

SUBJECT: Revising marine vessel project eligibility for TCEQ grant program

COMMITTEE: Environmental Regulation — committee substitute recommended

VOTE: 8 ayes — Landgraf, Dominguez, Dean, Goodwin, Kacal, Kuempel, Morales Shaw, Morrison

0 nays

1 absent — Reynolds

WITNESSES: For — Jerry Young, Mustang Marine; (*Registered, but did not testify:* Bakeyah Nelson, Air Alliance Houston; Mike Meroney, BASF Corporation; Greg Macksood, Devon Energy; Cyrus Reed, Lone Star Chapter Sierra Club; William Stevens, Panhandle Producers and Royalty Owners Association; Adrian Shelley, Public Citizen; Mark Vickery, Texas Association of Manufacturers; Mark Vane, Texas Caterpillar Dealers Legislative Council; Sam Gammage, Texas Chemical Council; Shana Joyce, Texas Oil and Gas Association; Susana Carranza; Suzanne Mitchell)

Against — None

On — (*Registered, but did not testify:* Mike Wilson, TCEQ)

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 meet federal air quality standards.

Sec. 386.104(c-1) requires that for a proposed project involving a marine vessel or engine to be eligible for a grant, the vessel or engine must be operated in the intercoastal waterways or bays adjacent to a nonattainment area or affected county for a sufficient amount of time over the lifetime of

the project, as determined by TCEQ, to meet certain cost-effectiveness requirements.

TCEQ guidelines specify that at least 75 percent of a vessel or engine's annual use must occur in the bays adjacent to an eligible county or in the Texas Intracoastal Waterway for the vessel or engine to be eligible for the incentive program.

Concerns have been raised that the current TCEQ guideline for program eligibility is too restrictive. Interested parties have suggested that greater participation in the program could be achieved by establishing less restrictive parameters for obtaining grants for marine vessels or engines on marine vessels.

DIGEST:

CSHB 2136 would amend Health and Safety Code sec. 386.104 to require that in order to be eligible for a diesel emissions reduction incentive program grant, a marine vessel or engine had to be operated in the intercoastal waterways or bays adjacent to a nonattainment area or affected county for a sufficient percentage of time, rather than a sufficient amount of time, as determined by the Texas Commission on Environmental Quality. The percentage determined by the commission could not be less than 55 percent.

The bill would take effect September 1, 2021.