

By: Gooden

H.B. No. 3450

A BILL TO BE ENTITLED

AN ACT

relating to a program to support the installation of certain
emissions-free generation systems that do not use water in the
production of electricity and are located on publicly owned land or
government buildings and parking structures.

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

SECTION 1. Section 386.051(b), Health and Safety Code, is
amended to read as follows:

(b) Under the plan, the commission and the comptroller shall
provide grants or other funding for:

(1) the diesel emissions reduction incentive program
established under Subchapter C, including for infrastructure
projects established under that subchapter;

(2) the motor vehicle purchase or lease incentive
program established under Subchapter D;

(3) the air quality research support program
established under Chapter 387;

(4) the clean school bus program established under
Chapter 390;

(5) the new technology implementation grant program
established under Chapter 391;

(6) the regional air monitoring program established
under Section 386.252(a)(5);

(7) a health effects study as provided by Section

1 386.252(a) [~~386.252(a)(7)~~];

2 (8) air quality planning activities as provided by
3 Section 386.252(a) [~~386.252(a)(8)~~]; [~~and~~]

4 (9) a contract with the Energy Systems Laboratory at
5 the Texas Engineering Experiment Station for computation of
6 creditable statewide emissions reductions as provided by Section
7 386.252(a); and

8 (10) the emissions-free generation grant program
9 established under Subchapter G [~~386.252(a)(9)~~].

10 SECTION 2. Section 386.252(a), Health and Safety Code, as
11 amended by Chapters 589 (S.B. 20) and 892 (S.B. 385), Acts of the
12 82nd Legislature, Regular Session, 2011, is reenacted and amended
13 to read as follows:

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

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

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

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

23 (C) five percent [~~a specified amount~~] may be used
24 for the new technology implementation grant program, from which a
25 defined amount may be set aside for electricity storage projects
26 related to renewable energy;

27 (D) five percent shall be used for the clean

1 fleet program;

2 (E) two percent may be used for the Texas
3 alternative fueling facilities program;

4 (F) not more [~~less~~] than 20 [~~16~~] percent shall be
5 used for the natural gas vehicle grant program; [~~and~~]

6 (G) not more than four percent may be used to
7 provide grants for natural gas fueling stations under Section
8 394.010; and

9 (H) 20 percent shall be used for the
10 emissions-free generation grant program established under
11 Subchapter G;

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

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

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

20 (C) not less than 20 percent is to be allocated
21 each year to support research related to air quality as provided by
22 Section 387.002 [~~387.010~~]; and

23 (D) the balance is allocated each year to the
24 commission to be used to:

25 (i) implement and administer the new
26 technology research and development program for the purpose of
27 identifying, testing, and evaluating new emissions-reducing

technologies with potential for commercialization in this state and to facilitate their certification or verification; and

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

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

SECTION 3. Chapter 386, Health and Safety Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. EMISSIONS-FREE GENERATION GRANT PROGRAM

Sec. 386.301. FINDINGS. The legislature finds that the programs previously developed as part of the Texas Emissions Reduction Plan are being effectively implemented and the continued reduction of emissions in this state is necessary and requires the development of additional programs. The legislature further finds that the development of electric generation that has no emissions, requires no water for the production of electricity, and can provide energy production during periods of peak electric consumption, is in the best interest of the state at this time.

Sec. 386.302. DEFINITION. In this subchapter, "emissions-free generation" means electric generation with a capacity of not more than 30 megawatts provided by an electric generation technology that has no measurable air emissions.

1 Sec. 386.303. GRANT PROGRAM. (a) The commission shall
2 establish and administer an emissions-free generation grant
3 program using money allocated under Section 386.252 to promote
4 projects for the acquisition and installation of emissions-free
5 generation systems on publicly owned land, a building or parking
6 structure.

7 (b) A grant received under this section may be used to fund
8 not more than 30 percent of the total cost of acquiring and
9 installing the emissions-free generation system exclusive of any
10 federal incentives.

11 (c) An application for a grant must be submitted by the
12 entity that owns the land, building or parking structure and, if
13 applicable, by a co-applicant who may own the emissions-free
14 generation system. If the land, building or parking structure
15 owner's application relies on a co-applicant, the application must
16 include a copy of an agreement signed by the owner and the
17 co-applicant that specifies the ownership of the installed
18 emissions-free generation system.

19 (d) The commission by rule shall establish criteria for
20 projects eligible to receive a grant under this section and
21 procedures for grant applicants that prioritize qualified projects
22 based on;

23 (1) the lowest possible air emissions during the
24 production of electricity;

25 (2) the lowest amount of water used during the
26 production of electricity; and

27 (3) the capability to provide energy production to the

1 electric market during times of peak electric consumption.

2 (e) The commission shall establish as the initial grant
3 amounts:

4 (1) 60 cents per rated watt for installed
5 emissions-free generation with a capacity of up to 5 megawatts; and

6 (2) 30 cents per rated watt for installed
7 emissions-free generation with a capacity of more than 5 megawatts.

8 Sec. 386.304. ELIGIBILITY. A person is eligible to receive
9 a grant under a program established under this subchapter only for a
10 project to acquire and install an emissions-free generation system
11 on publicly owned land, or a building or parking structure that is:

12 (1) owned by or is located on property that is owned by
13 this state or a political subdivision of this state; and

14 (2) located in a nonattainment area or affected
15 county, as defined by Section 386.001.

16 SECTION 4. This Act takes effect immediately if it receives
17 two thirds of all members elected to each house, as provided by
18 Section 39, Article III of the Texas Constitution. If this does not
19 receive the vote necessary for immediate effect, this Act takes
20 effect September 1, 2013.