

**SUBJECT:** Establishing a residential energy efficiency loan program

**COMMITTEE:** Energy Resources — committee substitute recommended

**VOTE:** 11 ayes — Darby, Paddie, Anchia, Dale, Herrero, Keffer, P. King, Landgraf, Meyer, Riddle, Wu

1 nay — Craddick

1 absent — Canales

**WITNESSES:** For — Cyrus Reed, Lone Star Chapter Sierra Club; Jeffrey Trucksess, NAIMA; Todd McAlister, Texas Air Conditioning Contractors Association; Peter Gage, WHEEL Partnership; (*Registered, but did not testify*: Kenneth Flippin; Michael Jewell, CLEAResult Consulting, Inc., Environmental Defense Fund; Jennifer Rodriguez, Plumbing-Heating-Cooling Contractors Association of Texas; Theodore Wickersham, Jr., Public Citizen Inc.; David Weinberg, Texas League of Conservation Voters; David Lancaster, Texas Society of Architects; Daniel Womack, The Dow Chemical Company; David Matiella, U.S. Green Building Council; Lisa Valdivia, U.S. Green Building Council; Scott Gerhardt, US Green Building Council Central Texas Chapter)

Against — None

On — Doug Lewin, South-central Partnership for Energy Efficiency as a Resource (SPEER)

**BACKGROUND:** The Environmental Protection Agency (EPA) is authorized under the federal Clean Air Act to establish or revise national ambient air quality standards. The Clean Air Act requires states to develop implementation plans to meet the new national standards.

Health and Safety Code, sec. 389.002 requires the Texas Commission on Environmental Quality to use data from certain reports when reporting to the EPA progress toward emissions reduction objectives established in the

state implementation plan.

Residential households, many of which are older and lack energy efficiency upgrades, account for a significant part of the state's overall energy use. This has a direct effect on the state's ability to meet federal air quality standards.

**DIGEST:**

CSHB 2392 would direct the State Energy Conservation Office to establish and administer a self-sustaining loan program for improvements that increase the energy efficiency of existing residences. Rules adopted to implement these provisions would have to establish eligibility requirements for the receipt of a loan, including emissions reductions criteria.

The bill would require the State Energy Conservation Office to annually report the energy and emissions reductions effected by this loan program to the Texas Commission on Environmental Quality and the Texas A&M Energy Systems Laboratory. These reports would be used by the commission when reporting on progress toward emissions objectives in the state implementation plan.

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, 2015.