

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1102  
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S/C on Agriculture & Coastal Resources  
4/7/2005  
Committee Report (Substituted)

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

There is no current Texas law regarding agricultural biomass. This legislation allows for incentives that are currently not available to farmers which allow certain types of viable energy production. It addresses the need for additional methods of renewable energy and works to free more landfill space and improve air pollution.

C.S.S.B. 1102 establishes an incentive program for farmers or diverters who provide biomass to facilities that convert biomass to electrical energy. It gives farmers \$30 per bone-dry ton of biomass, and diverters \$10 per bone-dry tone that is suitable for use in generating energy.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of agriculture in SECTION 1 (Sections 22.003 and 22.008, Agriculture Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 2, Agriculture Code, by adding Chapter 22, as follows:

#### **CHAPTER 22. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS INCENTIVE PROGRAM**

Sec. 22.001. **POLICY AND PURPOSE.** Provides that it is the policy of this state and the purpose of this Chapter to reduce air-pollution from open-field burning and landfill operations and to improve air quality.

Sec. 22.002. **DEFINITIONS.** Defines "diverter," "farmer," and "qualified agricultural biomass."

Sec. 22.003. **GRANT PROGRAM.** (a) Requires the Department of Agriculture (department) to development [sic] and administer the landfill diversion and agricultural biomass incentive program to make grants to farmers and diverters who provide quality agricultural biomass to facilities that convert biomass to electrical energy in order to provide an incentive for the construction of facilities for that purpose to promote economic development, encourage the use of renewable sources in the production of electrical energy, and reduce air pollution caused by the burning of agricultural biomass in the open fields.

(b) Sets forth the requirements for the facilities that qualify a farmer to receive a grant in the amount of \$30 per ton, and a diverter to receive \$10 per ton, for each bone-dry ton of qualified agricultural biomass provided by the farmer or diverter in a form suitable for biomass conversion.

(c) Authorizes the commissioner of agriculture (commissioner), by rule, to authorize the making of a grant for providing a bone-dry ton of a type or source of qualified agricultural biomass in an amount greater than the amount provided by Subsection (b) if the commissioner determines that a grant in a greater amount is necessary to provide an adequate incentive to convert that type or source of qualified agricultural biomass to energy.

(d) Requires the Public Utility Commission of Texas (PUC) and the Texas Commission on Environmental Quality (TCEQ) to assist the department as necessary to enable the department to determine whether a facility meets the requirement of this section for purposes of eligibility of farmers for grants under this chapter.

(e) Requires a farmer or diverter, in order to receive a grant under this chapter, to file an application with the department on a form prescribed by the department. Requires the form to require the farmer or diverter to provide the information necessary to determine whether the farmer or diverter is entitled to receive a grant and the amount of the grant to which the farmer is entitled.

(f) Requires the department to provide for the distribution of grant money under this chapter to eligible farmers and diverters. Requires grant money to be distributed to eligible farmers and diverters in the order in which applications for the grants are received. Requires the department to make grants not less often than quarterly, subject to appropriations.

(g) Authorizes the department to contract with and provide for the compensation of private consultants, contractors, and other persons to administer the landfill diversion and agricultural biomass incentive program.

Sec. 22.004. LANDFILL DIVERSION AND AGRICULTURAL BIOMASS INCENTIVE PROGRAM ACCOUNT. (a) Provides that the landfill diversion and agricultural biomass incentive program account is an account in the general revenue fund. Sets forth the composition of the account.

(b) Authorizes the department to solicit and accept gifts in kind, donations, and grants of money from the federal government, local governments, private corporations, or other persons to be used for the purposes of this chapter.

(c) Authorizes money in the account to be appropriated to the department only for the purpose of implementing and maintaining the landfill diversion and agricultural biomass incentive program.

(d) Requires income from money in the account to be credited to the account.

Sec. 22.005. LIMITATION ON GRANT AMOUNT. Authorizes the department to grant no more than \$30 million each fiscal year under this chapter. Provides that any unspent balance remaining in the landfill diversion and agricultural biomass incentive program account at the end of each fiscal year is available for grants made during subsequent years.

Sec. 22.006. LENGTH OF PROGRAM. Provides that the landfill diversion and agricultural biomass incentive program ends on August 31, 2020. Requires any funds remaining in the landfill diversion and agricultural biomass incentive program account on September 1, 2020, to be deposited in the general revenue fund.

Sec. 22.007. BIOMASS CONVERSION FACILITIES NOT ELIGIBLE. (a) Provides that except as described under Subsection (b), a biomass conversion facility is not eligible to receive a grant under this chapter or under any other state law for the conversion of qualified agricultural biomass for which a farmer or diverter has received a grant under this chapter.

(b) Authorizes a biomass conversion facility to receive a grant under this chapter for the conversion of qualified agricultural biomass which arrives at the facility in a form unsuitable for conversion and which the facility processes into a form suitable for conversion.

Sec. 22.008. RULES. Requires the commissioner, in consultation with PUC and TCEQ, to adopt rules to implement this chapter.

Sec. 22.009. AVAILABILITY OF FUNDS. Prohibits the department, notwithstanding any other provision of this chapter, from being required to administer this chapter or promulgate rules under this chapter until funds are available for those purposes.

SECTION 2. Effective date: September 1, 2005.