2	relating to the implementation of advanced clean energy projects			
3	and other environmentally protective projects in this state.			
4	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:			
5	SECTION 1. Chapter 447, Government Code, is amended by			
6	adding Section 447.013 to read as follows:			
7	Sec. 447.013. ADVANCED CLEAN ENERGY PROJECT GRANT AND LOAN			
8	PROGRAM. (a) In this section:			
9	(1) "Account" means the advanced clean energy project			
10	account established under this section.			
11	(2) "Advanced clean energy project" has the meaning			
12	assigned by Section 382.003, Health and Safety Code.			
13	(3) "Program" means the advanced clean energy project			
14	grant and loan program established under this section.			
15	(b) The advanced clean energy project grant and loan program			
16	is established to encourage the development of advanced clean			
17	energy projects in an environmentally protective manner. The			
18	program is administered by the State Energy Conservation Office.			
19	(c) The advanced clean energy project account is an account			
20	in the general revenue fund.			
21	(d) The account consists of:			
22	(1) a sub-account in the account that consists of the			
23	proceeds of bonds issued under Subsection (j);			

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(2) revenues allocated to the account under Section

- 1 <u>182.122, Tax Code;</u>
- 2 (3) any amount appropriated by the legislature for the
- 3 <u>account;</u>
- 4 (4) gifts, grants, and other donations received for
- 5 the account; and
- 6 (5) interest earned on the investment of money in the
- 7 <u>account.</u>
- 8 (e) Money in the account may be appropriated only to the
- 9 State Energy Conservation Office to award grants or to make or
- 10 guarantee loans under this section. The total amount of grants that
- 11 may be awarded under this section in any state fiscal biennium from
- 12 revenues described by Subsection (d)(2) may not exceed \$20 million.
- 13 The total amount of loans that may be made or guaranteed under this
- 14 section in any state fiscal biennium from revenues described by
- 15 Subsection (d)(2) may not exceed \$10 million.
- (f) Before awarding a grant or making a loan under this
- 17 section, the State Energy Conservation Office shall enter into a
- 18 written agreement with the entity to which the grant is to be
- 19 awarded or the loan is to be made. The agreement may specify that
- 20 if, as of a date specified by the agreement, the entity has not used
- 21 the grant or loan for the purposes for which the grant or loan was
- 22 <u>intended</u>, the entity shall repay the amount of the grant or the
- 23 amount of the loan and any accrued interest, as applicable, under
- 24 terms specified by the agreement.
- 25 (g) Under the program, the State Energy Conservation Office
- 26 may award a grant to the managing entity of an advanced clean energy
- 27 project in an amount not to exceed 50 percent of the total amount

- 1 invested in the project by private industry sources. The managing
- 2 entity of the project must provide any information considered
- 3 necessary by the State Energy Conservation Office to determine
- 4 whether the entity qualifies for the grant.
- 5 (h) Under the program, the State Energy Conservation Office
- 6 may make or guarantee a loan to the managing entity of an advanced
- 7 <u>clean energy project in this state. If the loan or guarantee is to</u>
- 8 be funded by the proceeds of bonds issued under Subsection (j), the
- 9 project must qualify for the loan or guarantee under Section 49-q,
- 10 Article III, Texas Constitution.
- 11 (i) A recipient of a grant or loan under this section is
- 12 encouraged to purchase goods and services from small businesses and
- 13 historically underutilized businesses, as those terms are defined
- 14 by Section 481.191, Government Code.
- 15 (j) The Texas Public Finance Authority shall issue general
- obligation bonds in accordance with and subject to Chapter 1232,
- 17 Government Code, for the purposes authorized by Section 49-q,
- 18 Article III, Texas Constitution.
- 19 SECTION 2. Section 382.003, Health and Safety Code, is
- amended by adding Subdivisions (1-a), (3-a), (7-a), and (11-a) to
- 21 read as follows:
- 22 (1-a) "Advanced clean energy project" means a project
- 23 for which an application for a permit under this chapter is received
- by the commission on or after January 1, 2008, and before January 1,
- 25 2020, and that:
- 26 (A) involves the use of coal, biomass, petroleum
- coke, solid waste, or fuel cells using hydrogen derived from such

- 1 fuels, in the generation of electricity, or the creation of liquid
- 2 fuels outside of the existing fuel production infrastructure while
- 3 co-generating electricity;
- 4 (B) is capable of achieving on an annual basis a
- 5 99 percent or greater reduction of sulfur dioxide emissions, a 95
- 6 percent or greater reduction of mercury emissions, and an emission
- 7 rate for nitrogen oxides of 0.05 pounds or less per million British
- 8 thermal units; and
- 9 (C) renders carbon dioxide capable of capture,
- 10 sequestration, or abatement if any carbon dioxide is produced by
- 11 the project.
- 12 (3-a) "Coal" has the meaning assigned by Section
- 13 134.004, Natural Resources Code.
- 14 (7-a) "Federally qualified clean coal technology"
- means a technology or process, including a technology or process
- applied at the precombustion, combustion, or postcombustion stage,
- for use at a new or existing facility that will achieve on an annual
- 18 basis a 97 percent or greater reduction of sulfur dioxide
- 19 emissions, an emission rate for nitrogen oxides of 0.08 pounds or
- 20 less per million British thermal units, and significant reductions
- 21 <u>in mercury emissions associated with the use of coal in the</u>
- 22 generation of electricity, process steam, or industrial products,
- 23 including the creation of liquid fuels, hydrogen for fuel cells,
- 24 and other coproducts. The technology used must comply with
- 25 applicable federal law regarding mercury emissions and must render
- 26 carbon dioxide capable of capture, sequestration, or abatement.
- 27 Federally qualified clean coal technology includes atmospheric or

- 1 pressurized fluidized bed combustion technology, integrated
- 2 gasification combined cycle technology, methanation technology,
- 3 magnetohydrodynamic technology, direct and indirect coal-fired
- 4 turbines, undiluted high-flame temperature oxygen combustion
- 5 technology that excludes air, and integrated gasification fuel
- 6 cells.
- 7 (11-a) "Solid waste" has the meaning assigned by
- 8 Section 361.003.
- 9 SECTION 3. Subchapter C, Chapter 382, Health and Safety
- 10 Code, is amended by adding Sections 382.0566 and 382.0567 to read as
- 11 follows:
- 12 Sec. 382.0566. ADVANCED CLEAN ENERGY PROJECT PERMITTING
- 13 PROCEDURE. (a) As authorized by federal law, not later than nine
- 14 months after the executive director declares an application for a
- permit under this chapter for an advanced clean energy project to be
- 16 administratively complete, the executive director shall complete
- its technical review of the application.
- 18 (b) The commission shall issue a final order issuing or
- denying the permit not later than nine months after the executive
- 20 director declares the application technically complete. The
- 21 commission may extend the deadline set out in this subsection up to
- 22 three months if it determines that the number of complex pending
- 23 applications for permits under this chapter will prevent the
- 24 commission from meeting the deadline imposed by this subsection
- 25 without creating an extraordinary burden on the resources of the
- 26 commission.
- 27 (c) The permit process authorized by this section is subject

- 1 to the requirements relating to a contested case hearing under this
- 2 chapter, Chapter 5, Water Code, or Subchapters C-G, Chapter 2001,
- 3 Government Code, as applicable.
- 4 (d) The commission shall adopt rules to implement this
- 5 section.
- 6 Sec. 382.0567. PROOF THAT TECHNOLOGY IS COMMERCIALLY
- 7 FEASIBLE NOT REQUIRED; CONSIDERATION OF TECHNOLOGY TO BE ACHIEVABLE
- 8 FOR CERTAIN PURPOSES PROHIBITED. (a) An applicant for a permit
- 9 under this chapter for a project in connection with which advanced
- 10 clean energy technology, federally qualified clean coal
- 11 technology, or another technology is proposed to be used is not
- 12 required to prove, as part of an analysis of whether the project
- will use the best available control technology or reduce emissions
- 14 to the lowest achievable rate, that the technology proposed to be
- 15 used has been demonstrated to be feasible in a commercial
- 16 <u>operation</u>.
- 17 (b) The commission may not consider any technology or level
- 18 of emission reduction to be achievable for purposes of a best
- 19 available control technology analysis or lowest achievable
- 20 emission rate analysis conducted by the commission under another
- 21 provision of this chapter solely because the technology is used or
- 22 the emission reduction is achieved by a facility receiving an
- 23 <u>incentive as an advanced clean energy project.</u>
- SECTION 4. Section 11.31, Tax Code, is amended by adding
- 25 Subsections (k), (l), and (m) to read as follows:
- 26 (k) The Texas Commission on Environmental Quality shall
- 27 adopt rules establishing a nonexclusive list of facilities,

1	devices, or methods for the control of air, water, or land			
2	pollution, which must include:			
3	(1) coal cleaning or refining facilities;			
4	(2) atmospheric or pressurized and bubbling or			
5	circulating fluidized bed combustion systems and gasification			
6	fluidized bed combustion combined cycle systems;			
7	(3) ultra-supercritical pulverized coal boilers;			
8	(4) flue gas recirculation components;			
9	(5) syngas purification systems and gas-cleanup			
10	nnits;			
11	(6) enhanced heat recovery systems;			
12	(7) exhaust heat recovery boilers;			
13	(8) heat recovery steam generators;			
14	(9) superheaters and evaporators;			
15	(10) enhanced steam turbine systems;			
16	(11) methanation;			
17	(12) coal combustion or gasification byproduct and			
18	<pre>coproduct handling, storage, or treatment facilities;</pre>			
19	(13) biomass cofiring storage, distribution, and			
20	<pre>firing systems;</pre>			
21	(14) coal cleaning or drying processes, such as coal			
22	drying/moisture reduction, air jigging, precombustion			
23	decarbonization, and coal flow balancing technology;			
24	(15) oxy-fuel combustion technology, amine or chilled			
25	ammonia scrubbing, fuel or emission conversion through the use of			
26	catalysts, enhanced scrubbing technology, modified combustion			
27	technology such as chemical looping, and cryogenic technology;			

1 (16) if the United States Environmental Protection
2 Agency adopts a final rule or regulation regulating carbon dioxide
3 as a pollutant, property that is used, constructed, acquired, or
4 installed wholly or partly to capture carbon dioxide from an
5 anthropogenic source in this state that is geologically sequestered
6 in this state;

- 7 (17) fuel cells generating electricity using hydrogen 8 derived from coal, biomass, petroleum coke, or solid waste; and
- 9 (18) any other equipment designed to prevent, capture,
  10 abate, or monitor nitrogen oxides, volatile organic compounds,
  11 particulate matter, mercury, carbon monoxide, or any criteria
  12 pollutant.

- (1) The Texas Commission on Environmental Quality by rule shall update the list adopted under Subsection (k) at least once every three years. An item may be removed from the list if the commission finds compelling evidence to support the conclusion that the item does not provide pollution control benefits.
- (m) Notwithstanding the other provisions of this section, if the facility, device, or method for the control of air, water, or land pollution described in an application for an exemption under this section is a facility, device, or method included on the list adopted under Subsection (k), the executive director of the Texas Commission on Environmental Quality, not later than the 30th day after the date of receipt of the information required by Subsections (c)(2) and (3) and without regard to whether the information required by Subsection (c)(1) has been submitted, shall determine that the facility, device, or method described in the

- 1 application is used wholly or partly as a facility, device, or
- 2 method for the control of air, water, or land pollution and shall
- 3 take the actions that are required by Subsection (d) in the event
- 4 such a determination is made.
- 5 SECTION 5. Section 26.045, Tax Code, is amended to read as
- 6 follows:
- 7 Sec. 26.045. ROLLBACK RELIEF FOR POLLUTION CONTROL
- 8 REQUIREMENTS. (a) The rollback tax rate for a political
- 9 subdivision of this state is increased by the rate that, if applied
- 10 to the total current value, would impose an amount of taxes equal to
- 11 the amount the political subdivision will spend out of its
- 12 maintenance and operation funds under Section 26.012(16)[ $_{7}$  Tax
- 13 Code, to pay for a facility, device, or method for the control of
- 14 air, water, or land pollution that is necessary to meet the
- 15 requirements of a permit issued by the Texas [Natural Resource
- 16 Conservation Commission on Environmental Quality.
- 17 (b) In this section, "facility, device, or method for
- 18 control of air, water, or land pollution" means any land,
- 19 structure, building, installation, excavation, machinery,
- 20 equipment, or device, and any attachment or addition to or
- 21 reconstruction, replacement, or improvement of that property, that
- 22 is used, constructed, acquired, or installed wholly or partly to
- 23 meet or exceed rules or regulations adopted by any environmental
- 24 protection agency of the United States or this state for the
- 25 prevention, monitoring, control, or reduction of air, water, or
- 26 land pollution.
- (c) To receive an adjustment to the rollback tax rate under

- 1 this section, a political subdivision shall present information to
- 2 the executive director of the Texas [Natural Resource Conservation]
- 3 Commission on Environmental Quality in a permit application or in a
- 4 request for any exemption from a permit that would otherwise be
- 5 required detailing:
- 6 (1) the anticipated environmental benefits from the
- 7 installation of the facility, device, or method for the control of
- 8 air, water, or land pollution;
- 9 (2) the estimated cost of the pollution control
- 10 facility, device, or method; and
- 11 (3) the purpose of the installation of the facility,
- 12 device, or method, and the proportion of the installation that is
- 13 pollution control property.
- 14 (d) Following submission of the information required by
- 15 Subsection (c), the executive director of the Texas [Natural
- 16 Resource Conservation Commission on Environmental Quality shall
- 17 determine whether  $[\frac{if}{i}]$  the facility, device, or method is used
- 18 wholly or partly as a facility, device, or method for the control of
- 19 air, water, or land pollution. If the executive director determines
- 20 that the facility, device, or method is used wholly or partly to
- 21 control pollution, the director shall issue a letter to the
- 22 political subdivision stating that determination and the portion of
- 23 the cost of the installation that is pollution control property.
- 24 (e) The Texas [Natural Resource Conservation] Commission on
- 25 Environmental Quality may charge a political subdivision seeking a
- 26 determination that property is pollution control property an
- 27 additional fee not to exceed its administrative costs for

- 1 processing the information, making the determination, and issuing
- 2 the letter required by this section. The commission may adopt rules
- 3 to implement this section.
- 4 (f) The Texas Commission on Environmental Quality shall
- 5 adopt rules establishing a nonexclusive list of facilities,
- 6 devices, or methods for the control of air, water, or land
- 7 pollution, which must include:
- 8 (1) coal cleaning or refining facilities;
- 9 (2) atmospheric or pressurized and bubbling or
- 10 circulating fluidized bed combustion systems and gasification
- 11 fluidized bed combustion combined cycle systems;
- 12 (3) ultra-supercritical pulverized coal boilers;
- 13 (4) flue gas recirculation components;
- 14 (5) syngas purification systems and gas-cleanup
- 15 <u>units;</u>
- 16 (6) enhanced heat recovery systems;
- 17 (7) exhaust heat recovery boilers;
- 18 (8) heat recovery steam generators;
- 19 (9) superheaters and evaporators;
- 20 (10) enhanced steam turbine systems;
- 21 (11) methanation;
- 22 (12) coal combustion or gasification byproduct and
- 23 coproduct handling, storage, or treatment facilities;
- 24 (13) biomass cofiring storage, distribution, and
- 25 firing systems;
- 26 (14) coal cleaning or drying processes such as coal
- 27 drying/moisture reduction, air jigging, precombustion

- decarbonization, and coal flow balancing technology;
- 2 (15) oxy-fuel combustion technology, amine or chilled
- 3 <u>ammonia scrubbing</u>, fuel or emission conversion through the use of
- 4 catalysts, enhanced scrubbing technology, modified combustion
- 5 technology such as chemical looping, and cryogenic technology;
- 6 (16) if the United States Environmental Protection
- 7 Agency adopts a final rule or regulation regulating carbon dioxide
- 8 as a pollutant, property that is used, constructed, acquired, or
- 9 installed wholly or partly to capture carbon dioxide from an
- 10 anthropogenic source in this state that is geologically sequestered
- 11 in this state;
- 12 (17) fuel cells generating electricity using hydrogen
- derived from coal, biomass, petroleum coke, or solid waste; and
- 14 (18) any other equipment designed to prevent, capture,
- 15 abate, or monitor nitrogen oxides, volatile organic compounds,
- 16 particulate matter, mercury, carbon monoxide, or any criteria
- 17 pollutant.
- 18 (g) The Texas Commission on Environmental Quality by rule
- 19 shall update the list adopted under Subsection (f) at least once
- 20 every three years. An item may be removed from the list if the
- 21 commission finds compelling evidence to support the conclusion that
- the item does not render pollution control benefits.
- (h) Notwithstanding the other provisions of this section,
- 24 if the facility, device, or method for the control of air, water, or
- land pollution described in a permit application or in a request for
- 26 any exemption from a permit that would otherwise be required is a
- 27 facility, device, or method included on the list adopted under

- Subsection (f), the executive director of the Texas Commission on 1 2 Environmental Quality, not later than the 30th day after the date of receipt of the information required by Subsections (c)(2) and (3) 3 and without regard to whether the information required by 4 Subsection (c)(1) has been submitted, shall determine that the 5 6 facility, device, or method described in the permit application or 7 in the request for an exemption from a permit that would otherwise be required is used wholly or partly as a facility, device, or 8 method for the control of air, water, or land pollution and shall 9 take the action that is required by Subsection (d) in the event such 10 a determination is made. 11
- A political subdivision of the state seeking 12 (i) adjustment in its rollback tax rate under this section shall 13 14 provide to its tax assessor a copy of the letter issued by the 15 executive director of the Texas [Natural Resource Conservation] Commission on Environmental Quality under Subsection (d). The tax 16 17 assessor shall accept the copy of the letter from the executive director as conclusive evidence that the facility, device, or 18 method is used wholly or partly as pollution control property and 19 shall adjust the rollback tax rate for the political subdivision as 20 21 provided for by Subsection (a).
- SECTION 6. Section 182.022, Tax Code, is amended by adding
  Subsection (c) to read as follows:
- 24 (c) Notwithstanding any other provision of this chapter, a
  25 tax under this chapter may not be imposed on gross receipts from the
  26 sale of electricity generated by an advanced clean energy project,
  27 as defined by Section 382.003, Health and Safety Code.

- 1 SECTION 7. Section 182.122, Tax Code, is amended to read as
- 2 follows:
- 3 Sec. 182.122. ALLOCATION OF TAX. (a) Revenues collected
- 4 under this chapter are allocated:
- 5 (1) one-fourth to the foundation school fund; and
- 6 (2) three-fourths to the general revenue fund.
- 7 (b) The comptroller shall transfer to the advanced clean
- 8 energy project account the first \$30 million of the revenues
- 9 collected under this chapter that are allocated to the general
- 10 revenue fund under Subsection (a)(2) in any state fiscal biennium.
- SECTION 8. Effective September 1, 2020, Section 182.122,
- 12 Tax Code, is amended to read as follows:
- 13 Sec. 182.122. ALLOCATION OF TAX. Revenues collected under
- 14 this chapter are allocated:
- 15 (1) one-fourth to the foundation school fund; and
- 16 (2) three-fourths to the general revenue fund.
- 17 SECTION 9. Subchapter B, Chapter 202, Tax Code, is amended
- 18 by adding Section 202.0545 to read as follows:
- 19 Sec. 202.0545. TAX EXEMPTION FOR ENHANCED RECOVERY PROJECTS
- 20 USING ANTHROPOGENIC CARBON DIOXIDE. (a) Subject to the
- 21 <u>limitations provided by this section</u>, until the later of the
- 22 seventh anniversary of the date that the comptroller first approves
- 23 <u>an application for a tax rate reduction under this section or the</u>
- 24 effective date of a final rule adopted by the United States
- 25 Environmental Protection Agency regulating carbon dioxide as a
- 26 pollutant, the producer of oil recovered through an enhanced oil
- 27 recovery project that qualifies under Section 202.054 for the

- 1 recovered oil tax rate provided by Section 202.052(b) is entitled
- 2 to an additional 50 percent reduction in that tax rate if in the
- 3 recovery of the oil the enhanced oil recovery project uses carbon
- 4 <u>dioxide that:</u>
- 5 (1) is captured from an anthropogenic source in this
- 6 state;
- 7 (2) would otherwise be released into the atmosphere as
- 8 industrial emissions;
- 9 (3) is measurable at the source of capture; and
- 10 <u>(4) is sequestered in one or more geological</u>
- 11 formations in this state following the enhanced oil recovery
- 12 process.
- 13 (b) In the event that a portion of the carbon dioxide used in
- 14 the enhanced oil recovery project is anthropogenic carbon dioxide
- that satisfies the criteria of Subsection (a) and a portion of the
- 16 <u>carbon dioxide used in the project fails to satisfy the criteria of</u>
- 17 Subsection (a) because it is not anthropogenic, the tax reduction
- 18 provided by Subsection (a) shall be reduced to reflect the
- 19 proportion of the carbon dioxide used in the project that satisfies
- 20 the criteria of Subsection (a).
- 21 <u>(c) To qualify for the tax rate reduction under this</u>
- 22 section, the operator must:
- 23 <u>(1) apply to the comptroller for the reduction and</u>
- 24 <u>include with the application any information and documentation that</u>
- 25 the comptroller may require; and
- 26 (2) apply for a certification from:
- 27 (A) the Railroad Commission of Texas, if carbon

- 1 dioxide used in the project is to be sequestered in an oil or
- 2 natural gas reservoir;
- 3 (B) the Texas Commission on Environmental
- 4 Quality, if carbon dioxide used in the project is to be sequestered
- 5 in a geological formation other than an oil or natural gas
- 6 reservoir; or
- 7 (C) both the Railroad Commission of Texas and the
- 8 Texas Commission on Environmental Quality if both Paragraphs (A)
- 9 and (B) apply.
- 10 (d) An agency to which an operator applies for a
- 11 certification under Subsection (c)(2) may issue the certification
- only if the agency finds that, based on substantial evidence, there
- is a reasonable expectation that:
- 14 (1) the operator's planned sequestration program will
- 15 ensure that at least 99 percent of the carbon dioxide sequestered as
- 16 required by Subsection (a)(4) will remain sequestered for at least
- 17 1,000 years; and
- 18 (2) the operator's planned sequestration program will
- 19 include appropriately designed monitoring and verification
- 20 measures that will be employed for a period sufficient to
- 21 demonstrate whether the sequestration program is performing as
- 22 expected.
- (e) The tax rate reduction does not apply if the operator's
- 24 sequestration program or the operator's monitoring and
- 25 <u>verification measures differ substantially from the planned</u>
- 26 program described by Subsection (d), and the operator shall refund
- 27 the difference between the amount of the tax paid under this section

- 1  $\underline{\hspace{0.1cm}}$  and the amount that would have been imposed in the absence of this
- 2 section.
- 3 (f) The comptroller shall approve the application if the
- 4 operator submits the certification or certifications required by
- 5 Subsection (c)(2) and if the comptroller determines that the oil is
- 6 otherwise eligible under this section.
- 7 (g) If, before the comptroller approves an application for
- 8 the tax rate reduction under this section, the tax imposed by this
- 9 chapter is paid at the rate provided by Section 202.052(a) or (b) on
- oil that qualifies under this section, the producer or producers of
- 11 the oil are entitled to a credit against taxes imposed by this
- 12 chapter in an amount equal to the difference between the tax paid on
- 13 the oil and the tax due on the oil after the rate reduction under
- 14 this section is applied. The credit is allowed to each producer
- 15 according to the producer's proportionate share in the oil. To
- 16 receive a credit, one or more of the producers of the oil must apply
- 17 to the comptroller for the credit not later than the first
- 18 anniversary of the date the oil is produced.
- 19 (h) The comptroller, the Railroad Commission of Texas, and
- 20 the Texas Commission on Environmental Quality may adopt rules and
- 21 establish procedures to implement and administer this section.
- SECTION 10. Section 313.024(b), Tax Code, as effective
- January 1, 2008, is amended to read as follows:
- 24 (b) To be eligible for a limitation on appraised value under
- 25 this subchapter, the entity must use the property in connection
- 26 with:
- 27 (1) manufacturing;

- 1 (2) research and development;
- 2 (3) a clean coal project, as defined by Section 5.001,
- 3 Water Code;
- 4 (4) an advanced clean energy [a gasification] project,
- 5 <u>as defined by Section 382.003, Health and Safety Code</u> [for a coal
- 6 and biomass mixture]; or
- 7 (5) renewable energy electric generation.
- 8 SECTION 11. (a) Not later than September 1, 2012, and
- 9 September 1, 2016, the Texas Commission on Environmental Quality
- 10 and the State Energy Conservation Office shall issue a joint report
- 11 to the legislature providing a status update on the implementation
- of the advanced clean energy program and an assessment of whether
- the emissions profile set out in Section 382.003(1-a)(B), Health
- 14 and Safety Code, as added by this Act, should be adjusted to
- increase or decrease elements of the emissions profile.
- 16 (b) Factors to be considered in the assessment of the
- 17 emissions profile shall include:
- 18 (1) the technical and economic feasibility of meeting
- 19 all of the elements of the emissions profile in a commercially
- 20 viable project, as documented by the United States Department of
- 21 Energy;
- 22 (2) the technical and economic feasibility of projects
- to meet all of the elements of the emissions profile and still use a
- 24 diverse range of fuels, including lignite; and
- 25 (3) the adequacy of the incentives provided by this
- 26 Act to continue to attract investment in and federal funding for
- 27 advanced clean energy projects in this state.

- 1 (c) Any adjustments to the emissions profile implemented by 2 the legislature in response to a report required by this section 3 shall not apply to an application deemed administratively complete 4 on or before the date of the report.
- SECTION 12. Not later than September 1, 2015, the State Energy Conservation Office shall issue a report to the legislature providing an assessment of whether the advanced clean energy program should be extended due to a continued need for incentives to ensure that a diverse range of affordable fuels, including lignite, can be used in a manner that achieves the lowest emissions profile that is technically and economically feasible.
- SECTION 13. The State Energy Conservation Office shall adopt rules to establish the advanced clean energy project grant and loan program under Section 447.013, Government Code, as added by this Act, not later than January 1, 2008. Such rules may allow for the recovery of fees and administrative expenses.
- SECTION 14. Not later than January 1, 2008, the Texas
  Commission on Environmental Quality shall adopt rules required
  under Section 382.0566, Health and Safety Code, and Section
  11.31(k), Tax Code, as added by this Act, and Section 26.045(f), Tax
  Code, as amended by this Act.
- SECTION 15. Section 447.013(j), Government Code, as added by this Act, takes effect only if the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the issuance of general obligation bonds to provide and guarantee loans to encourage clean energy projects is approved by the voters. If that amendment is not approved by the voters,

- 1 Section 447.013(j), Government Code, as added by this Act, has no
- 2 effect.
- 3 SECTION 16. Except as otherwise provided by this Act, this
- 4 Act takes effect immediately if it receives a vote of two-thirds of
- 5 all the members elected to each house, as provided by Section 39,
- 6 Article III, Texas Constitution. If this Act does not receive the
- 7 vote necessary for immediate effect, this Act takes effect
- 8 September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 3732 was passed by the House on April 26, 2007, by the following vote: Yeas 141, Nays 2, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3732 on May 24, 2007, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3732 on May 28, 2007, by the following vote: Yeas 112, Nays 30, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3732 was passed by the Senate, with amendments, on May 22, 2007, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3732 on May 27, 2007, by the following vote: Yeas 15, Nays 13.

		Secretary of the Senate
APPROVED:		_
	Date	
	Governor	-