

Oppose Discriminatory Treatment of Coal-Fueled Electric Generation

HB 2497 by Rep. Dunnam

AECT Position: Oppose

Proposal

- HB 2497 would require that the Texas Commission on Environmental Quality (TCEQ) determine if any new coal fueled electric generating facility that becomes operational after January 1, 2009 will cause or contribute to an area being designated as an ozone nonattainment area.
- If TCEQ determines that a coal-fueled facility does cause or contribute to an area's designation as an ozone nonattainment area, the facility would be required to reduce its nitrogen oxides (NOx) emissions as much as is technically feasible, regardless of the financial costs to do so.
- Such NOx emissions reductions would be required before the TCEQ could require NOx emissions reductions from automobiles, area sources or other stationary sources, no matter how great the impact of the NOx and VOC emissions from those sources on ozone in the area.

AECT Position

- While the goal of HB 2497 is to help ozone nonattainment areas attain the ozone standard, its effect would be to discourage affordable new coal fueled electric generation in Texas.
 - Texas currently meets about 38% of its electricity needs through coal fueled electric generating facilities.
 - Texas cannot meet its needs for electricity without the electricity that will be generated by all available fuels – including coal.
- The bill's sole focus on reducing NOx emissions from new pulverized coal electric generating facilities ignores, for example, that over 70% of the ozone forming NOx and VOC emissions in the DFW non-attainment area come from mobile sources such as cars, trucks, buses, trains, and planes, as well as from construction equipment and small engines.
 - The NOx and VOC emissions from different sources are evaluated in totality when TCEQ formulates the State Implementation Plans for ozone non-attainment areas.
 - The NOx and VOC emissions from sources in nonattainment areas have a much greater impact on ozone concentrations in those areas than will the NOx and VOC emissions from new pulverized coal electric generating facilities, located many miles away from non-attainment areas.
- Under federal law, attainment of the ozone standard in an area is to be achieved by requiring a variety of sources, almost all of which are located in that area, to achieve NOx and VOC emissions reductions that the TCEQ determines will result in meaningful and cost effective reductions in ozone concentrations in the area.
- However, the bill's requirement that irrespective of cost or location, new pulverized coal electric generating facilities would have to reduce NOx emissions to the extent technically feasible would not result in meaningful or cost effective reductions in ozone concentrations in non-attainment areas.
 - The bill would not even allow consideration of the costs, or thus, the cost effectiveness, of the NOx emissions reductions that the new pulverized coal electric generating facilities would have to achieve under the bill.
 - That would make the NOx emissions reductions that the bill would impose much more stringent than are required by federal law or current state law.
- The placement of a NOx emission limit in the statute would circumvent the TCEQ's decision-making and EPA's oversight on Best Available Control Technology for new pulverized coal electric generating facilities. In addition, the NOx emissions limit in the bill is so low that if applied to all electric generating facilities, it would even foreclose the use of biomass as a fuel.