

## **BILL ANALYSIS**

Senate Research Center  
86R12012 JAM-F

S.B. 1656  
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Natural Resources & Economic Development  
3/25/2019  
As Filed

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

Through recent scientific advances, certain non-recycled plastics can be converted into transport fuel and a variety of other products to be used in manufacturing. This new technology could play an integral role in solving our world's sustainability challenges.

Plastics-to-fuel (PTF) legislation will help create a circular economy for non-recycled plastics by transforming these materials into valuable feedstocks or fuel. PTF is a technology that uses "pyrolysis" or "gasification" to convert non-recycled plastics into petroleum-based products via a thermochemical process in an oxygen-free environment. Pyrolysis and gasification can produce crude oil, diesel fuel, petrochemicals and monomers, as well as industrial products such as waxes and lubricants, all from non-recycled plastics.

S.B. 1656 classifies non-recycled plastic waste as a recoverable feedstock or post-use polymer, rather than solid waste, if it is converted into new products using pyrolysis or gasification.

As proposed, S.B. 1656 amends current law relating to the conversion of plastics and other recoverable materials through pyrolysis or gasification.

### **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 361.003, Health and Safety Code, by amending Subdivisions (25), (34), (35), and (36) and adding Subdivisions (10-a), (10-b), (24-a), (25-a), (25-b), and (26-a), as follows:

(10-a) Defines "gasification."

(10-b) Defines "gasification facility."

(24-a) Defines "post-use polymers."

(25) Redefines "processing." Provides that this term does not include:

(A) gasification or pyrolysis: or

(B) creates this paragraph from existing text.

(25-a) Defines "pyrolysis."

(25-b) Defines "pyrolysis facility."

(26-a) Defines "recoverable feedstock."

(34) Provides that the term "solid waste":

(A) does not include:

(i) makes no changes to this subparagraph;

(ii)-(iii) makes nonsubstantive changes to these subparagraphs; or

(iv) post-use polymers or recoverable feedstock processed through pyrolysis or gasification; and

(B) does include hazardous substances for the purposes of certain sections and removes Section 361.280 from list of sections.

(35) Makes conforming changes.

(36) Redefines "solid waste facility" to provide that the term does not include a pyrolysis or gasification facility.

SECTION 2. Amends Subchapter B, Chapter 361, Health and Safety Code, by adding Section 361.041, as follows:

Sec. 361.041. TREATMENT OF POST-USE POLYMERS AND RECOVERABLE FEEDSTOCKS AS SOLID WASTE. Prohibits the Texas Commission on Environmental Quality (TCEQ) from considering post-use polymers or removable feedstock to be solid waste if they are converted using pyrolysis or gasification into a valuable raw, intermediate, or final product including a plastic, monomer, chemical, wax, lubricant, chemical feedstock, crude oil, diesel, gasoline, diesel and gasoline blendstock, home heating oil, ethanol, or another fuel.

SECTION 3. Amends Section 361.119, Health and Safety Code, by adding Subsection (c-1), as follows:

(c-1) Provides that a facility that reuses or converts recyclable materials through pyrolysis or gasification, and the operations conducted and materials handled at the facility, are not subject to regulation under rules adopted under this section if the owner or operator of the facility demonstrates that:

(1) the primary function of the facility is to convert materials that have a resale value greater than the cost of converting the materials for subsequent beneficial use; and

(2) all the solid waste generated from converting the materials is disposed of in a solid waste facility authorized under this chapter (Solid Waste Disposal Act), with the exception of small amounts of solid that is authorized to be inadvertently and unintentionally disposed of in another manner.

SECTION 4. Amends Sections 361.421(5), (6), and (8), Health and Safety Code, as follows:

(5) Redefines "recyclable material" to include post-use polymers and recoverable feedstocks that are converted through pyrolysis or gasification into valuable raw, intermediate, and final products.

(6) Redefines "recycled material" to include post-use polymers and recoverable feedstocks used in pyrolysis or gasification.

(8) Provides that the term "recycling" includes:

(A)-(B) makes nonsubstantive changes to these paragraphs; and

(C) the conversion of post-use polymers and recoverable feedstocks through pyrolysis or gasification.

SECTION 5. (a) Defines "advisory committee," "commission," "engineered fuel," "feedstock," and "sustainable material management," for purposes of this section.

(b) Requires TCEQ and the comptroller of public accounts of the State of Texas (comptroller), to further develop and implement the state solid waste management strategies and plans, to conduct a study to promote sustainable materials management and the development and use of pyrolysis and gasification processes to divert reasonable polymers and other materials away from landfills and toward conversion into valuable raw, intermediate, and final products, including plastic, monomers, chemicals, waxes, lubricants, chemical feedstocks, crude oil, diesel, gasoline, diesel and gasoline blendstocks, home heating oil, ethanol, and other fuels, by reducing unnecessary and inappropriate barriers to the siting, permitting, and operation of facilities using the technologies.

(c) Requires the study to examine post-use polymers and recoverable feedstocks that are often disposed in landfills to:

(1) evaluate recycling and recovery based on the energy and water savings and greenhouse gas reductions achieved by improving material recovery from the solid waste stream, including by measuring certain environmental benefits of waste prevention; and

(2) determine the manner in which state and local government officials can promote sustainable materials management, environmental issues, and a cost-effective system through the use of pyrolysis, gasification, and other innovative technologies such as engineered fuels, to convert post-use polymers alone or in combination with other recoverable feedstocks, into materials that can be used for plastics, monomers, or chemicals and chemical feedstocks, or to generate energy or produce fuels.

(d) Requires TCEQ and the comptroller, not later than two years after the effective date of this Act, to complete the study under this section and report findings and recommendations to the legislature and the governor.

(e) Provides that this section expires September 1, 2021.

SECTION 6. Effective date: upon passage or September 1, 2019.