

## **BILL ANALYSIS**

C.S.H.B. 2361  
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Environmental Regulation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The new technology implementation grant program was created as part of the Texas emissions reduction plan and aims to use new technology to improve air quality in Texas and meet standards established under the federal Clean Air Act. The program, however, contains some requirements that make it difficult for some entities to compete for grants, and the program's governing statutes have not kept pace with technological advances and the desire to reduce flaring in Texas. C.S.H.B. 2361 seeks to address these issues by updating the program's governing statutes.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 2361 amends the Health and Safety Code to include projects that reduce flaring emissions and other site emissions among the projects for which the Texas Commission on Environmental Quality is required to give preference in awarding grants under the new technology implementation grant program. The bill removes a specification limiting eligibility for grant consideration under the program for such a project to those that achieve a reduction in emissions by capturing waste heat to generate electricity solely for on-site service. The bill provides for the use of a grant for the payment of the incremental costs of the lease of the project for which the grant is made and authorizes a grant recipient to use a grant for the costs of operating and maintaining the applicable emissions-reducing equipment.

### **EFFECTIVE DATE**

September 1, 2021.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2361 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute provides for the use of a grant to pay the incremental costs of the lease of a project, whereas the original provides for the use of a grant to pay the incremental costs of the rental of the project.

The original removes the statutory prohibition against a grant recipient using the grant for the costs of operating and maintaining the applicable emissions-reducing equipment whereas the substitute revises this prohibition to instead authorize the recipient to use the grant for those costs.

The substitute does not include provisions contained in the original that change the initial allocations of funding under the Texas emissions reduction plan for the new technology implementation grant program and the Texas clean fleet program.