

## **BILL ANALYSIS**

Senate Research Center  
88R29757 JRR-F

C.S.H.B. 3837  
By: Geren et al. (Sparks)  
Natural Resources & Economic Development  
5/18/2023  
Committee Report (Substituted)

### **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.

(Original Author's/Sponsor's Statement of Intent)

C.S.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 utilizes natural gas to create methanol and that converts methanol to zero-sulfur transportation fuels.

SECTION 2. Amends Section 391.002(b), Health and Safety Code, as follows:

(b) Provides that projects that are authorized to be considered for a grant under the new technology implementation grant program include advanced clean energy projects, as defined by Section 382.003(1-a)(A), rather than Section 382.003.

SECTION 3. Effective date: September 1, 2023.