

Amend **CSHB 3732** (Senate committee printing) as follows:

(1) In the recital of SECTION 1 of the bill (page 1, line 14), strike "Section 447.013" and substitute "Sections 447.013 and 447.014".

(2) In SECTION 1 of the bill, following proposed Section 447.013, Government Code (page 2, between lines 14 and 15), add the following:

Sec. 447.014. HYDROGEN ENERGY LOAN PROGRAM. (a) The State Energy Conservation Office shall establish and administer a program to make and guarantee loans to business entities for projects that:

(1) expand the use of carbon-free hydrogen energy in this state; or

(2) relate to the manufacture, storage, distribution, or sale of carbon-free hydrogen energy in this state.

(b) The Texas Public Finance Authority shall issue general obligation bonds in an aggregate amount not to exceed \$250 million as authorized by Section 49-p, Article III, Texas Constitution.

(c) The program may be funded by:

(1) the proceeds of bonds issued under Subsection (c);  
or

(2) gifts, grants, and donations made for that purpose.

(d) The comptroller may adopt rules to implement this section.

(e) For purposes of this section, hydrogen is considered to be carbon-free if:

(1) any carbon resulting from the production of the hydrogen is captured during production and:

(A) permanently geologically; or

(B) used in the production of other carbon-based products at a rate that exceeds 90 percent of the input; and

(2) Any carbon resulting from the generation of any electricity used in the production of the hydrogen is captured and:

(A) permanently geologically sequestered; or

(B) used in the production of other carbon-based products at a rate that exceeds 90 percent of the input.

(c) For purposes of subsection (e), the generation of wind power, solar power, hydroelectricity, geothermal electricity, tidal electricity, or nuclear power is considered to result in no carbon.

(d) Hydrogen that is generated as a byproduct of the manufacturing of chlorine is considered carbon-free so long as it meets the criteria of subsection (e).

(3) In SECTION 13 of the bill, after "administrative expenses." (page 8, line 40), add "The State Energy Conservation Office shall establish a program under Section 447.014, Government Code, as added by this Act, not later than January 1, 2008.".

(4) In SECTION 16 of the bill (page 8, line 51), between "16." and "Section 447.013(j),", insert "(a)".

(5) Add the following to the end of SECTION 16 of the bill (page 8, between lines 58 and 59):

(b) Section 447.014, Government Code, as added by this Act, takes effect only if the constitutional amendment proposed by the 80th Legislature, Regular Session, 2007, authorizing the issuance of general obligation bonds to provide and guarantee loans to encourage the use of carbon-free hydrogen energy, is approved by the voters. If that amendment is not approved by the voters, Section 447.014, Government Code, has no effect.