

SENATE AMENDMENTS

2nd Printing

By: Geren, Bailes, Isaac

H.B. No. 3837

A BILL TO BE ENTITLED

AN ACT

relating to the designation of advanced clean energy projects.

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

SECTION 1. Section 382.003(1-a), Health and Safety Code, is amended to read as follows:

(1-a) "Advanced clean energy project" means:

(A) a project [~~for which an application for a permit or for an authorization to use a standard permit under this chapter is received by the commission on or after January 1, 2008, and before January 1, 2020, and~~] that:

(i) [~~(A)~~] involves the use of coal, biomass, petroleum coke, solid waste, natural gas, or fuel cells using hydrogen derived from such fuels, in the generation of electricity, or the creation of liquid fuels outside of the existing fuel production infrastructure while co-generating electricity, whether the project is implemented in connection with the construction of a new facility or in connection with the modification of an existing facility and whether the project involves the entire emissions stream from the facility or only a portion of the emissions stream from the facility;

(ii) [~~(B)~~] with regard to the portion of the emissions stream from the facility that is associated with the project, is capable of achieving:

(a) [~~(i)~~] on an annual basis:

1 (1) [~~(a)~~] a 99 percent or
2 greater reduction of sulfur dioxide emissions;

3 (2) [~~(b)~~] if the project is
4 designed for the use of feedstock, substantially all of which is
5 subbituminous coal, an emission rate of 0.04 pounds or less of
6 sulfur dioxide per million British thermal units as determined by a
7 30-day average; or

8 (3) [~~(c)~~] if the project is
9 designed for the use of one or more combustion turbines that burn
10 natural gas, a sulfur dioxide emission rate that meets best
11 available control technology requirements as determined by the
12 commission;

13 (b) [~~(ii)~~] on an annual basis:

14 (1) [~~(a)~~] a 95 percent or
15 greater reduction of mercury emissions; or

16 (2) [~~(b)~~] if the project is
17 designed for the use of one or more combustion turbines that burn
18 natural gas, a mercury emission rate that complies with applicable
19 federal requirements;

20 (c) [~~(iii)~~] an annual average
21 emission rate for nitrogen oxides of:

22 (1) [~~(a)~~] 0.05 pounds or less
23 per million British thermal units;

24 (2) [~~(b)~~] if the project uses
25 gasification technology, 0.034 pounds or less per million British
26 thermal units; or

27 (3) [~~(c)~~] if the project is

1 designed for the use of one or more combustion turbines that burn
2 natural gas, two parts per million by volume; and

3 (d) [~~(iv)~~] an annual average emission
4 rate for filterable particulate matter of 0.015 pounds or less per
5 million British thermal units; and

6 (iii) [~~(C)~~] captures not less than 50
7 percent of the carbon dioxide in the portion of the emissions stream
8 from the facility that is associated with the project and
9 sequesters that captured carbon dioxide by geologic storage or
10 other means; or

11 (B) a project that is a facility:

12 (i) for which an authorization to use a
13 standard permit was approved after January 1, 2020, but before
14 September 1, 2023; and

15 (ii) that includes carbon capture in its
16 design and is capturing not less than 95 percent of the carbon
17 dioxide in the emissions stream already permitted for carbon
18 capture.

19 SECTION 2. This Act takes effect September 1, 2023.

ADOPTED

MAY 22 2023

H. L. *Law*
Secretary of the Senate

By: *J. K. O'Connell*

Substitute the following for H.B. No. 3837:

By: *J. K. O'Connell*

C.S. H.B. No. 3837

A BILL TO BE ENTITLED

AN ACT

1 relating to the designation of advanced clean energy projects.

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

3 SECTION 1. Section 382.003(1-a), Health and Safety Code, is
4 amended to read as follows:

5 (1-a) "Advanced clean energy project" means:

6 (A) a project for which an application for a
7 permit or for an authorization to use a standard permit under this
8 chapter is received by the commission on or after January 1, 2008,
9 and before January 1, 2020, and that:

10 (i) ~~(A)~~ involves the use of coal,
11 biomass, petroleum coke, solid waste, natural gas, or fuel cells
12 using hydrogen derived from such fuels, in the generation of
13 electricity, or the creation of liquid fuels outside of the
14 existing fuel production infrastructure while co-generating
15 electricity, whether the project is implemented in connection with
16 the construction of a new facility or in connection with the
17 modification of an existing facility and whether the project
18 involves the entire emissions stream from the facility or only a
19 portion of the emissions stream from the facility;

20 (ii) ~~(B)~~ with regard to the portion of the
21 emissions stream from the facility that is associated with the
22 project, is capable of achieving:

23 (a) ~~(i)~~ on an annual basis:

1 (1) [~~a~~] a 99 percent or
2 greater reduction of sulfur dioxide emissions;

3 (2) [~~b~~] if the project is
4 designed for the use of feedstock, substantially all of which is
5 subbituminous coal, an emission rate of 0.04 pounds or less of
6 sulfur dioxide per million British thermal units as determined by a
7 30-day average; or

8 (3) [~~c~~] if the project is
9 designed for the use of one or more combustion turbines that burn
10 natural gas, a sulfur dioxide emission rate that meets best
11 available control technology requirements as determined by the
12 commission;

13 (b) [~~ii~~] on an annual basis:

14 (1) [~~a~~] a 95 percent or
15 greater reduction of mercury emissions; or

16 (2) [~~b~~] if the project is
17 designed for the use of one or more combustion turbines that burn
18 natural gas, a mercury emission rate that complies with applicable
19 federal requirements;

20 (c) [~~iii~~] an annual average
21 emission rate for nitrogen oxides of:

22 (1) [~~a~~] 0.05 pounds or less
23 per million British thermal units;

24 (2) [~~b~~] if the project uses
25 gasification technology, 0.034 pounds or less per million British
26 thermal units; or

27 (3) [~~c~~] if the project is

1 designed for the use of one or more combustion turbines that burn
2 natural gas, two parts per million by volume; and

3 (d) [~~(iv)~~] an annual average emission
4 rate for filterable particulate matter of 0.015 pounds or less per
5 million British thermal units; and

6 (iii) [~~(c)~~] captures not less than 50
7 percent of the carbon dioxide in the portion of the emissions stream
8 from the facility that is associated with the project and
9 sequesters that captured carbon dioxide by geologic storage or
10 other means; or

11 (B) a project that is a facility:

12 (i) for which an authorization to use a
13 standard permit was approved after January 1, 2020, but before
14 September 1, 2023; and

15 (ii) that:

16 (a) utilizes natural gas to create
17 methanol; and

18 (b) converts methanol to zero-sulfur
19 transportation fuels.

20 SECTION 2. Section 391.002(b), Health and Safety Code, is
21 amended to read as follows:

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

24 (1) advanced clean energy projects, as defined by
25 Section 382.003(1-a)(A) [~~382.003~~];

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

1 (3) new technology projects that reduce emissions from
2 upstream and midstream oil and gas production, completions,
3 gathering, storage, processing, and transmission activities
4 through:

5 (A) the replacement, repower, or retrofit of
6 stationary compressor engines;

7 (B) the installation of systems to reduce or
8 eliminate the loss of gas, flaring of gas, or burning of gas using
9 other combustion control devices; or

10 (C) the installation of systems that reduce
11 flaring emissions and other site emissions; and

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

16 SECTION 3. This Act takes effect September 1, 2023.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 22, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3837 by Geren (Relating to the designation of advanced clean energy projects.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

LBB Staff: JMc, SD, MOc, DKN, AF, MW

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 19, 2023

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3837 by Geren (relating to the designation of advanced clean energy projects.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

LBB Staff: JMc, MOc, DKN, AF, MW

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 16, 2023

TO: Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3837 by Geren (Relating to the designation of advanced clean energy projects.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

LBB Staff: JMc, MOc, DKN, AF, MW

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 24, 2023

TO: Honorable Craig Goldman, Chair, House Committee on Energy Resources

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3837 by Geren (Relating to the designation of advanced clean energy projects.), **As Introduced**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 582 Commission on Environmental Quality

LBB Staff: JMc, AF, MW, DKN