

Date: March 30, 2023  
To: Chairman Landgraf and the Members of the House Committee on Environmental Regulation  
CC: Rep. R. D. "Bobby" Guerra, Rep. Keith Bell, Rep. Jay Dean, Rep. John Kuempel, Rep. Janie Lopez, Rep. Thresa "Terry" Meza, Rep. Penny Morales Shaw, Rep. Ron Reynolds  
*Via hand delivery and by email.*

**From: Adrian Shelley, Public Citizen, [ashelley@citizen.org](mailto:ashelley@citizen.org), 512-477-1155**

**Re: HB 2214 – Public Citizen testimony against**

Dear Chairman Landgraf and Members of the Committee:

Public Citizen appreciates the opportunity to testify against HB 2214 by Chairman Landgraf, relating to the allocation of Texas Emissions Reduction Plan funds.

**The light-duty motor vehicle purchase or lease incentive program cannot meet demand already and should not have its budget reduced.**

In its report on TERP to the 88<sup>th</sup> legislature, the Texas Commission on Environmental Quality included the following information about the light-duty motor vehicle purchase or lease incentive program (LDPLIP):

The latest LDPLIP grant round was opened October 28, 2021, with a projected \$16 million in available funds over the biennium. TCEQ received 2,326 electric vehicle rebate applications for a total of \$5,724,955. Acceptance of electric vehicle rebate applications was suspended on July 6, 2022. TCEQ will continue to accept applications for compressed natural gas and liquefied petroleum gas (propane) vehicles until January 7, 2023. As of November 9, 2022, TCEQ has not received a natural gas vehicle rebate request.<sup>1</sup>

The LDPLIP program is limited in statute to 2,000 hydrogen fuel cell or electric vehicles.<sup>2</sup> The program is already exceeding that demand. The reason its budget is not spent is because the vehicle cap is too low. Rather than reducing the allocation of funds to this program, we recommend raising the incentive cap.

Natural gas vehicle incentives are capped in LDPLIP at 1,000.<sup>3</sup> One approach could be to issue a single 3,000 vehicle cap for the entire program. Let the natural gas vehicles and the electric vehicles compete for the funds.

We must oppose this bill because it lowers the allocation to a program that already cannot meet demand. We would support it if the LDPLIP cap were raised and the allocation increased or at least left at its present level.

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<sup>1</sup> "Texas Emissions Reduction Plan Biennial Report (2021-2022)" Texas Commission on Environmental Quality (December 2022) available at <https://www.tceq.texas.gov/downloads/air-quality/terp/publications/sfr/79-22.pdf>. Appendix 11 from this report on the LDPLIP program is on the back of this page.

<sup>2</sup> Health & Safety Code Sec. 386.154 (e).

<sup>3</sup> Health & Safety Code Sec. 386.154 (c).

*From the Texas Emissions Reduction Plan Biennial Report (2021-2022):*

## Appendix 11. LDPLIP Projects by Fuel Type

### Texas Emissions Reduction Plan Light Duty Purchase or Lease Incentive Program

#### Projects by Fuel Type 2014 through August 2022

Fuel	Total Rebates	Total Grant Amounts
Electricity	6,477	\$15,487,265
CNG	216	\$583,750
CNG/Gasoline	43	\$215,000
LPG	9	\$45,000
CNG/Diesel	6	\$30,000
<b>Grand Total</b>	<b>6,751</b>	<b>\$16,361,015</b>