

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 16, 2011

TO: Honorable Wayne Smith, Chair, House Committee on Environmental Regulation

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB820 by Farrar (Relating to monitoring air contaminants under the Texas Clean Air Act.),
As Introduced

Estimated Two-year Net Impact to General Revenue Related Funds for HB820, As Introduced: an impact of \$0 through the biennium ending August 31, 2013.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from Operating Permit Fees Account 5094	Change in Number of State Employees from FY 2011
2012	(\$572,487)	7.0
2013	(\$544,487)	7.0
2014	(\$544,487)	7.0
2015	(\$544,487)	7.0
2016	(\$544,487)	7.0

Fiscal Analysis

The bill would require the Texas Commission on Environmental Quality (TCEQ) by rule to require the owner or operators of a major emissions source to conduct daily fence-line air monitoring for air contaminant emissions from the major source, and to maintain records of the monitoring. The bill includes spacing and location requirements for the monitors. The agency would be required to adopt rules to require each owner/operator to submit for executive director approval a list of all air contaminant emissions that will be monitored. The list would be required to include all hazardous air pollutants listed in Section 112 of the Federal Clean Air Act that are applicable to the major source and any other pollutant as designated by the state or a local government. The owner or operator would be required to designate a commission-approved independent consultant to verify compliance with the requirements of the monitoring program. Alternatively, the owner or operator could continuously or semi-continuously monitor each stack, vent, flare, cooling tower, or other device for which monitoring

devices are available, review the plan at least every five years to identify new monitoring technology, and submit proposed changes to the TCEQ for approval.

Methodology

The TCEQ reports that there are approximately 1,500 major sources with Title V permits in the state that would be subject to the bill's provisions. The TCEQ would have to review and approve the list of air contaminant emissions to be monitored and the equipment to be used in monitoring and analysis, and it would be required to review and approve any exemption requests and alternative monitoring plans that major sources may submit. The agency estimates that fence line monitoring could be required for all of the 1,500 major sources.

To implement the provisions of the bill, it is estimated that the TCEQ would need appropriations for 7.0 full time equivalents (FTEs). A Chemist and two Engineering Specialists would be needed to approve submitted lists of contaminants, respond to inquiries from the regulated community, and review data on an as needed basis. Additional Toxicologists would be needed to review and analyze off-site impacts of monitoring data, draft evaluations of the data, make the evaluations available to the public, and communicate the risk assessed from the data to the public at hearings and through communications with individuals.

This estimate assumes that costs relating to the bill would be paid out of the General Revenue-Dedicated Operating Permit Fee Account No. 5094.

Local Government Impact

Local governments that own or operate major sources of emissions would be required to purchase, install, and maintain sufficient fence-line monitors or develop alternative monitoring plans.

TCEQ estimates that equipment costs, site preparation, operating costs, and maintenance costs could be significant and can range from \$45,000 to \$200,000 or more per monitor.

According to Texas Municipal League (TML), municipalities reported that costs could be significant, but are difficult to determine and would vary greatly depending on whether or not a municipality operates its own landfills, operates electricity generation facilities or is located in a nonattainment area.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, SZ, ZS, TL, KKR