

By: Landgraf

H.B. No. 2361

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the new technology implementation grant program
3 administered by the Texas Commission on Environmental Quality.

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

5 SECTION 1. 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 plan.
9 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) six [~~three~~] percent may be used for the new
16 technology implementation grant program under Chapter 391, from
17 which at least \$1 million will be set aside for electricity storage
18 projects related to renewable energy;

19 (3) two [~~five~~] percent may be used for the 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

1 operation of, and data validation practices for, monitors funded by
2 the program through a regional nonprofit entity located in North
3 Texas having representation from counties, municipalities, higher
4 education institutions, and private sector interests across the
5 area;

6 (5) 10 percent may be used for the Texas natural gas
7 vehicle grant program under Chapter 394;

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

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

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

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

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

27 (11) five percent may be used for the light-duty motor

1 vehicle purchase or lease incentive program established under
2 Subchapter D;

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

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

14 (14) 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 2. Section [391.002\(b\)](#), Health and Safety Code, is
18 amended to read as follows:

19 (b) Projects that may be considered for a grant under the
20 program include:

21 (1) advanced clean energy projects, as defined by
22 Section [382.003](#);

23 (2) new technology projects that reduce emissions of
24 regulated pollutants from stationary sources;

25 (3) new technology projects that reduce emissions from
26 upstream and midstream oil and gas production, completions,
27 gathering, storage, processing, and transmission activities

1 through:

2 (A) the replacement, repower, or retrofit of
3 stationary compressor engines;

4 (B) the installation of systems to reduce or
5 eliminate the loss of gas, flaring of gas, or burning of gas using
6 other combustion control devices; or

7 (C) the installation of systems that reduce
8 flaring emissions and other site emissions [~~by capturing waste heat
9 to generate electricity solely for on-site service~~]; and

10 (4) electricity storage projects related to renewable
11 energy, including projects to store electricity produced from wind
12 and solar generation that provide efficient means of making the
13 stored energy available during periods of peak energy use.

14 SECTION 3. Section 391.205(a), Health and Safety Code, is
15 amended to read as follows:

16 (a) Except as provided by Subsection (c), in awarding grants
17 under this chapter the commission shall give preference to projects
18 that:

19 (1) involve the transport, use, recovery for use, or
20 prevention of the loss of natural resources originating or produced
21 in this state;

22 (2) contain an energy efficiency component;

23 (3) include the use of solar, wind, or other renewable
24 energy sources; [~~or~~]

25 (4) recover waste heat from the combustion of natural
26 resources and use the heat to generate electricity; or

27 (5) reduce flaring emissions and other site emissions.

1 SECTION 4. Section 391.301, Health and Safety Code, is
2 amended to read as follows:

3 Sec. 391.301. RESTRICTION ON USE OF GRANT. A recipient of a
4 grant under this chapter must use the grant to pay the incremental
5 costs of the purchase, rental, or ~~[and]~~ installation of the project
6 for which the grant is made, which may include reasonable and
7 necessary expenses for the labor needed to install
8 emissions-reducing equipment. ~~[The recipient may not use the grant
9 for the costs of operating and maintaining the emissions-reducing
10 equipment.]~~

11 SECTION 5. The changes in law made by this Act apply only to
12 a Texas emissions reduction plan grant awarded on or after the
13 effective date of this Act. A grant awarded before the effective
14 date of this Act is governed by the law in effect on the date the
15 award was made, and the former law is continued in effect for that
16 purpose.

17 SECTION 6. This Act takes effect September 1, 2021.