

Bill Summary
2nd Session of the 59th Legislature

Bill No.:	SB 1389
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Author:	Sen. Boren
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Bill Analysis

SB 1389 establishes the Greenhouse Gas Cap and Invest Program under the management of the Corporation Commission. The Commission is directed to conduct an air quality study for each county to identify and quantify greenhouse gas emissions and subsequently develop a list of high priority emissions to be reduced in coordination with the Department of Environmental Quality. The Commission shall also establish methods to track and verify compliance with the provisions of this measure. Emissions from aviation fuels, carbon dioxide from biomass or biofuels, motor vehicle fuel burned for agricultural purposes, landfill emissions, and emissions from facilities with North American Industry Classification System (NAICS) code 92811 are exempted from the provisions of this measure. The program shall allow for an annual allowance of emissions, price containment provisions, provide for offsetting credits, an auction process, and create a climate investment account. The program shall begin January 1, 2026.

The measure establishes a compliance and holding account for each participant in the program. The Commission is directed to hold a quarterly auction for emission amounts to qualified participants. Upon verifying the auction results, the Commission shall notify winning bidders and transfer the auction proceeds to the Greenhouse Gas Cap and Invest Program Revolving Fund. The measure also requires the Commission to establish an emissions containment reserve and set an emissions containment reserve trigger price. If the trigger price is met, the Commission must withhold allowances as needed. The measure also creates the Greenhouse Gas Cap and Invest Program Revolving Fund.

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