

BILL ANALYSIS

Senate Research Center
82R3742 JAM-F

S.B. 385
By: Williams
Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 385 provides incentives to build refueling stations for alternative fuel fleets. The ability to increase the number of alternative fuel vehicles in the state depends on the availability of infrastructure to fuel such vehicles.

This bill creates the Alternative Fueling Facilities Program. The program will provide a reimbursement of up to \$500,000 per facility, which is funded through the Texas Emissions Reduction Plan Fund not to exceed two percent of the fund. Also, the facilities in the program must be made available to outside users.

As proposed, S.B. 385 amends current law relating to the creation of an alternative fuel program to be funded by the Texas emissions reduction plan fund.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 3 (Section 393.004, Health and Safety Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Reenacts 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, and amends it, as follows:

(a) Authorizes money in the Texas emissions reduction plan fund (fund) to be used only to implement and administer programs established under the Texas emissions reduction plan (plan) to be allocated for certain purposes, including the diesel emissions reduction incentive program, 87.5 percent of the money in the fund, of which, not more than four percent may be used for the clean school bus program; not more than 10 percent may be used for on-road diesel purchase or lease incentives; a specified amount may be used for the new technology implementation grant program, from which a defined amount may be set aside for electricity storage projects related to renewable energy; five percent shall be used for the clean fleet program; and two percent may be used for the alternative fueling facilities program.

SECTION 2. Amends Section 386.252, Health and Safety Code, by adding Subsection (e), to authorize the Texas Natural Resource Conservation Commission (TNRCC) to allocate unexpended money designated for the alternative fueling facilities program to other programs described under Subsection (a) (relating to the use of funds) after TNRCC allocates money to recipients under the alternative fueling facilities program.

SECTION 3. Amends Subtitle C, Title 5, Health and Safety Code, by adding Chapter 393, as follows:

CHAPTER 393. ALTERNATIVE FUELING FACILITIES PROGRAM

Sec. 393.001. DEFINITIONS. Defines "alternative fuel," "commission," and "program," in this chapter.

Sec. 393.002. PROGRAM. (a) Requires 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. Requires TCEQ, under the program, to provide a grant for each eligible facility to offset the cost of those facilities.

(b) Provides that an entity that constructs, reconstructs, or acquires an alternative fueling facility is eligible to participate in the program.

Sec. 393.003. APPLICATION FOR GRANT. Authorizes an entity operating in this state that constructs, reconstructs, or acquires a facility to store, compress, or dispense alternative fuels to apply for and receive a grant under the program.

(b) Authorizes TCEQ to adopt guidelines to allow a regional planning commission, council of governments, or similar regional planning agency created under Chapter 391 (Regional Planning Commissions), Local Government, or a private nonprofit organization to apply for and receive a grant to improve the ability of the program to achieve its goals.

(c) Requires that an application for a grant under this chapter be made on a form provided by TCEQ and contain the information required by TCEQ.

Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS. (a) Requires TCEQ by rule to establish criteria for prioritizing facilities eligible to receive grants under this chapter. Requires TCEQ to review and revise the criteria as appropriate.

(b) Requires that to be eligible for a grant program, the entity receiving the grant must agree to make the alternative fueling facility available to persons not associated with the entity at times designated by the grant agreement.

(c) Provides that a recipient of a grant under this chapter is not eligible to receive a second grant under this chapter for the same facility.

Sec. 393.005. RESTRICTION ON USE OF GRANT. Requires the recipient of a grant under this chapter to use the grant only to pay the costs of the facility for which the grant is made. Prohibits the recipient from using the grant to pay the recipient's administrative expenses.

Sec. 393.006. AMOUNT OF GRANT. 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 50 percent of the sum of the actual costs incurred by the grant recipient in one calendar year to construct, reconstruct, or acquire the facility, or \$500,000.

Sec. 393.007. EXPIRATION. Provides that this chapter expires on August 31, 2018.

SECTION 4. Requires TCEQ to adopt rules under Section 393.004, Health and Safety Code, as added by this Act, as soon as practicable after the effective date of this Act.

SECTION 5. Effective date: September 1, 2011.