

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**April 28, 2015**

**TO:** Honorable Jim Keffer, Chair, House Committee on Natural Resources

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB4097** by Hunter (relating to seawater desalination projects.), **Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
--

The bill would require the Public Utilities Commission (PUC) to conduct studies with the Electric Reliability Council of Texas (ERCOT) related to seawater desalination projects. If PUC determines that statutory changes are needed to ensure that adequate infrastructure is developed for such projects, the PUC is required to include recommendations in a report required in Utilities Code, Section 31.003. PUC and the ERCOT independent system operator would also be required to study the potential for seawater desalination projects to participate in existing demand response opportunities in the ERCOT market.

The bill would authorize the Texas Commission on Environmental Quality (TCEQ) to issue a permit to discharge waste from a desalination facility into the Gulf of Mexico evaluate compliance with developed environmental flow standards. The bill would also authorize TCEQ to evaluate compliance with water quality standards, requirements of the Texas Pollutant Discharge Elimination System (TPDES) program, and applicable federal law in issuing such a permit; indicate permits may be individual permits complying with Texas Water Code Subchapter M, Chapter 5 (Environmental Permitting Procedures) or general permits in accordance with Water Code Section 26.040 (General Permits).

The bill would authorize TCEQ to issue an individual Class I injection well permit or general permit authorizing the disposal of brine produced by the desalination of seawater.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. Otherwise, it would take effect September 1, 2015.

Any costs incurred by the TCEQ and PUC in implementing the provisions of the bill are expected to be absorbed using existing resources.

## **Local Government Impact**

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

**Source Agencies:** 473 Public Utility Commission of Texas, 582 Commission on Environmental Quality

**LBB Staff:** UP, SZ, TL