Amend SB 20 (house committee report) as follows:

(1) In SECTION 2 of the bill, strike added Section 393.001(5), Health and Safety Code (page 3, lines 20 and 21), and substitute the following:

(5) "Incremental cost" means the difference between the manufacturer's suggested retail price of a baseline vehicle, the documented dealer price of a baseline vehicle, cost to lease or otherwise commercially finance a baseline vehicle, cost to repower with a baseline engine, or other appropriate baseline cost established by the commission, and the actual cost of the natural gas vehicle purchase, lease, or other commercial financing, or repower.

(2) In SECTION 2 of the bill, between added Sections 393.001(5) and (6), Health and Safety Code (page 3, between lines 21 and 22), insert the following new subdivision, numbered appropriately, and renumber subsequent subdivisions of added Section 393.001, Health and Safety Code, accordingly:

(____) "Medium-duty motor vehicle" means a motor vehicle with a gross vehicle weight rating of more than 8,500 pounds that:

(A) is certified to the United States Environmental Protection Agency's light-duty emissions standard; or

(B) has an engine certified to the United States Environmental Protection Agency's light-duty emissions standard.

(3) IN SECTION 2 of the bill, in added Section 393.002, Health and Safety Code (page 4, line 4), between "<u>heavy-duty</u>" and "motor vehicle", insert "or medium-duty".

(4) In SECTION 2 of the bill, in added Section 393.002, Health and Safety Code (page 4, line 7), between "<u>heavy-duty</u>" and "motor vehicles", insert "motor vehicles and medium-duty".

(5) IN SECTION 2 of the bill, in added Section 393.002, Health and Safety Code (page 4, line 8), between "<u>heavy-duty</u>" and "<u>motor vehicle</u>", insert "<u>or medium-duty</u>".

(6) In SECTION 2 of the bill, in added Section 393.003(a)(1), Health and Safety Code (page 4, line 14), between "<u>heavy-duty</u>" and "<u>motor vehicle</u>", insert "<u>or medium-duty</u>".

(7) In SECTION 2 of the bill, in added Section 393.003(a)(1)(C), Health and Safety Code (page 4, line 19), between "heavy-duty" and "motor vehicle", insert "or medium-duty".

(8) In SECTION 2 of the bill, strike added Sections393.003(a)(1)(D) and (a)(2), Health and Safety Code (page 4, line21, through page 5, line 1), and substitute the following:

(D) is powered by an engine certified to:

(i) emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; or (ii) meet or exceed the United States

Environmental Protection Agency's Bin 5 standard for light-duty engines when powering the vehicle; or

(2) repowered the on-road motor vehicle to a natural gas vehicle powered by a natural gas engine that:

(A) is certified to current federal emissions standards; and

(B) is:

(i) a heavy-duty engine that is certified to emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; or

(ii) certified to meet or exceed the United States Environmental Protection Agency's Bin 5 standard for light-duty engines when powering the vehicle.

(9) In SECTION 2 of the bill, in added Section 393.003(b), Health and Safety Code (page 5, line 2), between "<u>heavy-duty</u>" and "<u>motor vehicle</u>", insert "<u>or medium-duty</u>".

(10) In SECTION 2 of the bill, in added Section 393.003(b)(1), Health and Safety Code (page 5, line 5), strike "<u>or</u> <u>by another entity</u>".

(11) In SECTION 2 of the bill, in added Section 393.004(a), Health and Safety Code (page 5, line 10), between "<u>heavy-duty</u>" and "<u>motor vehicle</u>", insert "<u>or medium-duty</u>".

(12) In SECTION 2 of the bill, in added Section 393.005(b)(1), Health and Safety Code (page 5, line 27), strike "<u>heavy-duty</u>".

(13) In SECTION 2 of the bill, in added Section 393.005(b)(2)(A), Health and Safety Code (page 6, line 7), between

"heavy-duty" and "motor vehicle", insert "or medium-duty".

(14) In SECTION 2 of the bill, in added Section 393.005(b)(2)(B), Health and Safety Code (page 6, line 19), between "heavy-duty" and "motor vehicle", insert "or medium-duty".

(15) In SECTION 2 of the bill, in added Section 393.005(f), Health and Safety Code (page 8, line 4), between "<u>heavy-duty</u>" and "motor vehicle", insert "or medium-duty".

(16) In SECTION 2 of the bill, in added Section 393.005(g), Health and Safety Code (page 8, line 13), between "<u>heavy-duty</u>" and "<u>motor vehicles</u>", insert "<u>motor vehicles and medium-duty</u>".

(17) In SECTION 2 of the bill, strike added Section393.007(a)(2), Health and Safety Code (page 9, lines 14 through20), and substitute the following:

(2) is based on:

(A) the certified emission level of nitrogen oxides, or other pollutants as determined by the commission, of the engine powering the natural gas vehicle; and

(B) the usage of the natural gas vehicle; and

(3) may take into account the overall emissions reduction achieved by the natural gas vehicle.

(18) In SECTION 2 of the bill, after added Section 393.007(b), Health and Safety Code (page 10, between lines 1 and 2), insert the following:

(c) A person may not receive a grant under this chapter that, when combined with any other grant, tax credit, or other governmental incentive, exceeds the incremental cost of the vehicle for which the grant is awarded. A person shall return to the commission the amount of a grant awarded under this chapter that, when combined with any other grant, tax credit, or other governmental incentive, exceeds the incremental cost of the vehicle for which the grant is awarded.

(d) The commission shall reduce the amount of a grant awarded under this chapter as necessary to keep the combined incentive total at or below the incremental cost of the vehicle for which the grant is awarded if the grant recipient is eligible to receive an automatic incentive at or before the time a grant is awarded under this chapter.

(19) In SECTION 2 of the bill, strike added Section 393.008(b)(1), Health and Safety Code (page 10, lines 10 through 13), and substitute the following:

(1) provide for the commission to compile and regularly update a listing of preapproved natural gas vehicles:

(A) powered by natural gas engines certified to emit not more than 0.2 grams of nitrogen oxides per brake horsepower hour; or

(B) certified to the United States Environmental Protection Agency's light-duty Bin 5 standard or better;

(20) In SECTION 2 of the bill, in added Section 393.009(a)(1), Health and Safety Code (page 11, line 20), between "<u>on-road heavy-duty</u>" and "<u>natural gas</u>", insert "<u>or medium-duty</u>".

(21) In SECTION 2 of the bill, in added Section 393.009(a)(1), Health and Safety Code (page 11, line 20), between "<u>or heavy-duty</u>" and "<u>natural gas</u>", insert "<u>or medium-duty</u>".

(22) In SECTION 2 of the bill, in added Section 393.009(e)(2), Health and Safety Code (page 12, line 14), between "<u>heavy-duty</u>" and "<u>natural gas</u>", insert "<u>or medium-duty</u>".

(23) In SECTION 2 of the bill, in added Section 393.009(e)(2), Health and Safety Code (page 12, line 15), before "natural gas engines.", insert "heavy-duty or medium-duty".

(24) In SECTION 2 of the bill, strike added Section 393.010(b), Health and Safety Code (page 13, lines 12 and 13), and substitute the following:

(b) The commission may not award more than:

(1) three station grants to any entity; or

(2) one grant for each station.

(25) In SECTION 2 of the bill, between added Sections 393.010(b) and (c), Health and Safety Code (page 13, between lines 13 and 14), insert the following new subsection, designated appropriately, and redesignate subsequent subsections of added Section 393.010, Health and Safety Code, accordingly:

(____) Grants awarded under this section may not exceed: (1) \$100,000 for a compressed natural gas station; (2) \$250,000 for a liquefied natural gas station; or (3) \$400,000 for a station providing both liquefied

and compressed natural gas.

(26) IN SECTION 2 of the bill, strike added Section 393.011, Health and Safety Code (page 14, lines 6-10) and renumber subsequent Sections of the SECTION accordingly.

(27) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION ____. Section 386.252, Health and Safety Code, is amended by adding Subsections (e) and (f) to read as follows:

(e) Notwithstanding Subsection (a), the commission may reallocate money in the fund if:

(1) the commission, in consultation with the governor and the advisory board, determines that the use of the money in the fund for the program established under Chapter 393 will cause the state to be in noncompliance with the state implementation plan to the extent that federal action is likely; and

(2) the commission finds that the reallocation of some or all of the funding for the program established under Chapter 393 would resolve the noncompliance.

(f) Under Subsection (e), the commission may not reallocate more than the minimum amount of money necessary to resolve the noncompliance.