

By: Turner

H.B. No. 3263

A BILL TO BE ENTITLED

AN ACT

relating to a program for monitoring methane emissions using funds from the Texas emissions reduction plan.

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

SECTION 1. Chapter 382, Health and Safety Code, is amended by adding Subchapter J-1 to read as follows:

SUBCHAPTER J-1. METHANE EMISSIONS PROGRAM

Sec. 382.471. DEFINITION. In this subchapter, "emission" includes any emission of gas, including an emission caused by a leak, blow out, or accident.

Sec. 382.472. METHANE EMISSIONS PROGRAM. (a) In accordance with any provision of a state implementation plan adopted to comply with federal rules regarding emissions of methane and associated gases under Section 111 or 112 of the federal Clean Air Act (42 U.S.C. Section 7411 or 7412), the commission by rule shall:

(1) adopt standards for:

(A) methane emissions; and

(B) emissions of gases associated with methane emissions; and

(2) establish a program in the manner provided by this section to identify and monitor areas of concern in this state for high emissions of methane and gases associated with methane.

(b) The commission may require and issue permits for

1 emissions of methane or other gases associated with methane if
2 necessary to implement this section.

3 (c) The commission shall establish a continuous emissions
4 monitoring program in areas of this state that have substantial
5 infrastructure associated with emissions of methane and associated
6 gases, such as oil and gas facilities, wastewater treatment plants,
7 or pulp and paper facilities. The program must provide for the
8 operation of monitoring devices that:

9 (1) detect, measure, and continuously monitor methane
10 and associated gas levels in the atmosphere to:

11 (A) identify background emission levels;

12 (B) detect locations where emissions exceed
13 expected background levels; and

14 (C) measure changes in background emission
15 levels over time; and

16 (2) provide real-time data on methane and other
17 associated gas emissions from facilities that are subject to the
18 standards adopted under Subsection (a) to rapidly detect and
19 quantify leaks without the need for intermittent sampling.

20 (d) The commission shall:

21 (1) monitor emissions of methane and other associated
22 gases under Subsection (c) to identify areas of concern;

23 (2) operate a network of sensors in each area of
24 concern to monitor and identify sources of emissions of methane and
25 other associated gases that are not in compliance with the
26 standards adopted under Subsection (a); and

27 (3) assist operators of facilities in areas of concern

1 with reducing regulated emissions and complying with federal and
2 state regulations related to those emissions.

3 (e) The commission may contract with a third party,
4 including an institution of higher education or a nonprofit
5 organization, to operate a sensor under the program.

6 Sec. 382.473. ENFORCEMENT. (a) If the commission
7 identifies a facility as the source of an emission of methane or
8 other associated gas under Section 382.472 that violates a standard
9 adopted under that section, the commission shall require the
10 operator of the facility to repair or shut off the source of the
11 emission not later than the 30th day after the date the commission
12 identifies the facility. The operator may not resume operations at
13 the facility until the facility is repaired and the commission
14 authorizes the resumption.

15 (b) The commission shall consider an operator's compliance
16 with Subsection (a) when determining whether to impose a penalty
17 for a violation of a standard adopted under Subsection (a).

18 SECTION 2. Section 386.051(b), Health and Safety Code, is
19 amended to read as follows:

20 (b) Under the plan, the commission and the comptroller shall
21 provide grants or other funding for:

22 (1) the diesel emissions reduction incentive program
23 established under Subchapter C, including for infrastructure
24 projects established under that subchapter;

25 (2) the motor vehicle purchase or lease incentive
26 program established under Subchapter D;

27 (3) the air quality research support program

- 1 established under Chapter 387;
- 2 (4) the clean school bus program established under
3 Chapter 390;
- 4 (5) the new technology implementation grant program
5 established under Chapter 391;
- 6 (6) the regional air monitoring program established
7 under Section 386.252(a);
- 8 (7) a health effects study as provided by Section
9 386.252(a);
- 10 (8) air quality planning activities as provided by
11 Section 386.252(d);
- 12 (9) a contract with the Energy Systems Laboratory at
13 the Texas A&M Engineering Experiment Station for computation of
14 creditable statewide emissions reductions as provided by Section
15 386.252(a);
- 16 (10) the Texas clean fleet program established under
17 Chapter 392;
- 18 (11) the Texas alternative fueling facilities program
19 established under Chapter 393;
- 20 (12) the Texas natural gas vehicle grant program
21 established under Chapter 394;
- 22 (13) other programs the commission may develop that
23 lead to reduced emissions of nitrogen oxides, particulate matter,
24 or volatile organic compounds in a nonattainment area or affected
25 county;
- 26 (14) other programs the commission may develop that
27 support congestion mitigation to reduce mobile source ozone

1 precursor emissions;

2 (15) the seaport and rail yard areas emissions
3 reduction program established under Subchapter D-1;

4 (16) conducting research and other activities
5 associated with making any necessary demonstrations to the United
6 States Environmental Protection Agency to account for the impact of
7 foreign emissions or an exceptional event;

8 (17) studies of or pilot programs for incentives for
9 port authorities located in nonattainment areas or affected
10 counties as provided by Section 386.252(a);

11 (18) the governmental alternative fuel fleet grant
12 program established under Chapter 395;

13 (19) remittance of funds to the state highway fund for
14 use by the Texas Department of Transportation for congestion
15 mitigation and air quality improvement projects in nonattainment
16 areas and affected counties; ~~and~~

17 (20) the Texas hydrogen infrastructure, vehicle, and
18 equipment grant program established under Subchapter G; and

19 (21) the methane emissions program established under
20 Section 382.472.

21 SECTION 3. Section 386.252(a), Health and Safety Code, is
22 amended to read as follows:

23 (a) Money in the fund and account may be used only to
24 implement and administer programs established under the plan.
25 Subject to the reallocation of funds by the commission under
26 Subsection (h) and after remittance to the state highway fund under
27 Subsection (a-1), money from the fund and account to be used for the

1 programs under Section 386.051(b) shall initially be allocated as
2 follows:

3 (1) four percent may be used for the clean school bus
4 program under Chapter 390;

5 (2) eight percent total may be used between the Texas
6 hydrogen infrastructure, vehicle, and equipment grant program
7 established under Subchapter G and the new technology
8 implementation grant program under Chapter 391, from which at least
9 \$1 million will be set aside for electricity storage projects
10 related to renewable energy and not more than \$8 million may be used
11 for the Texas hydrogen infrastructure, vehicle, and equipment grant
12 program;

13 (3) five percent may be used for the Texas clean fleet
14 program under Chapter 392;

15 (4) not more than \$3 million may be used by the
16 commission to fund a regional air monitoring program in commission
17 Regions 3 and 4 to be implemented under the commission's oversight,
18 including direction regarding the type, number, location, and
19 operation of, and data validation practices for, monitors funded by
20 the program through a regional nonprofit entity located in North
21 Texas having representation from counties, municipalities, higher
22 education institutions, and private sector interests across the
23 area;

24 (5) 7.5 percent may be used for the Texas natural gas
25 vehicle grant program under Chapter 394;

26 (6) not more than \$6 million may be used for the Texas
27 alternative fueling facilities program under Chapter 393, of which

1 a specified amount may be used for fueling stations to provide
2 natural gas fuel, except that money may not be allocated for the
3 Texas alternative fueling facilities program for the state fiscal
4 year ending August 31, 2019;

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

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

9 (9) at least \$6 million but not more than 15 percent
10 may be used by the commission for administrative costs, including
11 all direct and indirect costs for administering the plan, costs for
12 conducting outreach and education activities, and costs
13 attributable to the review or approval of applications for
14 marketable emissions reduction credits;

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

18 (11) 2.5 percent may be used for the light-duty motor
19 vehicle purchase or lease incentive program established under
20 Subchapter D;

21 (12) not more than \$500,000 may be used by the
22 commission to contract with the Energy Systems Laboratory at the
23 Texas A&M Engineering Experiment Station annually for the
24 development and annual computation of creditable statewide
25 emissions reductions for the state implementation plan that are
26 obtained through:

27 (A) wind and other renewable energy resources;

1 (B) energy efficiency programs administered by
2 the Public Utility Commission of Texas or the State Energy
3 Conservation Office; or

4 (C) the implementation of advanced building
5 energy codes;

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

11 (14) not more than \$2 million may be used by the
12 commission for the methane emissions program under Section 382.472;
13 and

14 (15) 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 4. This Act takes effect September 1, 2025.