LET’s FIX TERP (Texas Emissions Reduction Plan) THIS SESSION BY PASSING HB 3745 (Bell/Birdwell)

HB 3745 is a unique approach to finally fix the issue that has been vexing Texas for so long: how do we assure TERP (Texas Emissions Reduction Plan) GR-dedicated fee dollars actually get spent and help clean up our air. The answer is by taking future revenues out of the normal budget process, and creating a separate trust fund that can be used for its intended purposes.

Just consider this legislative session. Despite universal support for spending $400 to $500 million over the biennium on TERP programs, the conference committee on the budget (HB 1) just approved about $150 million for TERP programs, even as we now have our three largest metropolitan areas declared non-attainment under the 2015 ozone standards by EPA, while another -- El Paso -- only escaped on a technicality.

HB 3745 would fix this issue by creating a bargain: leaving the nearly $1.75 billion in Account 5071 where it is to help certify the budget, but continuing revenues that fund TERP and placing them in a separate lock-box that can then be allocated directly by TCEQ.

The Sierra Club supports this approach as a unique approach. Finally, this should allow TCEQ to get money out the door to clean up our air using our existing programs. The demand is there, we just need the money allocated.

While we support the bill as it passed the House, we would ask for the following changes on the bill in the Senate:

1. Consider a larger administrative share for TCEQ in order to get the larger amount of revenues out the door;
2. Require yearly reporting to the legislature rather than biennial reporting to make sure TCEQ is doing a good job getting real air pollution reductions:
3. Clarifying the amount going to Energy Systems Laboratory on a yearly basis for its TERP-related charges. We would suggest that the existing $216,000 contract continue, along with a $1,000,000 annual administrative fee to conduct ESL’s TERP related studies.

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