

BILL ANALYSIS

Senate Research Center
87R17909 MP-F

H.B. 2361
By: Landgraf; Reynolds (Birdwell)
Natural Resources & Economic Development
5/18/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2361 amends the Health and Safety Code to include projects that reduce flaring emissions and other site emissions among the projects for which the Texas Commission on Environmental Quality is required to give preference in awarding grants under the new technology implementation grant program. The bill also removes the grant eligibility requirement that mandates reductions in flaring emissions and other site emissions be utilized to capture waste heat to generate electricity solely for on-site service and therefore simply allows for the installation of systems that reduce flaring emissions and other site emissions. Finally, the bill allows for grants to be used for the lease of new technology projects and allows grant recipients to use the grant for the costs of operating and maintaining the emissions-reducing equipment.

H.B. 2361 amends current law relating to the new technology implementation grant program administered by the Texas Commission on Environmental Quality.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 391.002(b), Health and Safety Code, as follows:

(b) Provides that projects that may be considered for a grant under the technology implementation program include:

(1) and (2) makes no changes to these subdivisions;

(3) new technology projects that reduce emissions from upstream and midstream oil and gas production, completions, gathering, storage, processing, and transmission activities through:

(A) and (B) makes no changes to these paragraphs; or

(C) the installation of systems that reduce flaring emissions and other site emissions, rather than the installation of systems that reduce flaring emissions and other site emissions by capturing waste heat to generate electricity solely for on-site service; and

(4) makes no changes to this subdivision.

SECTION 2. Amends Section 391.205(a), Health and Safety Code, as follows:

(a) Requires the Texas Commission on Environmental Quality (TCEQ), in awarding grants under Chapter 391 (New Technology Implementation for Facilities and Stationary Sources), except as provided by Subsection (c) (relating to authorizing TCEQ to give preference to certain projects only if the project's cost-effectiveness and emission performance are comparable to that of a non-preferred project), to give preference to

certain projects, including projects that reduce flaring emissions and other site emissions. Makes nonsubstantive changes.

SECTION 3. Amends Section 391.301, Health and Safety Code, as follows:

Sec. 391.301. RESTRICTION ON USE OF GRANT. Requires a recipient of a grant under this chapter to use the grant to pay the incremental costs of the purchase, lease, or installation, rather than of the purchase and installation, of the project for which the grant is made, which may include reasonable and necessary expenses for the labor needed to install emissions-reducing equipment. Authorizes, rather than prohibits, the recipient to use the grant for the costs of operating and maintaining the emissions-reducing equipment.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2021.