

BILL ANALYSIS

Senate Research Center

H.B. 3837
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Natural Resources & Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are many initiatives underway to lower aviation emissions. Major changes such as the use of electric or hydrogen power remain years away, but other options are already being adopted. The move to adopt standards for sustainable aviation fuel (SAF) is increasing on a global scale as many airlines and developed nations have now made commitments to certain levels of SAF use and this is expanding.

Some who are producing SAF focus on biomass as feedstock for the fuel, but options exist to tap into Texas' most abundant natural resource, natural gas, as a denser and more efficient use of feedstock. Doing so would allow Texas to emerge as a global leader in SAF refining and production. SAF is not a direct fuel but it can be used in existing jet engines after being mixed with traditional jet fuel. Texas law encourages advanced clean energy projects, but important statutory designations expired in 2020 and should be reinstated. Doing so will allow emerging projects to access funding under the Texas Emissions Reduction Plan administered by the Texas Commission on Environmental Quality, or through federal initiatives that apply to advanced clean energy projects.

H.B. 3837 seeks to address the lapse of statutory designations related to advanced clean energy projects by removing the date parameters, modifying certain project qualifications, and specifying the type of permit capture requirements that would allow projects to qualify as advanced clean energy projects. This legislation makes Texas more competitive in the race to develop advanced manufacturing facilities including those focused on the development of dense natural resources, specifically for SAF based on natural gas that is refined in Texas, shipped via our current infrastructure, and consumed on a global scale.

H.B. 3837 amends current law relating to the designation of advanced clean energy projects.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 382.003(1-a), Health and Safety Code, as follows:

(1-a) Provides that "advanced clean energy project" includes a project that is a facility for which an authorization to use a standard permit was approved after January 1, 2020, but before September 1, 2023, and that includes carbon capture in its design and is capturing not less than 95 percent of the carbon dioxide in the emissions stream already permitted for carbon capture. Deletes existing text providing that "advanced clean energy project" includes a project for which an application for a permit or for an authorization to use a standard permit under Chapter 382 (Clean Air Act) is received by the Texas Commission on Environmental Quality on or after January 1, 2008, and before January 1, 2020. Makes nonsubstantive changes.

SECTION 2. Effective date: September 1, 2023.