The Lone Star Chapter of the Sierra Club Supports HB 2581: Let’s Continue TERP Revenues, Energy Reporting and Create a Revolving-Loan Program at SECO

The Sierra Club, Lone Star Chapter is in support of HB 2581.

The bill does four things, all of which we support as options for continuing the Texas Emissions Reduction Plan.

First it extends the fees that support TERP in the future until we meet our clean air obligations and reduce ozone in our cities. However as a compromise, the bill reduces the surcharge on diesel equipment from 1.5 to 1 percent. In addition, it compromises on title registration fees, sending those in affected or non-attainment counties to TERP and those in attainment counties to TxDOT.

These changes will reduce the total amount of money funding TERP from historic levels, but at levels that will prevent the huge build-up of cash in Account No. 5071.

Third, the bill continues required actions by political subdivisions, universities and state agencies to plan to reduce their energy use by five percent per year, and report those efforts to SECO for analysis on the positive impacts on air quality due to lower energy use.

Finally, the bill would add a loan-guarantee program at SECO for energy efficiency upgrades at residential buildings. The bill would use a small amount of TERP funds to create a state-backed loan-guarantee for a revolving loan fund in the same way that the state currently runs an energy efficiency retrofit program for state buildings. The program would most likely be run by a third-party and be able to attract private financing. Other states -- including Kentucky, Pennsylvania, and Connecticut -- have created similar mechanisms to help incentivize energy efficient retrofits of residential buildings.

While we believe some details would need to be worked out on this program -- perhaps through a committee sub -- we believe it is in keeping with TERP being a mechanism for cleaner technologies and more energy efficient practices that help clean up the air.

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