

By: Reynolds

H.B. No. 246

A BILL TO BE ENTITLED

AN ACT

relating to the creation of an energy efficiency loan guarantee program under the Texas emissions reduction plan.

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

SECTION 1. Section 386.051(b), Health and Safety Code, as effective September 1, 2021, 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);

(7) a health effects study as provided by Section 386.252(a);

(8) air quality planning activities as provided by

1 Section 386.252(d);

2 (9) a contract with the Energy Systems Laboratory at
3 the Texas A&M Engineering Experiment Station for computation of
4 creditable statewide emissions reductions as provided by Section
5 386.252(a);

6 (10) the Texas clean fleet program established under
7 Chapter 392;

8 (11) the Texas alternative fueling facilities program
9 established under Chapter 393;

10 (12) the Texas natural gas vehicle grant program
11 established under Chapter 394;

12 (13) other programs the commission may develop that
13 lead to reduced emissions of nitrogen oxides, particulate matter,
14 or volatile organic compounds in a nonattainment area or affected
15 county;

16 (14) other programs the commission may develop that
17 support congestion mitigation to reduce mobile source ozone
18 precursor emissions;

19 (15) the seaport and rail yard areas emissions
20 reduction program established under Subchapter D-1;

21 (16) conducting research and other activities
22 associated with making any necessary demonstrations to the United
23 States Environmental Protection Agency to account for the impact of
24 foreign emissions or an exceptional event;

25 (17) studies of or pilot programs for incentives for
26 port authorities located in nonattainment areas or affected
27 counties as provided by Section 386.252(a);

1 (18) the governmental alternative fuel fleet grant
2 program established under Chapter 395; ~~and~~

3 (19) remittance of funds to the state highway fund for
4 use by the Texas Department of Transportation for congestion
5 mitigation and air quality improvement projects in nonattainment
6 areas and affected counties; and

7 (20) the energy efficiency loan guarantee program
8 established under Section 388.013.

9 SECTION 2. Section 386.252(a), Health and Safety Code, as
10 effective September 1, 2021, is amended to read as follows:

11 (a) Money in the fund and account may be used only to
12 implement and administer programs established under the
13 plan. Subject to the reallocation of funds by the commission under
14 Subsection (h) and after remittance to the state highway fund under
15 Subsection (a-1), money from the fund and account to be used for the
16 programs under Section 386.051(b) shall initially be allocated as
17 follows:

18 (1) four percent may be used for the clean school bus
19 program under Chapter 390;

20 (2) three percent may be used for the new technology
21 implementation grant program under Chapter 391, from which at least
22 \$1 million will be set aside for electricity storage projects
23 related to renewable energy;

24 (3) five percent may be used for the Texas clean fleet
25 program under Chapter 392;

26 (4) not more than \$3 million may be used by the
27 commission to fund a regional air monitoring program in commission

1 Regions 3 and 4 to be implemented under the commission's oversight,
2 including direction regarding the type, number, location, and
3 operation of, and data validation practices for, monitors funded by
4 the program through a regional nonprofit entity located in North
5 Texas having representation from counties, municipalities, higher
6 education institutions, and private sector interests across the
7 area;

8 (5) 10 percent may be used for the Texas natural gas
9 vehicle grant program under Chapter 394;

10 (6) not more than \$6 million may be used for the Texas
11 alternative fueling facilities program under Chapter 393, of which
12 a specified amount may be used for fueling stations to provide
13 natural gas fuel, except that money may not be allocated for the
14 Texas alternative fueling facilities program for the state fiscal
15 year ending August 31, 2019;

16 (7) not more than \$750,000 may be used each year to
17 support research related to air quality as provided by Chapter 387;

18 (8) not more than \$200,000 may be used for a health
19 effects study;

20 (9) at least \$6 million but not more than \$16 million
21 may be used by the commission for administrative costs, including
22 all direct and indirect costs for administering the plan, costs for
23 conducting outreach and education activities, and costs
24 attributable to the review or approval of applications for
25 marketable emissions reduction credits;

26 (10) six percent may be used by the commission for the
27 seaport and rail yard areas emissions reduction program established

1 under Subchapter D-1;

2 (11) five percent may be used for the light-duty motor
3 vehicle purchase or lease incentive program established under
4 Subchapter D;

5 (12) not more than \$216,000 may be used by the
6 commission to contract with the Energy Systems Laboratory at the
7 Texas A&M Engineering Experiment Station annually for the
8 development and annual computation of creditable statewide
9 emissions reductions obtained through wind and other renewable
10 energy resources for the state implementation plan;

11 (13) not more than \$500,000 may be used for studies of
12 or pilot programs for incentives for port authorities located in
13 nonattainment areas or affected counties to encourage cargo
14 movement that reduces emissions of nitrogen oxides and particulate
15 matter; ~~and~~

16 (14) at least \$1 million and not more than \$5 million
17 shall be allocated for the energy efficiency loan guarantee program
18 established under Section 388.013; and

19 (15) the balance is to be used by the commission for
20 the diesel emissions reduction incentive program under Subchapter C
21 as determined by the commission.

22 SECTION 3. Chapter 388, Health and Safety Code, is amended
23 by adding Section 388.013 to read as follows:

24 Sec. 388.013. ENERGY EFFICIENCY LOAN GUARANTEE PROGRAM.

25 (a) The comptroller and the State Energy Conservation Office by
26 rule shall establish and administer a program that issues or
27 guarantees loans to be used for improvements that increase the

1 energy efficiency of residences that are not newly constructed.

2 (b) Rules adopted under this section must establish
3 eligibility requirements for receipt of a loan issued or guaranteed
4 under this section, including emissions reduction
5 cost-effectiveness criteria.

6 (c) The State Energy Conservation Office annually shall
7 submit to the commission and the laboratory a report that:

8 (1) evaluates the effectiveness of the program
9 established under this section; and

10 (2) quantifies energy savings and emissions
11 reductions as a result of this program for consideration in the
12 state implementation plan for emissions reduction credit.

13 SECTION 4. Section 389.002, Health and Safety Code, is
14 amended to read as follows:

15 Sec. 389.002. USE OF CERTAIN INFORMATION FOR FEDERAL
16 RECOGNITION OF EMISSIONS REDUCTIONS. The commission, using
17 information derived from the reports to the commission under
18 Sections 386.205, 388.003(e), ~~and~~ 388.006, and 388.013, shall
19 take all appropriate and necessary actions so that emissions
20 reductions achieved by means of activities under Chapters 386 and
21 388 are credited by the United States Environmental Protection
22 Agency to the appropriate emissions reduction objectives in the
23 state implementation plan.

24 SECTION 5. This Act takes effect on the 91st day after the
25 last day of the legislative session.