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FLOOR AMENDMENT NO. _____

15 MAY 26 PM 7:36 BY Morrison

HOUSE OF REPRESENTATIVES

1 Amend C.S.S.B. No. 911 (house committee report) as follows:

2 (1) Strike SECTIONS 2, 3, 4, 5, 6, 7, and 8 of the bill
3 (page 1, line 15, through page 5, line 16).

4 (2) Add the following appropriately numbered SECTIONS to
5 the bill and renumber subsequent SECTIONS of the bill
6 accordingly:

7 SECTION _____. Section 386.001(3), Health and Safety Code,
8 is amended to read as follows:

9 (3) "Commission" means the Texas [~~Natural Resource~~
10 ~~Conservation~~] Commission on Environmental Quality.

11 SECTION _____. Section 386.002, Health and Safety Code, is
12 amended to read as follows:

13 Sec. 386.002. EXPIRATION. This chapter expires August 31,
14 2023 [~~2019~~].

15 SECTION _____. Section 386.051(b), Health and Safety Code,
16 is amended to read as follows:

17 (b) Under the plan, the commission and the comptroller
18 shall provide grants or other funding for:

19 (1) the diesel emissions reduction incentive program
20 established under Subchapter C, including for infrastructure
21 projects established under that subchapter;

22 (2) the motor vehicle purchase or lease incentive
23 program established under Subchapter D;

24 (3) the air quality research support program
25 established under Chapter 387;

26 (4) the clean school bus program established under
27 Chapter 390;

28 (5) the new technology implementation grant program
29 established under Chapter 391;

1 (6) the regional air monitoring program established
2 under Section 386.252(a);

3 (7) a health effects study as provided by Section
4 386.252(a);

5 (8) air quality planning activities as provided by
6 Section 386.252(a);

7 (9) a contract with the Energy Systems Laboratory at
8 the Texas A&M Engineering Experiment Station for computation of
9 creditable statewide emissions reductions as provided by Section
10 386.252(a) [~~386.252(a)(14)~~];

11 (10) the clean fleet program established under
12 Chapter 392;

13 (11) the alternative fueling facilities program
14 established under Chapter 393;

15 (12) the natural gas vehicle grant program [~~and clean~~
16 ~~transportation triangle program~~] established under Chapter 394;

17 (13) other programs the commission may develop that
18 lead to reduced emissions of nitrogen oxides, particulate
19 matter, or volatile organic compounds in a nonattainment area or
20 affected county;

21 (14) other programs the commission may develop that
22 support congestion mitigation to reduce mobile source ozone
23 precursor emissions; and

24 (15) the drayage truck incentive program established
25 under Subchapter D-1.

26 SECTION _____. Section 386.103, Health and Safety Code, is
27 amended by adding Subsection (c) to read as follows:

28 (c) To reduce the administrative burden for the commission
29 and applicants, the commission may streamline the application
30 process by:

31 (1) reducing data entry and the copying and recopying

1 of applications; and

2 (2) developing, maintaining, and periodically
3 updating a system to accept applications electronically through
4 the commission's Internet website.

5 SECTION _____. Section 386.104(j), Health and Safety Code,
6 is amended to read as follows:

7 (j) The executive director may [~~shall~~] waive any
8 eligibility requirements established under this section on a
9 finding of good cause, which may include a waiver for short
10 lapses in registration or operation attributable to economic
11 conditions, seasonal work, or other circumstances.

12 SECTION _____. Section 386.152, Health and Safety Code, is
13 amended by amending Subsection (b) and adding Subsection (d) to
14 read as follows:

15 (b) The program shall authorize statewide incentives for
16 the purchase or lease of new light-duty motor vehicles powered
17 by compressed natural gas, liquefied petroleum gas, or hydrogen
18 fuel cell or other electric drives for a purchaser or lessee who
19 agrees to register and operate the vehicle in this state for a
20 minimum period of time to be established by the commission.

21 (d) The commission by rule may revise the standards for
22 the maximum unloaded vehicle weight rating and gross vehicle
23 weight rating of an eligible vehicle to ensure that all of the
24 vehicle weight configurations available under one general
25 vehicle model may be eligible for an incentive.

26 SECTION _____. Sections 386.153(a), (b-1), (c), and (d),
27 Health and Safety Code, are amended to read as follows:

28 (a) A new light-duty motor vehicle powered by compressed
29 natural gas or liquefied petroleum gas is eligible for a \$5,000
30 [~~\$2,500~~] incentive if the vehicle:

31 (1) has four wheels;

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

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

10 (4) [~~is rated at not more than 9,600 pounds unloaded~~
11 ~~vehicle weight~~;

12 [~~(5)~~] has a dedicated or bi-fuel compressed natural
13 gas 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) [~~(6)~~] 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
28 complies with:

29 (i) the 2011 NFPA 58 Liquefied Petroleum
30 Gas Code; and

31 (ii) Section VII of the 2013 ASME Boiler

1 and Pressure Vessel Code; and

2 (6) ~~[(7)]~~ was acquired on or after September 1, 2013,
3 or a later date established by the commission, by the person
4 applying for the incentive under this subsection and for use or
5 lease by that person and not for resale.

6 (b-1) The incentive under Subsection (a) is limited to
7 1,000 ~~[2,000]~~ vehicles for each ~~[the]~~ state fiscal biennium
8 ~~[beginning September 1, 2013]~~.

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

11 (1) has four wheels;

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

14 (3) has not been modified from the original
15 manufacturer's specifications;

16 (4) ~~[is rated at not more than 8,500 pounds unloaded~~
17 ~~vehicle weight,~~

18 ~~[(5)]~~ has a maximum speed capability of at least 55
19 miles per hour;

20 (5) ~~[(6)]~~ is propelled to a significant extent by an
21 electric motor that draws electricity from a hydrogen fuel cell
22 or from a battery that:

23 (A) has a capacity of not less than four
24 kilowatt hours; and

25 (B) is capable of being recharged from an
26 external source of electricity; and

27 (6) ~~[(7)]~~ was acquired on or after September 1, 2013,
28 or a later date as established by the commission, by the person
29 applying for the incentive under this subsection and for use or
30 lease by that person and not for resale.

31 (d) The incentive under Subsection (c) is limited to 2,000

1 vehicles for each [~~the~~] state fiscal biennium [~~beginning~~
2 ~~September 1, 2013~~].

3 SECTION _____. Section 386.155, Health and Safety Code, is
4 amended to read as follows:

5 Sec. 386.155. MANUFACTURER'S REPORT. (a) At the
6 beginning of but not later than July 1 of each year preceding
7 the vehicle model year, a manufacturer of motor vehicles, an
8 intermediate or final state vehicle manufacturer, or a
9 manufacturer of compressed natural gas or liquefied petroleum
10 gas systems shall provide to the commission a list of the new
11 vehicle or natural gas or liquefied petroleum gas systems models
12 that the manufacturer intends to sell in this state during that
13 model year that meet the incentive requirements [~~emissions~~
14 ~~standards~~] established [~~by the schedules set out~~] under Section
15 386.153. The manufacturer or installer may supplement the list
16 provided to the commission under this section as necessary to
17 include additional new vehicle models the manufacturer intends
18 to sell in this state during the model year.

19 (b) The commission may supplement the information provided
20 under Subsection (a) with additional information on available
21 vehicle models, including information provided by manufacturers
22 or installers of systems to convert new motor vehicles to
23 operate on natural gas or liquefied petroleum gas before sale as
24 a new vehicle or within 500 miles of operation of the vehicle
25 following first sale.

26 SECTION _____. Section 386.156, Health and Safety Code, is
27 amended to read as follows:

28 Sec. 386.156. LIST OF ELIGIBLE MOTOR VEHICLES. (a) On
29 August 1 each year the commission shall publish a list of new
30 [~~model~~] motor vehicle models [~~vehicles~~] eligible for inclusion
31 in an incentive under this subchapter [~~as listed for the~~

1 ~~commission under Section 386.155]~~. The commission shall publish
2 supplements to that list as necessary to include additional new
3 vehicle models.

4 (b) The commission shall publish the list of eligible
5 motor vehicle models [~~vehicles~~] on the commission's Internet
6 website.

7 SECTION _____. Section 386.158(b), Health and Safety Code,
8 is amended to read as follows:

9 (b) A lease incentive for a new light-duty motor vehicle
10 shall be prorated based on a three-year [~~four-year~~] lease term.

11 SECTION _____. Section 386.160(c), Health and Safety Code,
12 is amended to read as follows:

13 (c) The commission may require the submission of forms and
14 documentation as needed to verify eligibility for an incentive
15 under this subchapter [~~In addition to other forms developed and~~
16 ~~published under this section, the commission shall develop and~~
17 ~~publish a verification form by which, with information provided~~
18 ~~by the dealer or leasing agent, the commission can verify the~~
19 ~~sale of a vehicle covered by this subchapter. The verification~~
20 ~~form shall include at least the name of the purchaser, the~~
21 ~~vehicle identification number of the vehicle involved, the date~~
22 ~~of the purchase, and the name of the new motor dealer or leasing~~
23 ~~agent involved in the transaction. At the time of sale or lease~~
24 ~~of a vehicle eligible for an incentive under this subchapter,~~
25 ~~the dealer or leasing agent shall complete the verification form~~
26 ~~supplied to the dealer by the commission. The purchaser or~~
27 ~~lessee shall include the completed verification form as part of~~
28 ~~the purchaser's application for an incentive. The dealer shall~~
29 ~~maintain a copy of the completed verification form for at least~~
30 ~~two years from the date of the transaction].~~

31 SECTION _____. The heading to Section 386.161, Health and

1 Safety Code, is amended to read as follows:

2 Sec. 386.161. [~~SUSPENSION OF~~] PURCHASE OR LEASE INCENTIVES
3 INFORMATION.

4 SECTION _____. Subchapter D, Chapter 386, Health and Safety
5 Code, is amended by adding Section 386.1611 to read as follows:

6 Sec. 386.1611. RESERVATION OF INCENTIVES. The commission
7 may provide for dealers and leasing agents to reserve for a
8 limited time period incentives for vehicles that are not readily
9 available and must be ordered, if the dealer or leasing agent
10 has a purchase or lease order signed by an identified customer.

11 SECTION _____. Section 386.162, Health and Safety Code, is
12 amended to read as follows:

13 Sec. 386.162. EXPIRATION. This subchapter expires August
14 31, 2023 [~~2015~~].

15 SECTION _____. Section 386.181(a), Health and Safety Code,
16 is amended to read as follows:

17 (a) In this subchapter, "drayage truck" means a truck or
18 land-based equipment that transports a load to, [~~or~~] from, or in
19 a seaport or rail yard.

20 SECTION _____. Section 386.182(a), Health and Safety Code,
21 is amended to read as follows:

22 (a) The commission shall:

23 (1) develop a purchase incentive program to encourage
24 owners to replace drayage trucks with pre-2007 model year
25 engines or engines certified to an emission rate equivalent to a
26 pre-2007 model year engine; and

27 (2) [~~with newer drayage trucks and shall~~] adopt
28 guidelines necessary to implement the program described by
29 Subdivision (1).

30 SECTION _____. Section 386.252, Health and Safety Code, is
31 amended by amending Subsection (a) and adding Subsections (g-1)

1 and (g-2) to read as follows:

2 (a) Money in the fund may be used only to implement and
3 administer programs established under the plan. Money
4 appropriated to the commission to be used for the programs under
5 Section 386.051(b) shall be allocated as follows:

6 (1) not more than four percent may be used for the
7 clean school bus program under Chapter 390;

8 (2) not more than three percent may be used for the
9 new technology implementation grant program under Chapter 391,
10 from which at least \$1 million will be set aside for electricity
11 storage projects related to renewable energy;

12 (3) five percent shall be used for the clean fleet
13 program under Chapter 392;

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

23 (5) not less than 16 percent shall be used for the
24 Texas natural gas vehicle grant program under Chapter 394;

25 (6) not more than 10 [~~five~~] percent may be used [~~to~~
26 ~~provide grants for natural gas fueling stations under the clean~~
27 ~~transportation triangle program under Section 394.010,~~

28 [~~(7) not more than five percent may be used~~] for the
29 Texas alternative fueling facilities program under Chapter 393,
30 of which a specified amount may be used for fueling stations to
31 provide natural gas fuel;

1 (7) [~~8~~] a specified amount may be used each year to
2 support research related to air quality as provided by Chapter
3 387;

4 (8) [~~9~~] not more than \$200,000 may be used for a
5 health effects study[~~+~~

6 ~~[(10) \$500,000 is to be deposited in the state~~
7 ~~treasury to the credit of the clean air account created under~~
8 ~~Section 382.0622 to supplement funding for air quality planning~~
9 ~~activities in affected counties];~~

10 (9) [~~11~~] at least \$4 million and up to four percent
11 to a maximum of \$7 million, whichever is greater, is allocated
12 to the commission for administrative costs;

13 (10) [~~12~~] at least two percent and up to five
14 percent [~~of the fund~~] is to be used by the commission for the
15 drayage truck incentive program established under Subchapter D-
16 1;

17 (11) [~~13~~] not more than five percent may be used
18 for the light-duty motor vehicle purchase or lease incentive
19 program established under Subchapter D;

20 (12) [~~14~~] not more than \$216,000 is allocated to
21 the commission to contract with the Energy Systems Laboratory at
22 the Texas A&M Engineering Experiment Station annually for the
23 development and annual computation of creditable statewide
24 emissions reductions obtained through wind and other renewable
25 energy resources for the state implementation plan;

26 ~~[(15) 1.5 percent of the money in the fund is~~
27 ~~allocated for administrative costs incurred by the laboratory];~~
28 and

29 (13) [~~16~~] the balance is to be used by the
30 commission for the diesel emissions reduction incentive program
31 under Subchapter C as determined by the commission.

1 (g-1) To supplement funding for air quality planning
2 activities in affected counties, \$500,000 from the fund is to be
3 deposited annually in the state treasury to the credit of the
4 clean air account created under Section 382.0622.

5 (g-2) Money in the fund may be allocated for
6 administrative costs incurred by the laboratory.

7 SECTION _____. Section 390.006, Health and Safety Code, is
8 amended to read as follows:

9 Sec. 390.006. EXPIRATION. This chapter expires August 31,
10 2023 [~~2019~~].

11 SECTION _____. Section 391.002(b), Health and Safety Code,
12 is amended to read as follows:

13 (b) Projects that may be considered for a grant under the
14 program include:

15 (1) advanced clean energy projects, as defined by
16 Section 382.003;

17 (2) new technology projects that reduce emissions of
18 regulated pollutants from stationary [~~point~~] sources;

19 (2-a) new technology projects that reduce emissions
20 from upstream and midstream oil and gas production, completions,
21 gathering, storage, processing, and transmission activities
22 through:

23 (A) the replacement, repower, or retrofit of
24 stationary compressor engines; or

25 (B) the installation of systems to reduce or
26 eliminate the loss of gas, flaring of gas, or burning of gas
27 using other combustion control devices; and

28 (3) electricity storage projects related to renewable
29 energy, including projects to store electricity produced from
30 wind and solar generation that provide efficient means of making
31 the stored energy available during periods of peak energy use.

1 SECTION _____. Section 391.205(a), Health and Safety Code,
2 is amended to read as follows:

3 (a) Except as provided by Subsection (c), in awarding
4 grants under this chapter the commission shall give preference
5 to projects that:

6 (1) involve the transport, use, recovery for use, or
7 prevention of the loss of natural resources originating or
8 produced in this state;

9 (2) contain an energy efficiency component; or

10 (3) include the use of solar, wind, or other
11 renewable energy sources.

12 SECTION _____. Section 391.304, Health and Safety Code, is
13 amended to read as follows:

14 Sec. 391.304. EXPIRATION. This chapter expires August 31,
15 2023 [~~2019~~].

16 SECTION _____. Section 392.001(1), Health and Safety Code,
17 is amended to read as follows:

18 (1) "Alternative fuel" means a fuel other than
19 gasoline or diesel fuel, including electricity, compressed
20 natural gas, liquefied [~~liquefied~~] natural gas, hydrogen,
21 propane, or a mixture of fuels containing at least 85 percent
22 methanol by volume.

23 SECTION _____. Section 392.003(a), Health and Safety Code,
24 is amended to read as follows:

25 (a) A vehicle is a qualifying vehicle that may be
26 considered for a grant under the program if during the
27 eligibility period established by the commission [~~calendar year~~]
28 the entity purchases a new on-road vehicle that:

29 (1) is certified to current federal emissions
30 standards;

31 (2) replaces a diesel-powered on-road vehicle of the

1 same weight classification and use; and

2 (3) is a hybrid vehicle or fueled by an alternative
3 fuel.

4 SECTION _____. Section 392.004(d), Health and Safety Code,
5 is amended to read as follows:

6 (d) The commission shall minimize, to the maximum extent
7 possible, the amount of paperwork required for an application.
8 ~~[An applicant may be required to submit a photograph or other~~
9 ~~documentation of a vehicle identification number, registration~~
10 ~~information, inspection information, tire condition, or engine~~
11 ~~block identification only if the photograph or documentation is~~
12 ~~requested by the commission after the commission has decided to~~
13 ~~award a grant to the applicant under this chapter.]~~

14 SECTION _____. Section 392.005, Health and Safety Code, is
15 amended by amending Subsections (b), (c), and (i) and adding
16 Subsection (c-1) to read as follows:

17 (b) To be eligible for a grant under the program, a
18 project must:

19 (1) result in a reduction in emissions of nitrogen
20 oxides or other pollutants, as established by the commission, of
21 at least 25 percent, based on:

22 (A) the baseline emission level set by the
23 commission under Subsection (g); and

24 (B) the certified emission rate of the new
25 vehicle; and

26 (2) replace a vehicle that:

27 (A) is an on-road vehicle that has been owned,
28 leased, or otherwise commercially financed and registered and
29 operated by the applicant in Texas for at least the two years
30 immediately preceding the submission of a grant application;

31 (B) satisfies any minimum average annual mileage

1 or fuel usage requirements established by the commission;

2 (C) satisfies any minimum percentage of annual
3 usage requirements established by the commission; and

4 (D) is in operating condition and has at least
5 four [~~two~~] years of remaining useful life, as determined in
6 accordance with criteria established by the commission.

7 (c) As a condition of receiving a grant, the qualifying
8 vehicle must be continuously owned, registered, and operated in
9 the state by the grant recipient until the earlier of the fifth
10 anniversary of the activity start date established by the
11 commission [~~the date of reimbursement of the grant-funded~~
12 ~~expenses~~] or [~~until~~] the date the vehicle has been in operation
13 for 400,000 miles after the activity start date established by
14 the commission [~~of reimbursement~~]. Not less than 75 percent of
15 the annual use of the qualifying vehicle, either mileage or fuel
16 use as determined by the commission, must occur in the state.

17 (c-1) For purposes of Subsection (c), the commission shall
18 establish the activity start date based on the date the
19 commission accepts verification of the disposition of the
20 vehicle being replaced.

21 (i) The executive director may [~~shall~~] waive the
22 requirements of Subsection (b)(2)(A) on a finding of good cause,
23 which may include a waiver for short lapses in registration or
24 operation attributable to economic conditions, seasonal work, or
25 other circumstances.

26 SECTION _____. Section 392.008, Health and Safety Code, is
27 amended to read as follows:

28 Sec. 392.008. EXPIRATION. This chapter expires August 31,
29 2023 [~~2017~~].

30 SECTION _____. Section 393.001, Health and Safety Code, is
31 amended by amending Subdivision (1) and adding Subdivision (1-a)

1 to read as follows:

2 (1) "Alternative fuel" means a fuel other than
3 gasoline or diesel fuel, other than biodiesel fuel, including
4 electricity, compressed natural gas, liquefied [~~liquified~~]
5 natural gas, hydrogen, propane, or a mixture of fuels containing
6 at least 85 percent methanol by volume.

7 (1-a) "Clean transportation triangle" means:

8 (A) counties containing or intersected by a
9 portion of an interstate highway connecting the cities of
10 Houston, San Antonio, Dallas, and Fort Worth;

11 (B) counties located within the triangular area
12 formed by the interstate highways described by Paragraph (A);

13 (C) counties in this state all or part of which
14 are included in a nonattainment area designated under Section
15 107(d) of the federal Clean Air Act (42 U.S.C. Section 7407), as
16 amended; and

17 (D) counties designated as affected counties
18 under Section 386.001.

19 SECTION _____. Section 393.002, Health and Safety Code, is
20 amended to read as follows:

21 Sec. 393.002. PROGRAM. (a) The commission shall
22 establish and administer the Texas alternative fueling
23 facilities program to provide fueling facilities for alternative
24 fuel in the clean transportation triangle [~~nonattainment areas~~].
25 Under the program, the commission shall provide a grant for each
26 eligible facility to offset the cost of those facilities.

27 (b) An entity that constructs or [~~7~~] ~~reconstructs~~ [~~7~~ ~~or~~
28 ~~acquires~~] an alternative fueling facility is eligible to
29 participate in the program.

30 (c) To ensure that alternative fuel vehicles have access
31 to fuel and to build the foundation for a self-sustaining market

1 for alternative fuels in Texas, the commission shall provide for
2 strategically placed fueling facilities in the clean
3 transportation triangle to enable an alternative fuel vehicle to
4 travel in those areas relying solely on the alternative fuel.

5 (d) The commission shall maintain a listing to be made
6 available to the public online of all vehicle fueling facilities
7 that have received grant funding, including location and hours
8 of operation.

9 SECTION _____. Section 393.003, Health and Safety Code, is
10 amended by amending Subsections (a) and (b) and adding
11 Subsections (d) and (e) to read as follows:

12 (a) An entity operating in this state that constructs or
13 [~~r~~] reconstructs [~~, or acquires~~] a facility to [~~store, compress,~~
14 ~~or~~] dispense alternative fuels may apply for and receive a grant
15 under the program.

16 (b) The commission may [~~adopt guidelines to~~] allow a
17 regional planning commission, council of governments, or similar
18 regional planning agency created under Chapter 391, Local
19 Government Code, or a private nonprofit organization to apply
20 for and receive a grant to improve the ability of the program to
21 achieve its goals.

22 (d) An application for a grant under the program must
23 include a certification that the applicant complies with laws,
24 rules, guidelines, and requirements applicable to taxation of
25 fuel provided by the applicant at each fueling facility owned or
26 operated by the applicant. The commission may terminate a grant
27 awarded under this section without further obligation to the
28 grant recipient if the commission determines that the recipient
29 did not comply with a law, rule, guideline, or requirement
30 described by this subsection. This subsection does not create a
31 cause of action to contest an application or award of a grant.

1 (e) The commission shall disperse grants under the program
2 through a competitive application selection process to offset a
3 portion of the eligible costs.

4 SECTION _____. Section 393.004, Health and Safety Code, is
5 amended to read as follows:

6 Sec. 393.004. ELIGIBILITY OF FACILITIES FOR GRANTS. (a)
7 In addition to the requirements of this chapter, the commission
8 shall establish additional eligibility and prioritization
9 criteria as needed to implement the program [~~The commission by~~
10 ~~rule shall establish criteria for prioritizing facilities~~
11 ~~eligible to receive grants under this chapter. The commission~~
12 ~~shall review and revise the criteria as appropriate)].~~

13 (b) To be eligible for a grant under the program, the
14 entity receiving the grant must agree to make the alternative
15 fueling facility accessible and available to the public [~~persons~~
16 ~~not associated with the entity]~~ at times designated by the
17 commission in the grant contract [~~agreement~~].

18 (c) The commission may not award more than one grant for
19 each facility.

20 (d) The commission may give preference to or otherwise
21 limit grant selections to:

22 (1) fueling facilities providing specific types of
23 alternative fuels;

24 (2) fueling facilities in a specified area or
25 location; and

26 (3) fueling facilities meeting other specified
27 prioritization criteria established by the commission.

28 (e) For fueling facilities to provide natural gas, the
29 commission shall give preference to:

30 (1) facilities providing both liquefied natural gas
31 and compressed natural gas at a single location;

1 (2) facilities located not more than one mile from an
2 interstate highway system; and

3 (3) facilities located in the triangular area in and
4 between the Houston, San Antonio, and Dallas-Fort Worth areas.

5 (f) In addition to other preferences under this section,
6 for fueling facilities to provide natural gas, the commission
7 shall give preference to facilities located in the triangular
8 area in and between the Corpus Christi, Laredo, and San Antonio
9 areas [~~A recipient of a grant under this chapter is not~~
10 ~~eligible to receive a second grant under this chapter for the~~
11 ~~same facility~~].

12 SECTION _____. Section 393.005, Health and Safety Code, is
13 amended to read as follows:

14 Sec. 393.005. RESTRICTION ON USE OF GRANT. (a) A
15 recipient of a grant under this chapter shall use the grant only
16 to pay the costs of the facility for which the grant is made.
17 The recipient may not use the grant to pay the recipient's:

18 (1) administrative expenses;

19 (2) expenses for the purchase of land or an interest
20 in land; or

21 (3) expenses for equipment or facility improvements
22 that are not directly related to the delivery, storage,
23 compression, or dispensing of the alternative fuel at the
24 facility.

25 (b) Each grant must be awarded using a contract that
26 requires the recipient to meet operational, maintenance, and
27 reporting requirements as specified by the commission.

28 SECTION _____. Section 393.006, Health and Safety Code, is
29 amended to read as follows:

30 Sec. 393.006. AMOUNT OF GRANT. (a) Grants awarded under
31 this chapter for a facility to provide alternative fuels other

1 than natural gas may not exceed [~~For each eligible facility for~~
2 ~~which a recipient is awarded a grant under the program, the~~
3 ~~commission shall award the grant in an amount equal to]~~ the
4 lesser of:

5 (1) 50 percent of the sum of the actual eligible
6 costs incurred by the grant recipient within deadlines
7 established by the commission [~~to construct, reconstruct, or~~
8 ~~acquire the facility~~]; or

9 (2) \$600,000.

10 (b) Grants awarded under this chapter for a facility to
11 provide natural gas may not exceed:

12 (1) \$400,000 for a compressed natural gas facility;

13 (2) \$400,000 for a liquefied natural gas facility; or

14 (3) \$600,000 for a facility providing both liquefied
15 and compressed natural gas.

16 SECTION _____. Section 393.007, Health and Safety Code, is
17 amended to read as follows:

18 Sec. 393.007. EXPIRATION. This chapter expires August 31,
19 2023 [~~2018~~].

20 SECTION _____. Sections 394.001(1), (4), and (5), Health
21 and Safety Code, are amended to read as follows:

22 (1) "Clean transportation triangle" has the meaning
23 assigned by Section 393.001 [~~"Advisory board" means the Texas~~
24 ~~Emissions Reduction Plan Advisory Board~~].

25 (4) "Heavy-duty motor vehicle" means a motor vehicle
26 that [~~with~~]:

27 (A) has a gross vehicle weight rating of more
28 than 8,500 pounds; and

29 (B) is certified to or has an engine certified
30 to the United States Environmental Protection Agency's emissions
31 standards for heavy-duty vehicles or engines.

1 (5) "Incremental cost" has the meaning assigned by
2 Section 386.001 [~~means the difference between the manufacturer's~~
3 ~~suggested retail price of a baseline vehicle, the documented~~
4 ~~dealer price of a baseline vehicle, cost to lease or otherwise~~
5 ~~commercially finance a baseline vehicle, cost to repower with a~~
6 ~~baseline engine, or other appropriate baseline cost established~~
7 ~~by the commission, and the actual cost of the natural gas~~
8 ~~vehicle purchase, lease, or other commercial financing, or~~
9 ~~repower~~].

10 SECTION _____. Section 394.001, Health and Safety Code, is
11 amended by adding Subdivision (1-a) to read as follows:

12 (1-a) "Certified" includes:

13 (A) new vehicle or engine certification by the
14 United States Environmental Protection Agency; or

15 (B) certification or approval by the United
16 States Environmental Protection Agency of a system to convert a
17 vehicle or engine to operate on an alternative fuel and a
18 demonstration by the emissions data used to certify or approve
19 the vehicle or engine, if the commission determines the testing
20 used to obtain the emissions data is consistent with the testing
21 required for approval of an alternative fuel conversion system
22 for new and relatively new vehicles or engines under 40 C.F.R.
23 Part 85.

24 SECTION _____. Section 394.003(a), Health and Safety Code,
25 is amended to read as follows:

26 (a) A vehicle is a qualifying vehicle that may be
27 considered for a grant under the program if during the
28 eligibility period established by the commission [~~calendar year~~]
29 the entity:

30 (1) purchased, leased, or otherwise commercially
31 financed the vehicle as a new on-road heavy-duty or medium-duty

1 motor vehicle that:

2 (A) is a natural gas vehicle;

3 (B) is certified to current federal emissions
4 standards;

5 (C) replaces an on-road heavy-duty or medium-
6 duty motor vehicle of the same weight classification and use;
7 and

8 (D) is certified to or powered by an engine
9 certified to:

10 (i) emit not more than 0.2 grams of
11 nitrogen oxides per brake horsepower hour; [~~or~~]

12 (ii) meet or exceed the United States
13 Environmental Protection Agency's Bin 5 standard for light-duty
14 engines when powering the vehicle; or

15 (iii) meet or exceed the United States
16 Environmental Protection Agency's chassis-certified heavy-duty
17 vehicle emission standard of:

18 (a) 0.2 grams of nitrogen oxides per
19 mile for vehicles with a gross vehicle weight rating of 8,501 to
20 10,000 pounds; or

21 (b) 0.4 grams of nitrogen oxides per
22 mile for vehicles with a gross vehicle weight rating of 10,001
23 to 14,000 pounds; or

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

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

28 (B) is:

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

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

4 (iii) certified to meet or exceed the
5 United States Environmental Protection Agency's chassis-
6 certified heavy-duty vehicle emission standard of:

7 (a) 0.2 grams of nitrogen oxides per
8 mile for vehicles with a gross vehicle weight rating of 8,501 to
9 10,000 pounds when powering the vehicle; or

10 (b) 0.4 grams of nitrogen oxides per
11 mile for vehicles with a gross vehicle weight rating of 10,001
12 to 14,000 pounds when powering the vehicle.

13 SECTION _____. Section 394.005, Health and Safety Code, is
14 amended by amending Subsections (a), (b), (c), (g), and (i) and
15 adding Subsection (c-1) to read as follows:

16 (a) The commission [~~by rule~~] shall establish criteria for
17 prioritizing qualifying vehicles eligible to receive grants
18 under this chapter. The commission shall review and revise the
19 criteria as appropriate [~~after consultation with the advisory~~
20 ~~board~~].

21 (b) To be eligible for a grant under the program:

22 (1) the use of the qualifying vehicle must be
23 projected to result in a reduction in emissions of nitrogen
24 oxides of at least 25 percent as compared to the motor vehicle
25 or engine being replaced, based on:

26 (A) the baseline emission level set by the
27 commission under Subsection (g); and

28 (B) the certified emission rate of the new
29 vehicle; and

30 (2) the qualifying vehicle must:

31 (A) replace a heavy-duty or medium-duty motor

1 vehicle that:

2 (i) is an on-road vehicle that has been
3 owned, leased, or otherwise commercially financed and registered
4 and operated by the applicant in Texas for at least the two
5 years immediately preceding the submission of a grant
6 application;

7 (ii) satisfies any minimum average annual
8 mileage or fuel usage requirements established by the
9 commission;

10 (iii) satisfies any minimum percentage of
11 annual usage requirements established by the commission; and

12 (iv) is in operating condition and has at
13 least four [~~two~~] years of remaining useful life, as determined
14 in accordance with criteria established by the commission; or

15 (B) be a heavy-duty or medium-duty motor vehicle
16 repowered with a natural gas engine that:

17 (i) is installed in an on-road vehicle that
18 has been owned, leased, or otherwise commercially financed and
19 registered and operated by the applicant in Texas for at least
20 the two years immediately preceding the submission of a grant
21 application;

22 (ii) satisfies any minimum average annual
23 mileage or fuel usage requirements established by the
24 commission;

25 (iii) satisfies any minimum percentage of
26 annual usage requirements established by the commission; and

27 (iv) is installed in an on-road vehicle
28 that, at the time of the vehicle's repowering, was in operating
29 condition and had at least four [~~two~~] years of remaining useful
30 life, as determined in accordance with criteria established by
31 the commission.

1 (c) As a condition of receiving a grant, the qualifying
2 vehicle must be continuously owned, leased, or otherwise
3 commercially financed and registered and operated in the state
4 by the grant recipient until the earlier of the fourth
5 anniversary of the activity start date established by the
6 commission [~~the date of reimbursement of the grant-funded~~
7 ~~expenses~~] or [~~until~~] the date the vehicle has been in operation
8 for 400,000 miles after the activity start date established by
9 the commission [~~of reimbursement~~]. Not less than 75 percent of
10 the annual use of the qualifying vehicle, either mileage or fuel
11 use as determined by the commission, must occur in the clean
12 transportation triangle [+

13 [~~(1) the counties any part of which are included in~~
14 ~~the area described by Section 394.010(a); or~~

15 [~~(2) counties designated as nonattainment areas~~
16 ~~within the meaning of Section 107(d) of the federal Clean Air~~
17 ~~Act (42 U.S.C. Section 7407)].~~

18 (c-1) For purposes of Subsection (c), the commission shall
19 establish the activity start date based on the date the
20 commission accepts verification of the disposition of the
21 vehicle or engine.

22 (g) The commission shall establish baseline emission
23 levels for emissions of nitrogen oxides for on-road heavy-duty
24 or medium-duty motor vehicles being replaced or repowered by
25 using the emission certification for the engine or vehicle being
26 replaced. The commission may consider deterioration of the
27 emission performance of the engine of the vehicle being replaced
28 in establishing the baseline emission level. The commission may
29 consider and establish baseline emission rates for additional
30 pollutants of concern[~~, as determined by the commission after~~
31 ~~consultation with the advisory board~~].

1 (i) The executive director may [~~shall~~] waive the
2 requirements of Subsection (b)(2)(A)(i) on a finding of good
3 cause, which may include short lapses in registration or
4 operation due to economic conditions, seasonal work, or other
5 circumstances.

6 SECTION _____. Section 394.006, Health and Safety Code, is
7 amended to read as follows:

8 Sec. 394.006. RESTRICTION ON USE OF GRANT. A recipient of
9 a grant under this chapter shall use the grant to pay the
10 incremental costs of the replacement or vehicle repower for
11 which the grant is made, which may include a portion of the
12 initial cost of the natural gas vehicle or natural gas engine,
13 including the cost of the natural gas fuel system and
14 installation [~~and the reasonable and necessary expenses incurred~~
15 ~~for the labor needed to install emissions-reducing~~
16 ~~equipment~~]. The recipient may not use the grant to pay the
17 recipient's administrative expenses.

18 SECTION _____. Section 394.007(c), Health and Safety Code,
19 is amended to read as follows:

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

29 SECTION _____. Sections 394.008(a) and (b), Health and
30 Safety Code, are amended to read as follows:

31 (a) The commission shall establish [~~adopt~~] procedures for:

1 (1) awarding grants under this chapter to reimburse
2 eligible costs [~~in the form of rebates~~]; and

3 (2) streamlining the grant application, contracting,
4 reimbursement, and reporting process for qualifying natural gas
5 vehicle purchases or repowers.

6 (b) Procedures established [~~adopted~~] under this section
7 must:

8 (1) provide for the commission to compile and
9 regularly update a listing of potentially eligible [~~preapproved~~]
10 natural gas vehicles and engines powered by natural gas that are
11 certified to:

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

15 (B) [~~certified to~~] the United States
16 Environmental Protection Agency's light-duty Bin 5 standard or
17 better; or

18 (C) meet or exceed the United States
19 Environmental Protection Agency's chassis-certified heavy-duty
20 vehicle emission standard of:

21 (i) 0.2 grams of nitrogen oxides per mile
22 for vehicles with a gross vehicle weight rating of 8,501 to
23 10,000 pounds; or

24 (ii) 0.4 grams of nitrogen oxides per mile
25 for vehicles with a gross vehicle weight rating of 10,001 to
26 14,000 pounds;

27 (2) if a federal standard for the calculation of
28 emissions reductions exists, provide a method to calculate the
29 reduction in emissions of nitrogen oxides, volatile organic
30 compounds, carbon monoxide, particulate matter, and sulfur
31 compounds for each replacement or repowering;

1 (3) assign a standardized grant [~~rebate~~] amount for
2 each qualifying vehicle or engine repower under Section 394.007;

3 (4) allow for processing applications [~~rebates~~] on an
4 ongoing first-come, first-served basis;

5 (5) [~~provide for contracts between the commission and~~
6 ~~participating dealers under Section 394.009;~~

7 [~~(6) allow grant recipients to assign their grant~~
8 ~~funds to participating dealers to offset the purchase or lease~~
9 ~~price;~~

10 [(+7)] require grant applicants to identify natural
11 gas fueling stations that are available to fuel the qualifying
12 vehicle in the area of its use;

13 (6) [(+8)] provide for payment not later than the 30th
14 day after the date the request for reimbursement for an approved
15 grant is received;

16 (7) [(+9)] provide for application submission and
17 application status checks using procedures established by the
18 commission, which may include application submission and status
19 checks to be made over the Internet; and

20 (8) [(+10)] consolidate, simplify, and reduce the
21 administrative work for applicants and the commission associated
22 with grant application, contracting, reimbursement, and
23 reporting requirements.

24 SECTION _____. Section 394.012, Health and Safety Code, is
25 amended to read as follows:

26 Sec. 394.012. EXPIRATION. This chapter expires August 31,
27 2023 [~~2017~~].

28 SECTION _____. Sections 386.161(b), 386.252(e-1), 394.009,
29 394.010, and 394.011, Health and Safety Code, are repealed.

30 SECTION _____. The changes in law made by this Act apply
31 only to a Texas emissions reduction plan grant awarded on or

1 after the effective date of this Act. A grant awarded before the
2 effective date of this Act is governed by the law in effect on
3 the date the award was made, and the former law is continued in
4 effect for that purpose.

5 SECTION _____. This Act takes effect August 31, 2015.