

- SUBJECT:** Specifying programs for the Supplemental Environmental Project
- COMMITTEE:** Environmental Regulation — favorable, without amendment
- VOTE:** 8 ayes — Lozano, E. Thompson, Kacal, Kuempel, Morrison, Reynolds, J. Turner, Zwiener
- 0 nays
- 1 absent — Blanco
- WITNESSES:** For — Cyrus Reed, Lone Star Chapter Sierra Club; (*Registered, but did not testify*: Rick Thompson, Texas Association of Counties; Grover Campbell, Texas Association of School Boards; Alexis Tatum, Travis County Commissioners Court)
- Against — None
- On — (*Registered, but did not testify*: Bryan Sinclair, Texas Commission on Environmental Quality)
- BACKGROUND:** Supplemental Environmental Projects (SEP) are environmentally beneficial projects that a respondent agrees to undertake in settlement of an enforcement action. Money directed to Texas Commission on Environmental Quality-approved environmental projects may be used to offset assessed penalties in enforcement actions.
- DIGEST:** HB 4493 would allow the Texas Commission on Environmental Quality (TCEQ) to determine the types of projects that may be approved as a Supplemental Environmental Project (SEP).
- For a respondent that was a local government, those types of projects would be required to include:
- purchasing, operating, or maintaining alternative fuel vehicles, including passenger cars, light trucks, heavy trucks, and buses, as

well as alternative fuel heavy equipment, including tractors, bulldozers, front-end loaders, and motor graders;

- constructing, operating, or maintaining alternative fuel refueling infrastructure necessary to operate an alternative fuel fleet; and
- providing energy efficiency upgrades to buildings and facilities owned by the local government, including heating, ventilation, air conditioning, lighting, and building envelope upgrades.

For a SEP involving alternative fuel vehicles, TCEQ would be required to allow the project to include the entire cost of the vehicle and any alternative fuel equipment or upgrades involved. TCEQ could not limit the project to including only the difference in cost between conventional fuel vehicles and their alternative fuel counterparts.

The bill would prohibit TCEQ from requiring a contract associated with a SEP to be for a term of less than five years, and would be required to allow a contract associated with a supplemental environmental project to be renewable for periods of at least five years.

The bill would take effect September 1, 2019.