

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 4, 2021

TO: Honorable Chris Paddie, Chair, House Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4120 by Deshotel (relating to the efficient use and generation of electricity by public schools.),
Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend the Health and Safety and Utilities Codes to add school bus conversion as an eligible Texas Emission Reduction Plan grant project for the Clean School Bus program and would include installation of charging infrastructure for electric school buses as an eligible project.

In addition, the bill would require the Texas Commission on Environmental Quality (TCEQ) to prioritize projects that achieve the greatest reduction in diesel exhaust and requires at least 75 percent of funding issued for grants to be for the purchase of electric buses to or to convert diesel buses into electric buses. The bill would require school districts or open-enrollment charter schools that install electric vehicle charging equipment to contract with an electric cooperative or utility to install necessary infrastructure and to provide for any necessary construction for the electric vehicle charging station. The bill would require the Electric Reliability Council of Texas to adopt result that would permit school districts and open-enrollment charter schools to adopt rules allowing school energy sources to sell energy and ancillary services in the wholesale market without registering as a power generation company. The bill requires an electric utility that provides service to retail customers to offer time of use rates to school districts and open enrollment charter schools.

Based on the analysis of the TCEQ, the Office of Public Utility Counsel, the Public Utility Commission of Texas, and the Texas Education Agency, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be absorbed with existing resources.

Local Government Impact

Local education agencies would be able to receive grants for electric buses and receive time of use electric rates from utilities to facilitate efficient use of electric charging of buses and energy use. School districts could install generation equipment and sell energy on the wholesale market without registering as a power generating company.

Source Agencies: 473 Public Utility Commission of Texas, 475 Office of Public Utility Counsel, 582 Commission on Environmental Quality, 701 Texas Education Agency

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