

BILL ANALYSIS

Senate Research Center
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S.B. 1668
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Agriculture & Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 80th Legislature, Regular Session, 2007, passed H.B. 1090 to create the Agricultural Biomass Landfill Diversion Incentive Program within the Texas Department of Agriculture (TDA). The program was designed to make grants to facilities that generate electric energy with certain types of agricultural residues, wasted debris, or crops.

Ultimately no funding was made available for the program, due in part to disagreements regarding who was eligible to qualify for funds.

As proposed, S.B. 1668 requires grant applicants in the program created by this Act under Section 22.003 (Grant Program), Agriculture Code, to comply with the requirements set out by the Act.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of agriculture in SECTION 2 (Section 22.003, Agriculture Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 22.001, Agriculture Code, as follows:

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, improve air quality, protect public health, help this state diversify its energy supply, and divert waste from landfills through new price-support incentives to encourage the generation of, rather than construction of facilities to generate, electric energy with certain types of agricultural residues, forest wood waste, urban wood waste, storm-generated biomass debris, and energy-dedicated crops.

SECTION 2. Amends Section 22.003, Agriculture Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Provides that subject to Section 22.005 (Limitation on Grant Amount), a farmer, logger, or diverter is entitled to receive a grant in the amount of \$20 for each bone-dry ton of qualified agricultural biomass, forest wood waste, urban wood waste, or storm-generated biomass debris provided by the farmer, logger, or diverter in a form suitable for generating electric energy to a facility that generates electric energy for its own use or for sale to a third party by using qualified agricultural biomass, forest wood waste, urban wood waste, or storm-generated biomass debris, rather than generates electric energy sold to a third party. Deletes existing text applying this section to a facility that was placed in service after August 31, 2009. Makes nonsubstantive changes.

(b-1) Requires the commissioner of agriculture (commissioner) by rule, consistent with Subsection (d) (relating to the Public Utility Commission of Texas and the Texas Commission on Environmental Quality assisting the Texas Department of Agriculture (TDA) as necessary to enable the department to determine whether a facility meets the requirements of Subsection (b)), to establish requirements an applicant is required to comply with to be eligible for a grant under this chapter; performance standards that are required to be met by a recipient of a grant under this chapter; audit procedures that

ensure that the recipient of a grant meets the performance standards established by this section; and procedures for recovering grant funds from a recipient who fails to meet the requirements or standards established by the commissioner for the grant.

SECTION 3. Requires TDA to adopt rules consistent with Section 22.003 (Grant Program), Agriculture Code, as amended by this Act, not later than December 1, 2009.

SECTION 4. Effective date: September 1, 2009.