

SUBJECT: Purchasing requirements for low-emissions vehicles by state agencies

COMMITTEE: State Affairs — favorable, without amendment

VOTE: 14 ayes — Solomons, Menendez, Craddick, Farabee, Gallego, Geren, Harless, Hilderbran, Jones, Lucio, Maldonado, Oliveira, Swinford, S. Turner

0 nays

1 absent — Cook

WITNESSES: For — Cyrus Reed, Lone Star Chapter, Sierra Club; Tom “Smitty” Smith, Public Citizen; (*Registered, but did not testify*: Chris Miller, Association of Electric Companies of Texas)

Against — None

On — Perry Been, State Energy Conservation Office

BACKGROUND: HB 2293 by Noriega, enacted by the 80th Legislature in 2007, requires state agencies purchasing 10 or more passenger vehicles in a fiscal biennium to ensure that at least 10 percent be low-emission vehicles, unless those vehicles do not meet the agency's needs or are unavailable for purchase.

Specifically, the low-emission vehicles must meet or exceed the emission standards necessary to be rated by the federal Environmental Protection Agency as a Tier II, Bin 3 emissions standard vehicle that has a greenhouse gas score of eight under regulations as they existed September 1, 2007.

Tier II, Bin 3 vehicles are classified as cleaner than the average standard, with Bin 1 and 2 vehicles being “zero-emission” vehicles. Some examples of Tier II, Bin 3 vehicles are the Toyota Prius and the Ford Escape Hybrid.

The greenhouse gas score reflects the amount of greenhouse gas a vehicle will produce over its lifetime, based on typical consumer usage. The

scoring is from 0 to 10, with 10 representing the lowest amount of greenhouse gas produced.

DIGEST: HB 432 would increase the percentage requirement of low-emission vehicles purchased by a state agency in a fiscal biennium to at least 20 percent of the total number of vehicles purchased.

HB 432 would take effect September 1, 2009.

SUPPORTERS SAY: HB 432 would boost the percentage of low-emission vehicles that state agencies would be required to purchase. The state fleet currently is comprised of about 27,000 active vehicles distributed among 95 agencies and universities. The eligible low-emission vehicles have a combined fuel efficiency of at least 30 miles per gallon. Buying more fuel-efficient, low-emission vehicles would help save \$200 to \$1,500 each year per vehicle in fuel costs, reduce nitrogen oxides and global warming emissions, and give another impetus for clean technology to locate in this state.

Increasing the purchase percentage of low-emission vehicles would not create a problem for state agencies. Existing law already allows an exemption for state agencies such as the Texas Department of Transportation and the Texas Parks and Wildlife Department that require special types of vehicles for which a low-emission alternative may not be commercially available.

OPPONENTS SAY: Low-emission vehicles cost approximately \$5,000 to \$7,000 more than traditional vehicles. It will take several years for the affected state agencies to be able to make up the extra cost in fuel savings.

It may be premature to increase the percentage requirement so soon after the initial change in law requiring 10 percent of state fleets be low-emission vehicles. There has not yet been an adequate opportunity to determine the impact of the change on the state fleet mandated by the Legislature last session to decide whether to increase the percentage of low-emission vehicles that state agencies would be required to purchase.