

## **BILL ANALYSIS**

S.B. 385  
By: Williams  
Environmental Regulation  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties contend that the ability to increase the number of alternative fuel vehicles in Texas depends on the availability of infrastructure to fuel such vehicles. To address this issue, S.B. 385 seeks to create an alternative fuel program to be funded by the Texas emissions reduction plan fund. The bill proposes to provide a reimbursement of up to \$500,000 per facility, funded through the Texas emissions reduction plan fund, not to exceed two percent of the fund.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTIONS 3 and 4 of this bill.

### **ANALYSIS**

S.B. 385 amends the Health and Safety Code to require the Texas Commission on Environmental Quality (TCEQ) to establish and administer the Texas alternative fueling facilities program to provide fueling facilities for alternative fuel in nonattainment areas and to require TCEQ to provide a grant under the program for each eligible facility to offset the cost of those facilities. The bill provides that an entity that constructs, reconstructs, or acquires an alternative fueling facility is eligible to participate in the program and authorizes an entity operating in Texas that constructs, reconstructs, or acquires a facility for storing, compressing, or dispensing alternative fuels to apply for and receive a grant under the program. The bill authorizes TCEQ to adopt guidelines to allow a regional planning commission, council of governments, or similar regional planning agency or a private nonprofit organization to apply for and receive a grant to improve the ability of the program to achieve its goals. The bill requires an application for a grant under the program to be made on a form provided by TCEQ that contains the information required by TCEQ.

S.B. 385 requires TCEQ, by rule, to establish criteria for prioritizing facilities eligible to receive grants under the program as soon as practicable after the effective date of the bill and requires TCEQ to review and revise the criteria as appropriate. The bill requires an entity, to be eligible for a grant under the program, to agree to make the alternative fueling facility available to persons not associated with the entity at times designated by the grant agreement. The bill prohibits a recipient of a grant under the program from being eligible to receive a second grant for the same facility. The bill limits the use of a grant by the grant's recipient to the payment of the costs of the facility for which the grant is made and prohibits the recipient from using the grant to pay the recipient's administrative expenses. The bill requires TCEQ, for each eligible facility for which a recipient is awarded a grant under the program, to award the grant in an amount equal to the lesser of \$500,000 or 50 percent of the sum of the actual eligible costs incurred by the grant recipient within deadlines established by TCEQ to construct, reconstruct, or acquire the facility. The bill specifies that its provisions relating to an alternative fueling facilities program expire on August 31, 2018. The bill defines "alternative fuel," "commission," and "program."

S.B. 385 reenacts and amends Section 386.252(a), Health and Safety Code, as amended by Chapters 1125 (H.B. 1796) and 1232 (S.B. 1759), Acts of the 81st Legislature, Regular Session, 2009, to require five percent of the money in the Texas emissions reduction plan fund that is allocated for the diesel emissions reduction incentive program to be used for the clean fleet program and to authorize two percent of the allocation for the diesel emissions reduction incentive program to be used for the Texas alternative fueling facilities program. The bill authorizes TCEQ to allocate unexpended money designated for the Texas alternative fueling facilities program to other authorized programs established by the Texas emissions reduction plan after TCEQ allocates money to recipients under the alternative fueling facilities program.

**EFFECTIVE DATE**

September 1, 2011.