

SENATE AMENDMENTS

2nd Printing

By: Lyne

H.B. No. 3268

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

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

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

(2) the total annual operating hours of a stationary

1 natural gas engine;

2 (3) the technology used by a stationary natural gas
3 engine;

4 (4) the types of fuel used to power a stationary
5 natural gas engine; and

6 (5) other emission control policies of the state.

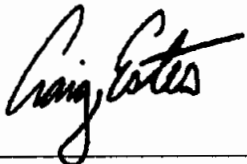
7 (e) The commission in adopting a standard permit or permit
8 by rule under this section may not distinguish between the end-use
9 functions powered by a stationary natural gas engine.

10 (f) The commission must provide for the emission limits for
11 stationary natural gas engines subject to this section to be
12 measured in terms of air contaminant emissions per unit of total
13 energy output. The commission shall consider both the primary and
14 secondary functions when determining the engine's emissions per
15 unit of energy output.

16 SECTION 2. Not later than September 1, 2012, the Texas
17 Commission on Environmental Quality shall adopt any rules required
18 to implement Section 382.051865, Health and Safety Code, as added
19 by this Act.

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

Floor Amendment No. 1

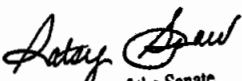
By: 

Amend H.B. 3268 as follows:

On page 1, line 18, after "vehicle" insert "as defined by
Section 382.003(9-a), Health and Safety Code."

ADOPTED

MAY 23 2011


Secretary of the Senate

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 24, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

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

IN RE: HB3268 by Lyne (Relating to permits for air contaminant emissions of stationary natural gas engines used in combined heating and power systems.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to issue a standard permit or permit by rule for stationary "natural gas engines." The permit by rule or standard permit would be permitted to consider geographic location including proximity to nonattainment areas, total annual hours of operation, technology used, type of fuel, and other emission control policies of the state. The TCEQ would be prohibited from distinguishing between the end-use functions powered by the stationary natural gas engine and the emission limits must be in terms of air contaminant emission per unit of total energy output. Primary and secondary functions would be considered when determining the engine's emissions per unit of energy output.

Passage of the bill would result in the TCEQ being required to promulgate rules to issue a new standard permit or update the existing permit by rule for engines and turbines to remove the current restriction that "natural gas engines" cannot be used for electric generating units powered by engines or turbines. In addition, the agency would be required to submit statutory and rule changes as revisions to the State Implementation Plan for approval by the Environmental Protection Agency. This estimate assumes that any costs to the agency in implementing the requirements of the bill could be absorbed using existing agency resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, SZ, TL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 16, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

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

IN RE: HB3268 by Lyne (Relating to permits for air contaminant emissions of stationary natural gas engines used in combined heating and power systems.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

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Source Agencies: 582 Commission on Environmental Quality

LBB Staff: JOB, SZ, TL

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 19, 2011

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

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

IN RE: HB3268 by Lyne (Relating to permits for air contaminant emissions of stationary natural gas engines used in combined heating and power systems.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Commission on Environmental Quality (TCEQ) to issue a standard permit or permit by rule for stationary "natural gas engines." The permit by rule or standard permit would be permitted to consider geographic location including proximity to nonattainment areas, total annual hours of operation, technology used, type of fuel, and other emission control policies of the state. The TCEQ would be prohibited from distinguishing between the end-use functions powered by the stationary natural gas engine and the emission limits must be in terms of air contaminant emission per unit of total energy output. Primary and secondary functions would be considered when determining the engine's emissions per unit of energy output.

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