

By: Reynolds

H.B. No. 1533

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of an energy efficiency loan guarantee
3 program under the Texas emissions reduction plan.

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

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

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

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

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

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

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

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

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

22 (7) a health effects study as provided by Section
23 386.252(a);

24 (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); ~~and~~

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

3 (19) the energy efficiency loan guarantee program
4 established under Section 388.013.

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

7 (a) Money in the fund and account may be used only to
8 implement and administer programs established under the
9 plan. Subject to the reallocation of funds by the commission under
10 Subsection (h), money from the fund and account to be used for the
11 programs under Section 386.051(b) shall initially be allocated as
12 follows:

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

15 (2) three percent may be used for the new technology
16 implementation grant program under Chapter 391, from which at least
17 \$1 million will be set aside for electricity storage projects
18 related to renewable energy;

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

21 (4) not more than \$3 million may be used by the
22 commission to fund a regional air monitoring program in commission
23 Regions 3 and 4 to be implemented under the commission's oversight,
24 including direction regarding the type, number, location, and
25 operation of, and data validation practices for, monitors funded by
26 the program through a regional nonprofit entity located in North
27 Texas having representation from counties, municipalities, higher

1 education institutions, and private sector interests across the
2 area;

3 (5) 10 percent may be used for the Texas natural gas
4 vehicle grant program under Chapter 394;

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

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

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

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

21 (10) six percent may be used by the commission for the
22 seaport and rail yard areas emissions reduction program established
23 under Subchapter D-1;

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

27 (12) not more than \$216,000 may be used by the

1 commission to contract with the Energy Systems Laboratory at the
2 Texas A&M Engineering Experiment Station annually for the
3 development and annual computation of creditable statewide
4 emissions reductions obtained through wind and other renewable
5 energy resources for the state implementation plan;

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

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

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

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

19 Sec. 388.013. ENERGY EFFICIENCY LOAN GUARANTEE PROGRAM.

20 (a) The comptroller and the State Energy Conservation Office by
21 rule shall establish and administer a program that issues or
22 guarantees loans to be used for improvements that increase the
23 energy efficiency of residences that are not newly constructed.

24 (b) Rules adopted under this section must establish
25 eligibility requirements for receipt of a loan issued or guaranteed
26 under this section, including emissions reduction
27 cost-effectiveness criteria.

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

3 (1) evaluates the effectiveness of the program
4 established under this section; and

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

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

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

19 SECTION 5. This Act takes effect September 1, 2021.