationary natural gas engines and the emission limits would be set in terms of air contaminant emission per unit of total energy output.

The TCEQ reports that passage of the bill would not be expected to add or subtract significantly to the responsibilities of the agency. However, the agency would be required to implement the provisions of this bill in accordance with federal law; thus, the TCEQ would be required to submit the statutory and rule changes required to implement the bill as revisions to the State Implementation Plan for approval by the Environmental Protection Agency. This function is not anticipated to result in a significant cost to the agency.

Local Government Impact

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

Source Agencies: 582 Commission on Environmental Quality
LBB Staff: JOB, SZ, TL, SD