To: Chairman Brooks Landgraf
Members, House Committee on Environmental Regulation
From: Cyrus Reed, Sierra Club, Lone Star Chapter, 512-888-9411, cyrus.reed@sierraclub.org
Re: HB 2214

March 30th, 2023

Sierra Club has concerns about HB 2214 as introduced - but believes the bill can be improved.

HB 2214 is another bill focused on the funding for TERP. As filed, HB 2214 would increase the amount of Texas Emissions Reduction Plan going to two programs, while reducing the amount going to two others. Overall, the bill would not impact the amount going to the most cost-effective programs such as the DERI and the ERIG programs.

Specifically, the bill as filed would increase the percent of funding allocated to the New Technology Implementation Grant program from three to eight percent, as well as the amount for the Texas Clean Fleet Program from five to 7.5 percent. In contrast, the amount dedicated for the Texas gas natural program would be reduced from 10 to five percent, while the amount going to the light-duty vehicles from five to 2.5 percent.

While we do not object to some changes in allocation of the TERP fund, we believe that HB 2214 may make too much of a change. Because HB 4472 last session only just expanded the NTIG program, applications to the program have been relatively light thus far. While there is demand in the NTIG program, and Texas Clean Fleet Program, we would note that the reductions of NOX that have been caused by spending within the NTIG - focused on new technology - are not as large as some other programs. While we do not oppose the reduction to the Texas natural gas program, we would note that the light-duty vehicle program on the electric vehicle side has been well supported. In other words, applications for electric vehicles have easily exceeded the portion allocated to those vehicles, while there have been virtually no grants given within the light-duty vehicles for natural gas, so we would support some changes to the light-duty vehicle program, including changing it from a rebate to a point-of-sale option, and more flexibility on how grants are shared between electric and gas vehicles.

We would suggest that the NTIG increase could be lowered slightly perhaps from 8 to 6 percent, while perhaps lowering the amount for the decrease in the light-duty vehicle program from 5 percent no less than 4 percent. We would suggest that rather than reserve the grants for x number of EVs and x number of Gas vehicles, we should simply set the allocation for both, create a point-of-sale rebate and allow the car sales to dictate how they are used.