

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 7, 2009**

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

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

**IN RE: HB4012** by Weber (Relating to the procedure for acting on an application for an air contaminant emissions permit, permit amendment, or permit renewal review for an electric generating facility.), **As Introduced**

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

The bill would direct the Texas Commission on Environmental Quality (TCEQ) to implement a streamlined process by rule for permitting, amending or renewing a permit application for an electric generating facility. The streamlined process would not apply to an application for a clean coal project or advanced clean energy project. The bill would require the TCEQ to take final action on an application not later than 12 months after the application is determined to be administratively complete. In addition, permits authorized under this section would not be subject to the contested case hearing requirements.

Rule changes required by the bill would relax or eliminate current requirements for air quality preconstruction/modification permits for electric generating facilities. The TCEQ reports that these changes would be subject to approval by the U.S. Environmental Protection Agency (EPA), and if the EPA does not approve the relaxation, then the state would still continue to be obligated to enforce the more stringent requirement under federal law.

Although the bill would eliminate the opportunity for contested case hearings for electric generating facilities, this estimate does not anticipate that this would result in a significant cost savings to the TCEQ, based on the number of hearings that would be affected. The TCEQ reports that on average since 2006, its Air Permits Division processes approximately 1,600 new source review permit applications subject to contested case hearings requirements each fiscal year. Of those, the agency reports that approximately 5 percent (80) involve electric generating facilities, resulting in approximately eight hearings per year. The elimination of eight hearings per year is not expected to result in significant savings to the agency.

**Local Government Impact**

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

**Source Agencies:** 582 Commission on Environmental Quality

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