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S.B. No. 385

A BILL TO BE ENTITLED

AN ACT

relating to the creation of an alternative fuel program to be funded by the Texas emissions reduction plan fund.

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

SECTION 1. Subsection (a), Section 386.252, 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, is reenacted and amended to read as follows:

(a) Money in the fund may be used only to implement and administer programs established under the plan and shall be allocated as follows:

(1) for the diesel emissions reduction incentive program, 87.5 percent of the money in the fund, of which:

(A) not more than four percent may be used for the clean school bus program;

(B) not more than 10 percent may be used for on-road diesel purchase or lease incentives; ~~and~~

(C) 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;

(D) five percent shall be used for the clean fleet program; and

(E) two percent may be used for the Texas

1 alternative fueling facilities program;

2 (2) for the new technology research and development
3 program, nine percent of the money in the fund, of which:

4 (A) up to \$200,000 is allocated for a health
5 effects study;

6 (B) \$500,000 is to be deposited in the state
7 treasury to the credit of the clean air account created under
8 Section 382.0622 to supplement funding for air quality planning
9 activities in affected counties;

10 (C) not less than 20 percent is to be allocated
11 each year to support research related to air quality as provided by
12 Section 387.010; and

13 (D) the balance is allocated each year to the
14 commission to be used to:

15 (i) implement and administer the new
16 technology research and development program for the purpose of
17 identifying, testing, and evaluating new emissions-reducing
18 technologies with potential for commercialization in this state and
19 to facilitate their certification or verification; and

20 (ii) contract with the Energy Systems
21 Laboratory at the Texas Engineering Experiment Station for \$216,000
22 annually for the development and annual computation of creditable
23 statewide emissions reductions obtained through wind and other
24 renewable energy resources for the state implementation plan; and

25 (3) two percent is allocated to the commission and 1.5
26 percent is allocated to the laboratory for administrative costs
27 incurred by the commission and the laboratory.

1 SECTION 2. Section 386.252, Health and Safety Code, is
2 amended by adding Subsection (e) to read as follows:

3 (e) The commission may allocate unexpended money designated
4 for the Texas alternative fueling facilities program to other
5 programs described under Subsection (a) after the commission
6 allocates money to recipients under the alternative fueling
7 facilities program.

8 SECTION 3. Subtitle C, Title 5, Health and Safety Code, is
9 amended by adding Chapter 393 to read as follows:

10 CHAPTER 393. ALTERNATIVE FUELING FACILITIES PROGRAM

11 Sec. 393.001. DEFINITIONS. In this chapter:

12 (1) "Alternative fuel" means a fuel other than
13 gasoline or diesel fuel, other than biodiesel fuel, including
14 electricity, compressed natural gas, liquified natural gas,
15 hydrogen, propane, or a mixture of fuels containing at least 85
16 percent methanol by volume.

17 (2) "Commission" means the Texas Commission on
18 Environmental Quality.

19 (3) "Program" means the Texas alternative fueling
20 facilities program established under this chapter.

21 Sec. 393.002. PROGRAM. (a) The commission shall establish
22 and administer the Texas alternative fueling facilities program to
23 provide fueling facilities for alternative fuel in nonattainment
24 areas. Under the program, the commission shall provide a grant for
25 each eligible facility to offset the cost of those facilities.

26 (b) An entity that constructs, reconstructs, or acquires an
27 alternative fueling facility is eligible to participate in the

1 program.

2 Sec. 393.003. APPLICATION FOR GRANT. (a) An entity
3 operating in this state that constructs, reconstructs, or acquires
4 a facility to store, compress, or dispense alternative fuels may
5 apply for and receive a grant under the program.

6 (b) The commission may adopt guidelines to allow a regional
7 planning commission, council of governments, or similar regional
8 planning agency created under Chapter 391, Local Government Code,
9 or a private nonprofit organization to apply for and receive a grant
10 to improve the ability of the program to achieve its goals.

11 (c) An application for a grant under this chapter must be
12 made on a form provided by the commission and must contain the
13 information required by the commission.

14 Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS.

15 (a) The commission by rule shall establish criteria for
16 prioritizing facilities eligible to receive grants under this
17 chapter. The commission shall review and revise the criteria as
18 appropriate.

19 (b) To be eligible for a grant under the program, the entity
20 receiving the grant must agree to make the alternative fueling
21 facility available to persons not associated with the entity at
22 times designated by the grant agreement.

23 (c) A recipient of a grant under this chapter is not
24 eligible to receive a second grant under this chapter for the same
25 facility.

26 Sec. 393.005. RESTRICTION ON USE OF GRANT. A recipient of a
27 grant under this chapter shall use the grant only to pay the costs

1 of the facility for which the grant is made. The recipient may not
2 use the grant to pay the recipient's administrative expenses.

3 Sec. 393.006. AMOUNT OF GRANT. For each eligible facility
4 for which a recipient is awarded a grant under the program, the
5 commission shall award the grant in an amount equal to the lesser
6 of:

7 (1) 50 percent of the sum of the actual eligible costs
8 incurred by the grant recipient within deadlines established by the
9 commission to construct, reconstruct, or acquire the facility; or

10 (2) \$500,000.

11 Sec. 393.007. EXPIRATION. This chapter expires August 31,
12 2018.

13 SECTION 4. The Texas Commission on Environmental Quality
14 shall adopt rules under Section 393.004, Health and Safety Code, as
15 added by this Act, as soon as practicable after the effective date
16 of this Act.

17 SECTION 5. This Act takes effect September 1, 2011.