

SUBJECT: Creating a Clean Coal Technology Council

COMMITTEE: Environmental Regulation — committee substitute recommended

VOTE: 5 ayes — Chisum, Bonnen, Kuempel, Uher, Geren
0 nays
4 absent — Bosse, Dukes, Howard, Zbranek

WITNESSES: For — Richard Bye, Reliant Energy, Association of Electric Companies of Texas; Randy Eminger, Center for Energy and Economic Development; Mary Miksa, Texas Association of Business and Chambers of Commerce; Ron Olson, Union Pacific Railroad; Lonnie Smith, Texas Mining and Reclamation Association, TXU Mining
Against — None
On — George Smith, Sierra Club, Lone Star Chapter

DIGEST: CSHB 3483 would make it the policy of the state to explore clean coal technologies in order to:

- ! preserve fuel diversity and maintain low-cost sources of power;
- ! identify technologies for increasing efficiency of and reducing emissions from existing coal-fired electric generation; and
- ! identify new, cleaner coal-fired electric generation technologies.

CSHB 3483 would create the Clean Coal Technology Council to perform legislative oversight and coordinate state agency actions regarding the study and development of clean coal technology and pilot projects. The council would be composed of three state senators and a public member appointed by the lieutenant governor and three state representatives and a public member appointed by the House speaker. A senator and representative would co-chair the council and determine the frequency of meetings. Council members would serve two-year terms expiring in odd-numbered years and could be reappointed to additional terms.

The council could designate an appropriate state agency to provide administrative staff to assist the council in carrying out its responsibilities, including the request and distribution of federal funds for use by the council. The council would be subject to the Open Meetings Act, Open Records Act, and Administrative Procedure Act.

The council would:

- ! coordinate the activities of the designated agency in regard to clean coal technology charges of the council;
- ! provide direction to the agency in regard to studying or developing clean coal technologies or the issuance of requests for proposals for a pilot project that would evaluate technologies and environmental benefits, assess economics, seek funding, evaluate the useful life of a pilot project, or determine the importance of clean coal technology to energy policy;
- ! assess the potential value of using financial or other incentives for pilot projects;
- ! oversee the designated agency's pursuit of public and private funding to support the council's activities and to finance pilot projects;
- ! suggest reasonable projected durations for pilot projects; and
- ! file and publish each odd-numbered year a report on the council's activities for the preceding two years and any recommendations for legislation in regard to pilot projects.

The designated agency would maintain a public file on the council and make available to the public any council report provided to the Legislature. The council would have to meet at least once every four months for the first year after its members were appointed.

The bill would take effect September 1, 2001.

SUPPORTERS
SAY:

The creation of a Clean Coal Technology Council would help Texas secure federal funds for clean coal technology. The U.S. Department of Energy offered \$95 million last year in funding for clean coal technology projects, and President Bush has pledged \$2 billion to fund such efforts.

The council would facilitate research on advanced clean coal technologies for application in Texas and find projects that could demonstrate the viability of such technology. It also would explore public and private funding sources for clean coal technology research and development.

CSHB 3483 would help provide cleaner technologies for coal-fueled power plants. Coal is an abundant and low-cost source of power that accounts for 41 percent of electricity generation in Texas. Although coal-fueled power plants have lowered nitrogen-oxide emissions by 17 percent over the past five years, implementation of new technologies could help them to meet new pollution reduction goals set by the Legislature and the Texas Natural Resource Conservation Commission.

OPPONENTS
SAY:

CSHB 3483 would not go far enough. The council also should explore related issues, such as global warming. Sustainable energy sources, such as wind and solar power, should be encouraged in addition to clean coal technology. The council also should look into securing federal funds for alternative energy research.

NOTES:

The substitute differs from the original version by creating the Clean Coal Technology Council rather than the Texas Clean Coal Technology Council along with other minor changes.