

By: Taylor of Galveston

H.B. No. 2815

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the exemption from ad valorem taxation of energy  
3 storage systems or technologies used wholly or partly as a  
4 facility, device, or method for the control of air pollution.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 11.31, Tax Code, is amended by amending  
7 Subsection (k) and adding Subsection (k-1) to read as follows:

8 (k) The Texas Commission on Environmental Quality shall  
9 adopt rules establishing a nonexclusive list of facilities,  
10 devices, or methods for the control of air, water, or land  
11 pollution, which must include:

- 12 (1) coal cleaning or refining facilities;
- 13 (2) atmospheric or pressurized and bubbling or  
14 circulating fluidized bed combustion systems and gasification  
15 fluidized bed combustion combined cycle systems;
- 16 (3) ultra-supercritical pulverized coal boilers;
- 17 (4) flue gas recirculation components;
- 18 (5) syngas purification systems and gas-cleanup  
19 units;
- 20 (6) enhanced heat recovery systems;
- 21 (7) exhaust heat recovery boilers;
- 22 (8) heat recovery steam generators;
- 23 (9) superheaters and evaporators;
- 24 (10) enhanced steam turbine systems;

- 1           (11) methanation;
- 2           (12) coal combustion or gasification byproduct and  
3 coproduct handling, storage, or treatment facilities;
- 4           (13) biomass cofiring storage, distribution, and  
5 firing systems;
- 6           (14) coal cleaning or drying processes, such as coal  
7 drying/moisture reduction, air jigging, precombustion  
8 decarbonization, and coal flow balancing technology;
- 9           (15) oxy-fuel combustion technology, amine or chilled  
10 ammonia scrubbing, fuel or emission conversion through the use of  
11 catalysts, enhanced scrubbing technology, modified combustion  
12 technology such as chemical looping, and cryogenic technology;
- 13           (16) if the United States Environmental Protection  
14 Agency adopts a final rule or regulation regulating carbon dioxide  
15 as a pollutant, property that is used, constructed, acquired, or  
16 installed wholly or partly to capture carbon dioxide from an  
17 anthropogenic source in this state that is geologically sequestered  
18 in this state;
- 19           (17) fuel cells generating electricity using hydrogen  
20 derived from coal, biomass, petroleum coke, or solid waste; ~~and~~
- 21           (18) any other equipment designed to prevent, capture,  
22 abate, or monitor nitrogen oxides, volatile organic compounds,  
23 particulate matter, mercury, carbon monoxide, or any criteria  
24 pollutant; and
- 25           (19) energy storage systems or technologies with a  
26 storage capacity of at least 10 megawatts, including grid scale  
27 batteries, flywheels, and compressed air energy storage systems.

1        (k-1) Energy storage systems or technologies described by  
2 Subsection (k)(19) that are used to provide reliability services to  
3 an electrical grid within an area designated as a nonattainment  
4 area within the meaning of Section 107(d) of the federal Clean Air  
5 Act (42 U.S.C. Section 7407(d)) are considered to be used wholly as  
6 devices for the control of air pollution.

7        SECTION 2. The changes in law made by this Act apply only to  
8 ad valorem taxes imposed for a tax year beginning on or after the  
9 effective date of this Act.

10        SECTION 3. This Act takes effect January 1, 2012.