

SUBJECT: Revising rules for the diesel emissions reduction incentive program

COMMITTEE: Environmental Regulation — favorable, without amendment

VOTE: 8 ayes — Lozano, E. Thompson, Blanco, Kacal, Kuempel, Morrison, J. Turner, Zwiener

0 nays

1 absent — Reynolds

WITNESSES: For — Jerry Young, Mustang CAT; (*Registered, but did not testify*: Carolyn Brittin, Associated General Contractors of Texas, Highway Heavy; Mark Vane, HB Strategies; Kathi Harris)

Against — (*Registered, but did not testify*: Bill Kelberlau)

On — Sam Gammage, Texas Chemical Council; (*Registered, but did not testify*: Joe Walton, Texas Commission on Environmental Quality)

BACKGROUND: Health and Safety Code sec. 386.104 establishes eligibility requirements for the diesel emissions reduction incentive program, which is administered by the Texas Commission on Environmental Quality (TCEQ) and provides grants to eligible projects that reduce emissions from diesel sources in areas of the state that do not attain federal air quality standards.

In order for most projects to be eligible for an incentive grant to replace, repower, or otherwise improve a diesel source, at least 75 percent of the diesel vehicle's miles traveled or hours of operation for five years after the grant award must be projected to take place in a nonattainment area or other county affected by low air quality.

Interested parties suggest that greater participation in the program could be achieved by allowing the TCEQ more flexibility in determining grant qualifications.

**DIGEST:** HB 1346 would allow the Texas Commission on Environmental Quality to set a different minimum percentage of vehicle miles traveled or hours of operation required in a nonattainment area or affected county than is otherwise currently established in statute for a project to qualify for a diesel emissions reduction incentive program grant.

This bill would take effect September 1, 2019.