

1-1 By: Lyne (Senate Sponsor - Estes) H.B. No. 3268  
1-2 (In the Senate - Received from the House May 16, 2011;  
1-3 May 16, 2011, read first time and referred to Committee on Natural  
1-4 Resources; May 20, 2011, reported favorably by the following vote:  
1-5 Yeas 8, Nays 0; May 20, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to permits for air contaminant emissions of stationary  
1-9 natural gas engines used in combined heating and power systems.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter C, Chapter 382, Health and Safety  
1-12 Code, is amended by adding Section 382.051865 to read as follows:

1-13 Sec. 382.051865. STATIONARY NATURAL GAS ENGINES USED IN  
1-14 COMBINED HEATING AND POWER SYSTEM. (a) In this section, "natural  
1-15 gas engine" includes a natural gas internal combustion engine,  
1-16 natural gas stationary internal combustion reciprocating engine,  
1-17 and natural gas turbine. The term does not include a natural gas  
1-18 engine that powers a motor vehicle.

1-19 (b) This section applies only to a stationary natural gas  
1-20 engine used in a combined heating and power system.

1-21 (c) The commission shall issue a standard permit or permit  
1-22 by rule for stationary natural gas engines used in a combined  
1-23 heating and power system that establishes emission limits for air  
1-24 contaminants released by the engines.

1-25 (d) The commission in adopting a standard permit or permit  
1-26 by rule under this section may consider:

1-27 (1) the geographic location in which a stationary  
1-28 natural gas engine may be used, including the proximity to an area  
1-29 designated as a nonattainment area;

1-30 (2) the total annual operating hours of a stationary  
1-31 natural gas engine;

1-32 (3) the technology used by a stationary natural gas  
1-33 engine;

1-34 (4) the types of fuel used to power a stationary  
1-35 natural gas engine; and

1-36 (5) other emission control policies of the state.

1-37 (e) The commission in adopting a standard permit or permit  
1-38 by rule under this section may not distinguish between the end-use  
1-39 functions powered by a stationary natural gas engine.

1-40 (f) The commission must provide for the emission limits for  
1-41 stationary natural gas engines subject to this section to be  
1-42 measured in terms of air contaminant emissions per unit of total  
1-43 energy output. The commission shall consider both the primary and  
1-44 secondary functions when determining the engine's emissions per  
1-45 unit of energy output.

1-46 SECTION 2. Not later than September 1, 2012, the Texas  
1-47 Commission on Environmental Quality shall adopt any rules required  
1-48 to implement Section 382.051865, Health and Safety Code, as added  
1-49 by this Act.

1-50 SECTION 3. This Act takes effect immediately if it receives  
1-51 a vote of two-thirds of all the members elected to each house, as  
1-52 provided by Section 39, Article III, Texas Constitution. If this  
1-53 Act does not receive the vote necessary for immediate effect, this  
1-54 Act takes effect September 1, 2011.

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