

## BILL ANALYSIS

Senate Research Center  
79R5710 SMH-D

S.B. 1102  
By: Jackson, Mike  
S/C on Agriculture & Coastal Resources  
3/30/2005  
As Filed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

There is no current Texas law regarding agricultural biomass. This legislation allows for incentives that are currently not available to farmers which allow certain types of viable energy production. It addresses the need for additional methods of renewable energy and works to free more landfill space and improve air pollution.

As proposed, S.B. 1102 establishes an incentive program for farmers who provide biomass to facilities that convert biomass to electrical energy. It gives farmers \$10 per dry ton of biomass that is suitable for use in generating energy.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of agriculture in SECTION 1 (Sections 22.002 and 22.003, Agriculture Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 2, Agriculture Code, by adding Chapter 22, as follows:

#### CHAPTER 22. AGRICULTURAL BIOMASS INCENTIVE PROGRAM

Sec. 22.001. DEFINITION. Defines "qualified agricultural biomass."

Sec. 22.002. AGRICULTURAL BIOMASS GRANTS. (a) Requires the department of agriculture (department) to establish a program to make grants to farmers who provide agricultural biomass to facilities that convert biomass to energy to provide an incentive for the construction of facilities for that purpose to promote economic development, encourage the use of renewable sources in the production of energy, and reduce air pollution caused by the burning of agricultural biomass in the open fields.

(b) Sets forth the requirements for the facilities that qualify a farmer to receive a grant in the amount of \$10 for each green ton of qualified agricultural biomass provided by the farmer.

(c) Authorizes the commissioner of agriculture (commissioner), by rule, notwithstanding Subsection (b), to authorize the making of a grant for providing a green ton of a type or source of qualified agricultural biomass in an amount greater than the amount provided by that subsection if the commissioner determines that a grant in a greater amount is necessary to provide an adequate incentive to convert that type or source of qualified agricultural biomass to energy.

(d) Requires the Public Utility Commission of Texas (PUC) and the Texas Commission on Environmental Quality (TCEQ) to assist the department as necessary to enable the department to determine whether a facility meets the requirement of this section for purposes of eligibility of farmers for grants under this chapter.

(e) Requires a farmer, in order to receive a grant under this chapter, to file an application with the department on a form prescribed by the department.

Requires the form to require the farmer to provide the information necessary to determine whether the farmer is entitled to receive a grant and the amount of the grant to which the farmer is entitled.

(f) Requires the department to provide for the distribution of grant money under this chapter to eligible farmers. Requires grant money to be distributed to eligible farmers in the order in which applications for the grants are received. Requires the department to make grants not less often than quarterly, subject to appropriations.

Sec. 22.003. RULES. Requires the commissioner, in consultation with PUC and TCEQ, to adopt rules to implement this chapter.

SECTION 2. Requires the commissioner of agriculture, no later than December 1, 2005, in consultation with PUC and TCEQ, to adopt rules to implement Chapter 22, Agriculture Code, as added by this Act. Requires the department, no later than January 1, 2006, to be prepared to make grants under Chapter 22, Agriculture Code, as added by this Act, to farmers who provide qualified agricultural biomass to facilities that convert biomass to energy.

SECTION 3. Effective date: September 1, 2005.