

1-1 By: Williams S.B. No. 385
1-2 (In the Senate - Filed January 20, 2011; February 2, 2011,
1-3 read first time and referred to Committee on Natural Resources;
1-4 March 23, 2011, reported favorably by the following vote: Yeas 10,
1-5 Nays 0; March 23, 2011, sent to printer.)

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

1-8 relating to the creation of an alternative fuel program to be funded
1-9 by the Texas emissions reduction plan fund.

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

1-11 SECTION 1. Subsection (a), Section 386.252, Health and
1-12 Safety Code, as amended by Chapters 1125 (H.B. 1796) and 1232 (S.B.
1-13 1759), Acts of the 81st Legislature, Regular Session, 2009, is
1-14 reenacted and amended to read as follows:

1-15 (a) Money in the fund may be used only to implement and
1-16 administer programs established under the plan and shall be
1-17 allocated as follows:

1-18 (1) for the diesel emissions reduction incentive
1-19 program, 87.5 percent of the money in the fund, of which:

1-20 (A) not more than four percent may be used for the
1-21 clean school bus program;

1-22 (B) not more than 10 percent may be used for
1-23 on-road diesel purchase or lease incentives; ~~and~~

1-24 (C) a specified amount may be used for the new
1-25 technology implementation grant program, from which a defined
1-26 amount may be set aside for electricity storage projects related to
1-27 renewable energy;

1-28 (D) five percent shall be used for the clean
1-29 fleet program; and

1-30 (E) two percent may be used for the Texas
1-31 alternative fueling facilities program;

1-32 (2) for the new technology research and development
1-33 program, nine percent of the money in the fund, of which:

1-34 (A) up to \$200,000 is allocated for a health
1-35 effects study;

1-36 (B) \$500,000 is to be deposited in the state
1-37 treasury to the credit of the clean air account created under
1-38 Section 382.0622 to supplement funding for air quality planning
1-39 activities in affected counties;

1-40 (C) not less than 20 percent is to be allocated
1-41 each year to support research related to air quality as provided by
1-42 Section 387.010; and

1-43 (D) the balance is allocated each year to the
1-44 commission to be used to:

1-45 (i) implement and administer the new
1-46 technology research and development program for the purpose of
1-47 identifying, testing, and evaluating new emissions-reducing
1-48 technologies with potential for commercialization in this state and
1-49 to facilitate their certification or verification; and

1-50 (ii) contract with the Energy Systems
1-51 Laboratory at the Texas Engineering Experiment Station for \$216,000
1-52 annually for the development and annual computation of creditable
1-53 statewide emissions reductions obtained through wind and other
1-54 renewable energy resources for the state implementation plan; and

1-55 (3) two percent is allocated to the commission and 1.5
1-56 percent is allocated to the laboratory for administrative costs
1-57 incurred by the commission and the laboratory.

1-58 SECTION 2. Section 386.252, Health and Safety Code, is
1-59 amended by adding Subsection (e) to read as follows:

1-60 (e) The commission may allocate unexpended money designated
1-61 for the Texas alternative fueling facilities program to other
1-62 programs described under Subsection (a) after the commission
1-63 allocates money to recipients under the alternative fueling
1-64 facilities program.

2-1 SECTION 3. Subtitle C, Title 5, Health and Safety Code, is
2-2 amended by adding Chapter 393 to read as follows:

2-3 CHAPTER 393. ALTERNATIVE FUELING FACILITIES PROGRAM

2-4 Sec. 393.001. DEFINITIONS. In this chapter:

2-5 (1) "Alternative fuel" means a fuel other than
2-6 gasoline or diesel fuel, other than biodiesel fuel, including
2-7 electricity, compressed natural gas, liquified natural gas,
2-8 hydrogen, propane, or a mixture of fuels containing at least 85
2-9 percent methanol by volume.

2-10 (2) "Commission" means the Texas Commission on
2-11 Environmental Quality.

2-12 (3) "Program" means the Texas alternative fueling
2-13 facilities program established under this chapter.

2-14 Sec. 393.002. PROGRAM. (a) The commission shall establish
2-15 and administer the Texas alternative fueling facilities program to
2-16 provide fueling facilities for alternative fuel in nonattainment
2-17 areas. Under the program, the commission shall provide a grant for
2-18 each eligible facility to offset the cost of those facilities.

2-19 (b) An entity that constructs, reconstructs, or acquires an
2-20 alternative fueling facility is eligible to participate in the
2-21 program.

2-22 Sec. 393.003. APPLICATION FOR GRANT. (a) An entity
2-23 operating in this state that constructs, reconstructs, or acquires
2-24 a facility to store, compress, or dispense alternative fuels may
2-25 apply for and receive a grant under the program.

2-26 (b) The commission may adopt guidelines to allow a regional
2-27 planning commission, council of governments, or similar regional
2-28 planning agency created under Chapter 391, Local Government Code,
2-29 or a private nonprofit organization to apply for and receive a grant
2-30 to improve the ability of the program to achieve its goals.

2-31 (c) An application for a grant under this chapter must be
2-32 made on a form provided by the commission and must contain the
2-33 information required by the commission.

2-34 Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS.

2-35 (a) The commission by rule shall establish criteria for
2-36 prioritizing facilities eligible to receive grants under this
2-37 chapter. The commission shall review and revise the criteria as
2-38 appropriate.

2-39 (b) To be eligible for a grant under the program, the entity
2-40 receiving the grant must agree to make the alternative fueling
2-41 facility available to persons not associated with the entity at
2-42 times designated by the grant agreement.

2-43 (c) A recipient of a grant under this chapter is not
2-44 eligible to receive a second grant under this chapter for the same
2-45 facility.

2-46 Sec. 393.005. RESTRICTION ON USE OF GRANT. A recipient of a
2-47 grant under this chapter shall use the grant only to pay the costs
2-48 of the facility for which the grant is made. The recipient may not
2-49 use the grant to pay the recipient's administrative expenses.

2-50 Sec. 393.006. AMOUNT OF GRANT. For each eligible facility
2-51 for which a recipient is awarded a grant under the program, the
2-52 commission shall award the grant in an amount equal to the lesser
2-53 of:

2-54 (1) 50 percent of the sum of the actual costs incurred
2-55 by the grant recipient in one calendar year to construct,
2-56 reconstruct, or acquire the facility; or

2-57 (2) \$500,000.

2-58 Sec. 393.007. EXPIRATION. This chapter expires August 31,
2-59 2018.

2-60 SECTION 4. The Texas Commission on Environmental Quality
2-61 shall adopt rules under Section 393.004, Health and Safety Code, as
2-62 added by this Act, as soon as practicable after the effective date
2-63 of this Act.

2-64 SECTION 5. This Act takes effect September 1, 2011.

2-65 * * * * *