

By: Canales

H.B. No. 2221

A BILL TO BE ENTITLED

AN ACT

relating to mobile source emissions reductions and transportation electrification; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle F, Title 4, Government Code, is amended by adding Chapter 490I to read as follows:

CHAPTER 490I. TEXAS TRANSPORTATION ELECTRIFICATION COUNCIL

Sec. 490I.001. DEFINITION. In this chapter, "council" means the Texas Transportation Electrification Council established by this chapter.

Sec. 490I.002. ESTABLISHMENT; COMPOSITION. (a) The Texas Transportation Electrification Council is established.

(b) The council is composed of the chair of, or if not applicable, the administrative head of, each of the following entities:

(1) the Public Utility Commission of Texas;

(2) the Electric Reliability Council of Texas;

(3) the Texas Commission on Environmental Quality;

(4) the State Energy Conservation Office;

(5) the Texas Department of Licensing and Regulation;

(6) the Texas Department of Transportation;

(7) the Texas Department of Motor Vehicles;

(8) the Texas Department of Housing and Community Affairs;

1 (9) the Texas State Affordable Housing Corporation;
2 (10) the Texas Division of Emergency Management; and
3 (11) the Texas Economic Development and Tourism
4 Office.

5 Sec. 490I.003. PRESIDING OFFICER; MEETINGS. (a) The
6 council annually shall elect one member to serve as the presiding
7 officer of the council.

8 (a-1) The chair of the Public Utility Commission of Texas
9 shall serve as the initial presiding officer of the council. This
10 subsection expires September 1, 2023.

11 (b) The council shall hold at least four public meetings
12 each year.

13 Sec. 490I.004. ADMINISTRATIVE ATTACHMENT; FUNDING. (a)
14 The council is administratively attached to the Texas Department of
15 Transportation.

16 (b) The council shall be funded using existing funds of the
17 Texas Department of Transportation.

18 Sec. 490I.0045. ELECTRIC VEHICLE CHARGING INFRASTRUCTURE
19 ASSESSMENT. (a) Not later than March 1, 2022, the council shall
20 prepare an assessment of existing and planned public electric
21 vehicle charging infrastructure and associated technologies in
22 this state using existing databases. The assessment must include
23 the number and types of electric vehicle chargers at each location.

24 (b) The council shall use the assessment in developing the
25 plan required by Section 490I.005.

26 (c) This section expires September 1, 2023.

27 Sec. 490I.005. ELECTRIC VEHICLE CHARGING INFRASTRUCTURE

1 PLAN. (a) The council shall:

2 (1) develop a comprehensive plan for the development
3 of public electric vehicle charging infrastructure and associated
4 technologies in this state through the year 2040; and

5 (2) update the plan biennially.

6 (b) The plan must:

7 (1) include a phased implementation of the plan, in
8 biennial increments, through the year 2030;

9 (2) identify areas in this state for which additional
10 public electric vehicle charging infrastructure is needed to ensure
11 that the vehicle choice of residents of this state is not
12 constrained by a lack of access to adequate public electric vehicle
13 charging infrastructure;

14 (3) provide for sufficient public electric vehicle
15 charging infrastructure to meet and enable future demand for
16 electric vehicles in this state that:

17 (A) ensures that adequate public electric
18 vehicle charging infrastructure is available:

19 (i) with sufficient frequency and capacity
20 to enable users of electric vehicles of various classes to travel
21 border to border and community to community on interstate highways
22 and other major roadways in this state;

23 (ii) along evacuation routes and at highway
24 rest stops in this state; and

25 (iii) in rural communities, multifamily and
26 underserved communities, town centers, commercial and retail
27 areas, parks and other publicly owned lands, and other areas that

1 are in close proximity to where local electric vehicle users live or
2 work;

3 (B) is safe, dependable, serviceable, and
4 operational;

5 (C) maximizes the benefits associated with
6 transportation electrification;

7 (D) enhances commerce by ensuring an adequate
8 distribution of public electric vehicle charging infrastructure is
9 available throughout the state to stimulate lower cost and lower
10 emissions from heavy duty trucking and delivery services;

11 (E) ensures adequate public electric vehicle
12 charging capacity to facilitate commerce:

13 (i) at or near the borders of this state;

14 (ii) in or near airports, rail yards, and
15 seaports; and

16 (iii) at warehouse complexes and truck
17 stops;

18 (F) enhances accessibility of tourist areas to
19 electric vehicle users; and

20 (G) covers any other areas identified by the
21 council;

22 (4) stimulate competition, innovation, consumer
23 choices in public electric vehicle charging and related
24 infrastructure and services, and encourage private capital
25 investment; and

26 (5) specify the number and types of electric vehicle
27 chargers per general location that are needed to meet the

1 requirements prescribed by Subdivisions (2), (3), and (4).

2 (c) In developing and updating the plan, the council:

3 (1) shall use, to the extent practicable, publicly
4 available electric vehicle projections and models based on industry
5 standards to determine, for each year, the percentage and number of
6 electric vehicles by vehicle class that are expected on roadways in
7 this state and the number of electric vehicle chargers that are
8 needed to ensure that there is comprehensive and adequate access to
9 public electric vehicle charging infrastructure in this state; and

10 (2) may rely on scenarios provided by the Electric
11 Reliability Council of Texas or other information from appropriate
12 sources for the percentage and number of electric vehicles by
13 vehicle class on roadways in this state by year.

14 Sec. 490I.006. STATE AGENCY POLICY RECOMMENDATIONS. The
15 council shall develop policy recommendations that state agencies
16 may adopt to encourage the development of an adequate network of
17 public electric vehicle charging infrastructure and associated
18 technologies to meet the future electrified transportation needs in
19 this state through the year 2030.

20 Sec. 490I.007. STAKEHOLDER INPUT. In performing the
21 council's duties under this chapter, the council shall seek advice
22 and input from:

23 (1) privately owned electric utilities;

24 (2) municipally owned electric utilities;

25 (3) electric cooperatives;

26 (4) state and local transportation and transit
27 agencies;

- 1 (5) port authorities;
- 2 (6) warehousing and logistics centers;
- 3 (7) electric vehicle charging infrastructure
- 4 companies;
- 5 (8) environmental groups;
- 6 (9) consumer advocates;
- 7 (10) motor vehicle manufacturers;
- 8 (11) nonprofit organizations developing electric
- 9 vehicle policy;
- 10 (12) nonprofit organizations representing food or
- 11 motor fuel providers;
- 12 (13) apartment associations;
- 13 (14) low-income community development corporations;
- 14 and
- 15 (15) interested members of the public.

16 Sec. 490I.008. AUTHORITY TO CONTRACT AND CONSULT WITH

17 CERTAIN PERSONS. In performing the council's duties under this

18 chapter, the council may:

- 19 (1) contract with experts, academic scholars, and
- 20 other appropriate professionals; and
- 21 (2) consult with the Texas A&M Transportation
- 22 Institute and institutions of higher education.

23 Sec. 490I.0085. INITIAL REPORT. (a) Not later than

24 December 1, 2022, the council shall prepare and submit to the

25 governor, the lieutenant governor, each member of the legislature,

26 and relevant state and federal agencies a written report of the

27 council's findings that includes:

- 1 (1) the assessment prepared under Section 490I.0045;
2 (2) the plan developed under Section 490I.005,
3 including the phased implementation of the plan required by
4 Subsection (b)(1) of that section; and
5 (3) the policy recommendations developed under
6 Section 490I.006.

7 (b) This section expires September 1, 2023.

8 Sec. 490I.009. BIENNIAL REPORT. Not later than December 1
9 of each even-numbered year, the council shall prepare and submit to
10 the governor, the lieutenant governor, each member of the
11 legislature, and relevant state and federal agencies a written
12 report that includes:

- 13 (1) a summary of the progress made on the
14 implementation of the plan developed under Section 490I.005;
15 (2) the biennial update to the plan required under
16 Section 490I.005(a)(2); and
17 (3) any updates to the policy recommendations
18 developed under Section 490I.006.

19 SECTION 2. Section [386.001](#), Health and Safety Code, is
20 amended by adding Subdivision (4) to read as follows:

21 (4) "Federal funds" means all assistance provided to
22 the commission from the federal government in the form of grants,
23 contracts, loans, loan guarantees, property, cooperative
24 agreements, interest subsidies, insurance, direct appropriations,
25 or any other method of disbursement.

26 SECTION 3. Section [386.152](#), Health and Safety Code, is
27 amended to read as follows:

1 Sec. 386.152. APPLICABILITY. (a) The provisions of this
2 subchapter relating to a lessee do not apply to a person who rents
3 or leases a light-duty motor vehicle for a term of 30 days or less.

4 (b) The provisions of this subchapter relating to a lessor
5 do not apply to a person who rents or leases a light-duty motor
6 vehicle to a person for a term of 30 days or less.

7 SECTION 4. Section 386.153, Health and Safety Code, is
8 amended by amending Subsection (c) and adding Subsection (e) to
9 read as follows:

10 (c) Only one incentive will be provided for each new
11 light-duty motor vehicle. The incentive shall be provided to the
12 seller or lessor of the vehicle. The seller or lessor shall credit
13 the amount of the incentive to the purchaser or lessee at the time
14 the sale is made or the lease is entered into. The incentive may not
15 ~~[shall]~~ be provided to a seller ~~[the lessee and not to the~~
16 ~~purchaser]~~ if the motor vehicle is sold ~~[purchased]~~ for the purpose
17 of leasing the vehicle to another person.

18 (e) The commission shall establish a registration program
19 for sellers and lessors of new motor vehicles to apply online and
20 receive incentives under this subchapter. The commission shall
21 promptly pay the incentives when authorized under the registration
22 program established by this subsection.

23 SECTION 5. Section 386.154, Health and Safety Code, is
24 amended by amending Subsections (a), (b), and (d) and adding
25 Subsections (f), (g), and (h) to read as follows:

26 (a) A new light-duty motor vehicle powered by compressed
27 natural gas or liquefied petroleum gas is eligible for a \$5,000

1 incentive if the vehicle:

2 (1) has four wheels;

3 (2) was originally manufactured to comply with and has
4 been certified by an original equipment manufacturer or
5 intermediate or final state vehicle manufacturer as complying with,
6 or has been altered to comply with, federal motor vehicle safety
7 standards, state emissions regulations, and any additional federal
8 or state regulations applicable to vehicles powered by compressed
9 natural gas or liquefied petroleum gas;

10 (3) was manufactured for use primarily on public
11 streets, roads, and highways;

12 (4) has a dedicated or bi-fuel compressed natural gas
13 or liquefied petroleum gas fuel system:

14 (A) installed prior to first sale or within 500
15 miles of operation of the vehicle following first sale; and

16 (B) with a range of at least 125 miles as
17 estimated, published, and updated by the United States
18 Environmental Protection Agency;

19 (5) has, as applicable, a:

20 (A) compressed natural gas fuel system that
21 complies with the:

22 (i) 2013 NFPA 52 Vehicular Gaseous Fuel
23 Systems Code; and

24 (ii) American National Standard for Basic
25 Requirements for Compressed Natural Gas Vehicle (NGV) Fuel
26 Containers, commonly cited as "ANSI/CSA NGV2"; or

27 (B) liquefied petroleum gas fuel system that

1 complies with:

2 (i) the 2011 NFPA 58 Liquefied Petroleum
3 Gas Code; and

4 (ii) Section VII of the 2013 ASME Boiler and
5 Pressure Vessel Code; and

6 (6) was sold or leased [~~acquired~~] on or after
7 September 1, 2013, or a later date established by the commission, by
8 the seller or lessor [~~person~~] applying for the incentive under this
9 subsection and for use or lease by the purchaser or lessee of the
10 vehicle [~~that person~~] and not for resale.

11 (b) If the commission determines that an updated version of
12 a code or standard described by Subsection (a)(5) is more stringent
13 than the version of the code or standard described by Subsection
14 (a)(5), the commission by rule may provide that a vehicle for which
15 a seller or lessor [~~person~~] applies for an incentive under
16 Subsection (a) is eligible for the incentive only if the vehicle
17 complies with the updated version of the code or standard.

18 (d) A new light-duty motor vehicle powered by an electric
19 drive is eligible for a \$2,500 incentive if the vehicle:

20 (1) has four wheels;

21 (2) was manufactured for use primarily on public
22 streets, roads, and highways;

23 (3) has not been modified from the original
24 manufacturer's specifications;

25 (4) has a maximum speed capability of at least 55 miles
26 per hour;

27 (5) is propelled to a significant extent by an

1 electric motor that draws electricity from a hydrogen fuel cell or
2 from a battery that:

3 (A) has a capacity of not less than four kilowatt
4 hours; and

5 (B) is capable of being recharged from an
6 external source of electricity; ~~and~~

7 (6) is not designed, used, or maintained primarily to
8 transport property; and

9 (7) was sold or leased ~~[acquired]~~ on or after
10 September 1, 2013, or a later date as established by the commission,
11 by the seller or lessor ~~[person]~~ applying for the incentive under
12 this subsection and for use or lease by the purchaser or lessee of
13 the vehicle ~~[that person]~~ and not for resale.

14 (f) A new light-duty motor vehicle powered by an electric
15 drive is eligible for a \$4,000 incentive if the vehicle:

16 (1) satisfies the requirements of Subsections
17 (d)(1)-(5);

18 (2) is designed, used, or maintained primarily to
19 transport property; and

20 (3) was sold or leased on or after September 1, 2021,
21 or a later date as established by the commission, by the seller or
22 lessor applying for the incentive under this subsection and for use
23 or lease by the purchaser or lessee of the vehicle and not for
24 resale.

25 (g) The incentive under Subsection (f) is limited to 2,000
26 vehicles for each state fiscal biennium.

27 (h) Notwithstanding Subsections (c), (e), and (g) and

1 subject to Section 386.252(a)(11), at the beginning of the second
2 state fiscal year of the biennium, the commission shall adjust the
3 initial vehicle limitations provided under Subsections (c), (e),
4 and (g) based on demand for incentives under this section during the
5 preceding state fiscal year.

6 SECTION 6. Sections 386.157(a) and (c), Health and Safety
7 Code, are amended to read as follows:

8 (a) A seller or lessor of [~~person who purchases or leases~~] a
9 new light-duty motor vehicle described by Section 386.154 and
10 listed under Section 386.156(a) is eligible to apply for an
11 incentive under this subchapter.

12 (c) To receive money under an incentive program provided by
13 this subchapter, the seller or lessor of a light-duty motor vehicle
14 shall verify online that funds are available, that the seller or
15 lessor is eligible [~~the purchaser or lessee of a new light-duty~~
16 ~~motor vehicle who is eligible to apply~~] for an incentive under this
17 subchapter, and if the incentive is for a vehicle described by
18 Section 386.154(d) or (f), that the purchaser or lessee of the
19 vehicle has watched an online video that explains how and when to
20 charge an electric vehicle to reduce peak demand for electricity
21 and reduce air emissions [~~shall apply for the incentive in the~~
22 ~~manner provided by law or by rule of the commission~~].

23 SECTION 7. Section 386.158, Health and Safety Code, is
24 amended to read as follows:

25 Sec. 386.158. COMMISSION TO ACCOUNT FOR MOTOR VEHICLE
26 PURCHASE OR LEASE INCENTIVES. (a) The commission by rule shall
27 develop a method to administer and account for the motor vehicle

1 purchase or lease incentives authorized by this subchapter and to
2 pay incentive money to the seller [~~purchaser~~] or lessor [~~lessee~~] of
3 a new motor vehicle [~~, on application of the purchaser or lessee as~~
4 ~~provided by this subchapter~~].

5 (b) The commission shall develop and publish online forms
6 and instructions for the seller [~~purchaser~~] or lessor [~~lessee~~] of a
7 new motor vehicle to use in applying to the commission for an
8 incentive payment under this subchapter. [~~The commission shall~~
9 ~~make the forms available to new motor vehicle dealers and leasing~~
10 ~~agents. Dealers and leasing agents shall make the forms available~~
11 ~~to their prospective purchasers or lessees.~~]

12 (c) The commission may require the online submission of
13 forms and documentation as needed to verify eligibility for an
14 incentive under this subchapter.

15 SECTION 8. Section [386.159](#), Health and Safety Code, is
16 amended to read as follows:

17 Sec. 386.159. PURCHASE OR LEASE INCENTIVES ONLINE PORTAL
18 [~~INFORMATION~~]. [~~(a)~~] The commission shall establish an online
19 portal [~~a toll-free telephone number available to motor vehicle~~
20 ~~dealers and leasing agents for the dealers and agents to call]~~ to
21 verify that incentives are available. [~~The commission may provide~~
22 ~~for issuing verification numbers over the telephone line.~~

23 [~~(b) Reliance by a dealer or leasing agent on information~~
24 ~~provided by the commission is a complete defense to an action~~
25 ~~involving or based on eligibility of a vehicle for an incentive or~~
26 ~~availability of vehicles eligible for an incentive.~~]

27 SECTION 9. Section [386.160](#), Health and Safety Code, is

1 amended to read as follows:

2 Sec. 386.160. RESERVATION OF INCENTIVES. The commission
3 may provide for new motor vehicle sellers [~~dealers~~] and leasing
4 agents to reserve for a limited time period incentives for eligible
5 vehicles [~~that are not readily available and must be ordered,~~] if
6 the seller [~~dealer~~] or leasing agent has a purchase or lease order
7 signed by an identified customer.

8 SECTION 10. Sections 386.250(b) and (c), Health and Safety
9 Code, as effective September 1, 2021, are amended to read as
10 follows:

11 (b) The fund consists of:

12 (1) the amount of money deposited to the credit of the
13 fund under:

14 (A) Section 386.056;

15 (B) Sections 151.0515 and 152.0215, Tax Code; and

16 (C) Sections 501.138, 502.358, and 548.5055,

17 Transportation Code; [~~and~~]

18 (2) grant money recaptured under Section 386.111(d)
19 and Chapter 391; and

20 (3) federal funds deposited to the credit of the fund.

21 (c) Not later than the 30th day after the last day of each
22 state fiscal biennium, the commission shall transfer the
23 unencumbered balance of the fund remaining on the last day of the
24 state fiscal biennium to the credit of the Texas emissions
25 reduction plan account. This subsection does not apply to federal
26 funds deposited to the credit of the fund.

27 SECTION 11. Section 386.252, Health and Safety Code, as

1 effective September 1, 2021, is amended by amending Subsection (a)
2 and adding Subsection (i) to read as follows:

3 (a) Money in the fund and account may be used only to
4 implement and administer programs established under the plan.
5 Subject to the reallocation of funds by the commission under
6 Subsection (h), money from the fund and account to be used for the
7 programs under Section 386.051(b) shall initially be allocated as
8 follows:

9 (1) four percent may be used for the clean school bus
10 program under Chapter 390;

11 (2) three percent may be used for the new technology
12 implementation grant program under Chapter 391, from which at least
13 \$1 million will be set aside for electricity storage projects
14 related to renewable energy;

15 (3) five percent may be used for the clean fleet
16 program under Chapter 392;

17 (4) not more than \$3 million may be used by the
18 commission to fund a regional air monitoring program in commission
19 Regions 3 and 4 to be implemented under the commission's oversight,
20 including direction regarding the type, number, location, and
21 operation of, and data validation practices for, monitors funded by
22 the program through a regional nonprofit entity located in North
23 Texas having representation from counties, municipalities, higher
24 education institutions, and private sector interests across the
25 area;

26 (5) 10 percent may be used for the Texas natural gas
27 vehicle grant program under Chapter 394;

1 (6) eight percent [~~not more than \$6 million~~] may be
2 used for the Texas alternative fueling facilities program under
3 Chapter 393, of which a specified amount may be used for fueling
4 stations to provide natural gas fuel[~~, except that money may not be~~
5 ~~allocated for the Texas alternative fueling facilities program for~~
6 ~~the state fiscal year ending August 31, 2019~~];

7 (7) not more than \$750,000 may be used each year to
8 support research related to air quality as provided by Chapter 387;

9 (8) not more than \$200,000 may be used for a health
10 effects study;

11 (9) at least \$6 million but not more than \$16 million
12 may be used by the commission for administrative costs, including
13 all direct and indirect costs for administering the plan, costs for
14 conducting outreach and education activities, and costs
15 attributable to the review or approval of applications for
16 marketable emissions reduction credits;

17 (10) six percent may be used by the commission for the
18 seaport and rail yard areas emissions reduction program established
19 under Subchapter D-1;

20 (11) five percent may be used for the light-duty motor
21 vehicle purchase or lease incentive program established under
22 Subchapter D;

23 (12) not more than \$216,000 may be used by the
24 commission to contract with the Energy Systems Laboratory at the
25 Texas A&M Engineering Experiment Station annually for the
26 development and annual computation of creditable statewide
27 emissions reductions obtained through wind and other renewable

1 energy resources for the state implementation plan;

2 (13) not more than \$500,000 may be used for studies of
3 or pilot programs for incentives for port authorities located in
4 nonattainment areas or affected counties to encourage cargo
5 movement that reduces emissions of nitrogen oxides and particulate
6 matter; and

7 (14) the balance is to be used by the commission for
8 the diesel emissions reduction incentive program under Subchapter C
9 as determined by the commission.

10 (i) Notwithstanding any other law, federal funds deposited
11 to the credit of the fund may be used only as provided by the terms
12 of the applicable federal funds agreement.

13 SECTION 12. Subtitle A, Title 14, Occupations Code, is
14 amended by adding Chapter 2311 to read as follows:

15 CHAPTER 2311. ELECTRIC VEHICLE METERING

16 Sec. 2311.001. DEFINITIONS. In this chapter:

17 (1) "Commission" means the Texas Commission of
18 Licensing and Regulation.

19 (2) "Metering device" means a commercial device used
20 to measure electric energy transferred by electric vehicle charging
21 stations and compute the charge for the energy.

22 Sec. 2311.002. RULES. (a) The commission by rule shall
23 establish:

24 (1) specifications, tolerances, and other technical
25 requirements for metering devices used in electric vehicle charging
26 stations used in commercial transactions; and

27 (2) standards for electric vehicle charging services

1 that ensure the accuracy of measurements, enhance consumer
2 protections, and promote fair competition.

3 (b) In adopting rules under Subsection (a), the commission
4 shall consider recommendations from relevant state and federal
5 agencies and stakeholders.

6 SECTION 13. Section 502.198(a), Transportation Code, is
7 amended to read as follows:

8 (a) Except as provided by Sections 502.058, 502.060,
9 502.1911, 502.192, 502.356, ~~and~~ 502.357, and 502.360 and
10 Subchapter H, this section applies to all fees collected by a county
11 assessor-collector under this chapter.

12 SECTION 14. Subchapter G, Chapter 502, Transportation Code,
13 is amended by adding Section 502.360 to read as follows:

14 Sec. 502.360. ADDITIONAL FEE FOR ELECTRIC VEHICLES. (a) In
15 this section, "electric vehicle" means a motor vehicle that uses
16 electricity as its only source of motor power.

17 (b) In addition to other fees authorized under this chapter,
18 at the time of application for registration or renewal of
19 registration of an electric vehicle, the applicant shall pay an
20 additional fee in an amount of \$100.

21 (c) Fees collected under this section shall be deposited to
22 the credit of the state highway fund.

23 (c-1) Notwithstanding Subsection (c), \$40 of each fee
24 collected under this section shall be deposited to credit of the
25 general revenue fund and may be used only for the operations of the
26 Texas Transportation Electrification Council under Chapter 490I,
27 Government Code. This subsection expires September 1, 2023.

1 (d) The board shall adopt rules necessary to administer
2 registration for an electric vehicle under this section.

3 SECTION 15. Section 31.002, Utilities Code, is amended by
4 adding Subdivision (3-a) and amending Subdivisions (6) and (17) to
5 read as follows:

6 (3-a) "Alternatively fueled vehicle" has the meaning
7 assigned by Section 502.004, Transportation Code.

8 (6) "Electric utility" means a person or river
9 authority that owns or operates for compensation in this state
10 equipment or facilities to produce, generate, transmit,
11 distribute, sell, or furnish electricity in this state. The term
12 includes a lessee, trustee, or receiver of an electric utility and a
13 recreational vehicle park owner who does not comply with Subchapter
14 C, Chapter 184, with regard to the metered sale of electricity at
15 the recreational vehicle park. The term does not include:

- 16 (A) a municipal corporation;
17 (B) a qualifying facility;
18 (C) a power generation company;
19 (D) an exempt wholesale generator;
20 (E) a power marketer;
21 (F) a corporation described by Section 32.053 to
22 the extent the corporation sells electricity exclusively at
23 wholesale and not to the ultimate consumer;
24 (G) an electric cooperative;
25 (H) a retail electric provider;
26 (I) this state or an agency of this state; or
27 (J) a person not otherwise an electric utility

1 who:

2 (i) furnishes an electric service or
3 commodity only to itself, its employees, or its tenants as an
4 incident of employment or tenancy, if that service or commodity is
5 not resold to or used by others;

6 (ii) owns or operates in this state
7 equipment or facilities to produce, generate, transmit,
8 distribute, sell, or furnish electric energy to an electric
9 utility, if the equipment or facilities are used primarily to
10 produce and generate electric energy for consumption by that
11 person; ~~or~~

12 (iii) owns or operates in this state a
13 recreational vehicle park that provides metered electric service in
14 accordance with Subchapter C, Chapter 184; or

15 (iv) owns or operates equipment used solely
16 to provide electricity charging service for consumption by
17 alternatively fueled vehicles.

18 (17) "Retail electric provider" means a person that
19 sells electric energy to retail customers in this state. A retail
20 electric provider may not own or operate generation assets. The
21 term does not include a person not otherwise a retail electric
22 provider who owns or operates equipment used solely to provide
23 electricity charging service for consumption by alternatively
24 fueled vehicles.

25 SECTION 16. Subchapter A, Chapter 31, Utilities Code, is
26 amended by adding Section 31.0021 to read as follows:

27 Sec. 31.0021. CHARGING SERVICE. The commission by rule may

1 exempt from the definition of "electric utility" or "retail
2 electric provider" under Section 31.002 a provider who owns or
3 operates equipment used solely to provide electricity charging
4 service for a mode of transportation.

5 SECTION 17. Section 37.001(3), Utilities Code, is amended
6 to read as follows:

7 (3) "Retail electric utility" means a person,
8 political subdivision, electric cooperative, or agency that
9 operates, maintains, or controls in this state a facility to
10 provide retail electric utility service. The term does not include
11 a corporation described by Section 32.053 to the extent that the
12 corporation sells electricity exclusively at wholesale and not to
13 the ultimate consumer. A qualifying cogenerator that sells
14 electric energy at retail to the sole purchaser of the
15 cogenerator's thermal output under Sections 35.061 and 36.007 is
16 not for that reason considered to be a retail electric utility. The
17 owner or operator of a qualifying cogeneration facility who was
18 issued the necessary environmental permits from the Texas Natural
19 Resource Conservation Commission after January 1, 1998, and who
20 commenced construction of such qualifying facility before July 1,
21 1998, may provide electricity to the purchasers of the thermal
22 output of that qualifying facility and shall not for that reason be
23 considered an electric utility or a retail electric utility,
24 provided that the purchasers of the thermal output are owners of
25 manufacturing or process operation facilities that are located on a
26 site entirely owned before September, 1987, by one owner who
27 retained ownership after September, 1987, of some portion of the

1 facilities and that those facilities now share some integrated
2 operations, such as the provision of services and raw materials. A
3 person who owns or operates equipment used solely to provide
4 electricity charging service for consumption by alternatively
5 fueled vehicles is not for that reason considered to be a retail
6 electric utility.

7 SECTION 18. Subchapter [A](#), Chapter [37](#), Utilities Code, is
8 amended by adding Section 37.002 to read as follows:

9 Sec. 37.002. CHARGING SERVICE. The commission may by rule
10 exempt from the definition of "retail electric utility" under
11 Section [37.001](#) a provider who owns or operates equipment used
12 solely to provide electricity charging service for a mode of
13 transportation.

14 SECTION 19. (a) In this section:

15 (1) "Commission" means the Texas Commission on
16 Environmental Quality.

17 (2) "Vehicle" has the meaning assigned by Section
18 [541.201](#), Transportation Code.

19 (3) "Vehicle recycler" means a person engaged in the
20 business of acquiring, dismantling, or preparing for recycling six
21 or more end-of-life vehicles in a calendar year for the primary
22 purpose of reselling the vehicles' parts. The term includes a
23 salvage vehicle dealer licensed under Chapter [2302](#), Occupations
24 Code.

25 (b) Using existing funds, the commission shall conduct a
26 study on policies pertaining to the recovery and recycling of
27 lithium-ion and other propulsion batteries sold with electric

1 vehicles in this state. The study must examine:

2 (1) methods to ensure that as close to 100 percent as
3 possible of electric vehicle batteries in this state are reused or
4 recycled at end-of-life in a safe and cost-effective manner;

5 (2) policy recommendations that reflect entire life
6 cycle considerations for electric vehicle batteries, including
7 opportunities and barriers to the reuse of electric vehicle
8 batteries as energy storage systems after a battery is removed from
9 a vehicle;

10 (3) best management considerations for electric
11 vehicle batteries at end-of-life and the overall effect of
12 different management practices on the environment;

13 (4) in-state and out-of-state options for the
14 recycling of electric vehicle batteries; and

15 (5) future electric vehicle battery technologies.

16 (c) Not later than January 1, 2022, the commission shall
17 establish and convene an advisory group to provide guidance and
18 direction to the commission for purposes of conducting the study
19 required by this section and making legislative recommendations
20 based on the study. The advisory group shall meet at least
21 quarterly.

22 (d) The commission shall appoint to the advisory group at
23 least one member from each of the following:

24 (1) a representative from the Texas Economic
25 Development and Tourism Office;

26 (2) a representative from the Public Utility
27 Commission of Texas;

1 (3) a manufacturer of electric vehicles;

2 (4) an organization that represents one or more
3 vehicle manufacturers;

4 (5) a nonprofit organization that represents
5 utilities, electric vehicle manufacturers, and charging companies;

6 (6) an electronic waste recycler or an organization
7 that represents one or more electronic waste recyclers;

8 (7) a vehicle repair dealer or an organization that
9 represents one or more vehicle repair dealers;

10 (8) a vehicle recycler or an organization that
11 represents one or more vehicle recyclers;

12 (9) a nationwide environmental organization that
13 researches waste reduction and recycling strategies;

14 (10) a representative of the large-scale lithium-ion
15 and other energy storage technology industries;

16 (11) an electric vehicle battery manufacturer; and

17 (12) a standards-developing organization that has a
18 focus on automotive engineering.

19 (e) In advising the commission under this section, the
20 advisory group shall consult with:

21 (1) universities and research institutions that have
22 conducted research in the area of battery recycling;

23 (2) manufacturers of electric and hybrid vehicles; and

24 (3) the recycling industry.

25 (f) Not later than December 1, 2022, the commission shall
26 prepare and submit to the governor, the lieutenant governor, and
27 each member of the legislature a written report that includes a

1 summary of the results of the study conducted under this section and
2 any legislative recommendations based on the study.

3 (g) The advisory group is abolished and this section expires
4 January 1, 2023.

5 SECTION 20. The Texas Transportation Electrification
6 Council shall submit its first report under Section 490I.009,
7 Government Code, as added by this Act, not later than December 1,
8 2024.

9 SECTION 21. The changes in law made by this Act to Chapter
10 386, Health and Safety Code, apply only to a Texas emissions
11 reduction plan grant awarded on or after the effective date of this
12 Act. A grant awarded before the effective date of this Act is
13 governed by the law in effect on the date the award was made, and the
14 former law is continued in effect for that purpose.

15 SECTION 22. Not later than December 1, 2024, the Texas
16 Commission of Licensing and Regulation shall adopt the rules
17 required by Section 2311.002, Occupations Code, as added by this
18 Act.

19 SECTION 23. This Act takes effect September 1, 2021.