

SUBJECT: Directing the energy conservation office to pursue federal fuel cell programs

COMMITTEE: Energy Resources — favorable, without amendment

VOTE: 5 ayes — West, Farabee, Canales, E. Jones, B. Keffer

0 nays

2 absent — Crabb, Delisi

WITNESSES: For — Sidney G. Bolfig, Texas State Technical College; Malcolm Jacobson, Fuel Cells Texas; Robert J. King, Fuel Cells Texas; W.C. “Dub” Smothers, Textile Maintenance Association of Texas; *(Registered, but did not testify:)* John Vanston

Against — None

On — Dub Taylor, State Energy Conservation Office

BACKGROUND: A fuel cell is an electrochemical generator that creates electricity through chemical, rather than combustible, means. It operates much like a renewable battery by combining oxygen and hydrogen. The hydrogen can come from natural gas, propane, coal gas, or another source.

In 2001 the Legislature enacted HB 2845 by Danburg, directing the State Energy Conservation Office (SECO) in the Comptroller’s Office to develop a statewide plan to speed the commercialization of fuel cell generation.

DIGEST: HB 1616 would direct SECO to partner with the United States Department of Energy and other federal agencies to research, develop, and demonstrate fuel cell technology in Texas.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS
SAY:**

HB 1616 would help put Texas at the forefront of the development of a revolutionary technology. Because fuel cells are powered by an electrochemical reaction, they produce no harmful polluting volatile organic compounds, particulates, or nitrous oxides. Mass production and commercialization also would help wean the United States from expensive, nonrenewable oil produced in the Middle East and other politically unstable regions. Requiring a Texas state agency to pursue federal funds and assistance would speed deployment of this promising technology.

This bill would facilitate SECO's involvement in fuel cell development as the technology actively is being promoted by the federal government. In his January 2003 State of the Union Address, President Bush announced a \$1.2 billion proposal to develop hydrogen-powered automobiles, underscoring the federal government's commitment to alternative energy sources such as fuel cells. An injection of fuel cell-related federal funds into the state would stimulate a nascent industry that is poised for the kind of explosive growth witnessed by the computer industry in the 1970s and 80s.

As it has been involved in fuel cell promotion for several years, SECO is the appropriate agency to coordinate federal partnerships in this field. SECO already has completed a report on the commercialization of fuel cells in Texas and has partnered with the federal government in numerous capacities regarding this technology. HB 1616 simply would provide SECO with legislative intent to codify this mission.

**OPPONENTS
SAY:**

No apparent opposition.