

BILL ANALYSIS

Senate Research Center

S.B. 1785
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Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

As the population and economy of Texas continue to grow, additional energy capacity will be needed. Because the method used to supply additional energy is imperative to the wellbeing of Texas, future energy sources need to be reliable and environmentally clean.

As proposed, S.B. 1785 provides incentives to encourage the use of advanced clean energy technology.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 3 (Section 26.045, Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

[While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality (TCEQ), as the successor agency to TNRCC.]

SECTION 1. Amends Section 382.003, Health and Safety Code, by adding Subdivisions (4-a), (4-b), and (12-a) to define "clean coal technology," "coal," and "ultraclean energy project."

SECTION 2. Amends Subchapter C, Chapter 382, Health and Safety Code, by adding Section 382.0566, as follows:

Sec. 382.0566. ULTRACLEAN ENERGY PROJECT PERMITTING PROCEDURE.

(a) Requires TNRCC to issue a final order issuing or denying a permit, as authorized by federal law, not later than one year after declaring administratively complete an application for a permit under this chapter for an ultraclean energy project.

(b) Provides that the permit process authorized by this section is subject to the requirements relating to a contested case hearing under this chapter, Chapter 5 (Texas Natural Resource Conservation Commission), Water Code, or Subchapters C-G (Contested Cases), Chapter 2001, Government Code, as applicable.

(c) Requires that nothing in this chapter be interpreted as requiring an applicant for an air quality permit to prove, as part of a best available control technology analysis, that clean coal technology or ultraclean energy technology being proposed has already been demonstrated to be feasible in a commercial operation.

SECTION 3. Amends Section 26.045, Tax Code, as follows:

Sec. 26.045. ROLLBACK RELIEF FOR POLLUTION CONTROL REQUIREMENTS.

(a) Changes references to TNRCC as the Texas Commission on Environmental Quality (TCEQ).

(c) Makes a conforming change.

(d) Makes conforming and nonsubstantive changes.

(e) Makes a conforming change.

(f) Requires TCEQ to adopt rules establishing a predetermined list of pollution control equipment, which must include certain facilities, equipment, processes, and technologies.

(g)) Requires TCEQ to update the predetermined list of pollution control equipment by rule at least once every three years. Prohibits an item from being removed from the list unless TCEQ finds compelling evidence to support the conclusion that the item does not render pollution control benefits.

(h) Requires the executive director of TCEQ to make a determination that equipment matching the description of equipment listed in Subsection (f) is being used wholly to control pollution and to issue a letter to the political subdivision stating that determination not later than the 30th day after receiving the information required by Subsections (c)(2) and (3) and without requiring information described under Subsection (c)(1).

(i) Redesignated from existing Subsection (f). Makes conforming changes.

SECTION 4. Amends Section 313.024 (b), Tax Code, as follows:

(b) Requires an entity to use the property in connection with an ultraclean energy project, rather than a gasification project for a coal and biomass mixture, as defined by Section 382.003 (Definitions), Health and Safety Code, to be eligible for a limitation on appraised value under this subchapter.

SECTION 5. Requires TCEQ to adopt rules required under Section 382.0566, Health and Safety Code, as added by this Act, and Section 26.045 (f), Tax Code, as amended by this Act, not later than January 1, 2008.

SECTION 6. Effective date: upon passage or September 1, 2007.