

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 6, 2017

TO: Honorable Joseph Pickett, Chair, House Committee on Environmental Regulation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3058** by Isaac (Relating to the new technology implementation grant program administered by the Texas Commission on Environmental Quality.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend Texas Health and Safety Code, Section 391.002(b), governing the New Technology Implementation Grant (NTIG) program within the Texas Emissions Reduction Plan (TERP) program. The bill would amend the description of projects that may be considered for a grant under the NTIG program to include new technology projects that reduce emissions of regulated pollutants from stationary sources. The bill would allow projects that reduce emissions from upstream and midstream oil and gas production, completion, gathering, storage, processing, and transmission activities through the replacement, repower, or retrofit of stationary compressor engines; the installation of systems to reduce or eliminate the loss, flaring, or burning of gas using other combustion control devices; or the installation of systems that reduce flaring and other site emissions by capturing waste heat to generate electricity.

The bill would amend Texas Health and Safety Code, Section 391.205(a) to instruct the Texas Commission on Environmental Quality (TCEQ) to give preference to NTIG projects that involve the transport, use, recovery for use, or prevention of the loss of natural resources originating or produced in Texas, as well as projects that recover waste heat from the combustion of natural resources and use the heat to generate electricity.

TCEQ estimates that implementing the provisions of the bill would require a dedicated position. This analysis assumes that the costs of implementing the provisions of the bill would not be significant, and that these costs would not continue after the end of fiscal year 2019, when the NTIG and TERP programs are set to expire under current law.

Local Government Impact

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

Source Agencies: 582 Commission on Environmental Quality

LBB Staff: UP, SZ, MW, MSO