

**TITLE 16. ECONOMIC REGULATION**  
**PART 1. RAILROAD COMMISSION OF TEXAS**  
**CHAPTER 15. ALTERNATIVE FUELS PROGRAMS**

*§15.1. Purpose.* The purpose of this chapter is to establish for purchasers of eligible appliances and equipment rebate and incentive programs that are or have the potential to be effective in improving the air quality, energy security, or economy of this state. This chapter outlines the eligibility requirements for equipment and applicants; application requirements; administrative procedures; and other program terms.

*The provisions of this §15.1 adopted to be effective December 16, 2013, 38 TexReg 9012.*

*§15.2. Definitions.* The following words and terms, when used in this chapter shall have the following meanings, unless the context clearly indicates otherwise.

(1) AED--The Alternative Energy Division; the organizational unit of the commission that administers the LP-gas, CNG and LNG safety program, including licensing, truck registration, installation approvals, complaint and accident investigations, inspections of stationary installations and vehicles, and code enforcement.

(2) AFRED--The Alternative Fuels Research and Education Division; the organizational unit of the commission that administers the commission's alternative fuels research, marketing, and public education programs.

(3) Alternative fuel--Propane, compressed natural gas, or liquefied natural gas.

(4) Applicant--A person who has submitted a complete and timely application and who, if the application is approved, will be the legal owner of eligible equipment installed in an eligible installation.

(5) Application--That set of forms prescribed by the commission for the purpose of applying for and/or assigning a rebate or incentive and participating in the rebate and incentive program as a dealer or equipment supplier, including all required supporting documentation.

(6) Available funds--Money available in the Oil and Gas Regulation and Cleanup Account No. 5155-General Revenue Dedicated, or its successor, in the state treasury, and funds available from gifts and grants related to rebate and incentive programs for eligible equipment.

(7) Commission--The Railroad Commission of Texas.

(8) Director--The director of AFRED or the director's delegate.

(9) Eligible equipment--An appliance, vehicle, or equipment that operates on an alternative fuel, is approved by AFRED, and that is or has the potential to

be effective in improving the air quality, energy security, or economy of this state.

(10) Eligible installation--An installation of eligible equipment that takes place on property owned by the applicant and located in this state and that occurs no earlier than the effective date of this chapter and no later than the date of termination of the program established under this chapter.

(11) Installation date--The date on which alternative fuel service for eligible equipment is established.

(12) Dealer--A person who:

(A) has been issued a current Category E LP-gas license, a current Category 3 CNG license, or a current Category 35 LNG license from the AED or is an active company representative or operations supervisor on file with the AED; and

(B) operates or manages a retail business, including any branch outlet or outlets, delivering an alternative fuel; and

(C) has completed and submitted the form prescribed by the commission for dealer participation in the rebate and incentive program; and

(D) is a regular supplier or a potential regular supplier of an alternative fuel to an applicant.

(13) Equipment supplier--A person who:

(A) has been issued a current Category L or other applicable LP-gas license, a Category 2 or other applicable CNG license, or a Category 45 or other applicable LNG license from the AED or is an active company representative or operations supervisor on file with the AED; and

(B) operates or manages a retail business, including any branch outlet or outlets, selling, leasing or servicing eligible equipment; and

(C) has completed and submitted the form prescribed by the commission for participation as an equipment supplier in a rebate or incentive program; and

(D) is a regular supplier or a potential regular supplier of eligible equipment to an applicant.

(14) Safety inspection--An on-site inspection, including any necessary pressure tests, of an operating eligible installation by a dealer, a dealer's designated agent, an equipment supplier, or an equipment supplier's designated agent for the purpose of verifying that the alternative fuel system, including all equipment, is or was installed in compliance with this chapter and with all applicable commission LP-gas, CNG, or LNG safety rules and is in safe operating condition.

*The provisions of this §15.2 adopted to be effective December 16, 2013, 38 TexReg 9012.*

*§15.3. Establishment and Duration.* The rebate and incentive program is hereby established on the effective

date of this chapter. The commission may terminate this program at any time.

*The provisions of this §15.3 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.4. Availability of Funds.** If funds become unavailable during a program year, the commission may carry over applications until the next program year.

*The provisions of this §15.4 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.5. Eligibility.**

(a) To be eligible for a rebate or incentive under this program, an applicant must document, using forms prescribed by the commission for the purpose, that:

- (1) an eligible installation has been performed;
- (2) the eligible installation for which application is made is or has the potential to be effective in improving the air quality, energy security, or economy of the state; and
- (3) a safety inspection of the eligible installation has been performed.

(b) Installations performed on motor vehicles, travel trailers, mobile homes or manufactured homes that are not in permanent use in this state are not eligible for rebates or incentives under this program.

(c) No more than one rebate or incentive may be paid for each eligible installation.

(d) An applicant may apply for a rebate or incentive for any number of eligible installations.

(e) The commission may limit the total amount of rebates or incentives that may be paid to any applicant.

*The provisions of this §15.5 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.6. Application.**

(a) Forms. Application for a rebate or incentive shall be made on forms prescribed for that purpose by the commission. The application consists of a form verifying the equipment for which the rebate or incentive is being sought. The form may require, for example, the make, model, and serial number of the eligible equipment installed or being replaced; the date and physical address of the installation; the applicant's name, address, and telephone number; and the participating dealer's or equipment supplier's name, address, telephone number, and Railroad Commission license number. The form requires the signature of the applicant and the Company Representative and, for certain rebate or incentive amounts, the applicant's tax identification number, social security number, or any other identification number as determined by the Comptroller of Public Accounts. The required documentation must show that the equipment for which the rebate or incentive is being sought is installed and

operating in the State of Texas in compliance with the commission requirements.

(b) Payment. AFRED may approve payment of a rebate or incentive to an applicant subject to the availability of funds. Applicants have no legal right or other entitlement to receive rebates or incentives under this program, and receipt of a complete and correct application does not bind AFRED to approve payment of a rebate or incentive to any applicant.

(c) Priority. Applications shall be considered on a first-come, first-served basis according to the receipt dates of complete and correct applications. Priority for payment shall be determined by the installation dates recorded on complete and correct applications.

(d) Allocation of payment to fiscal year. The installation date shall determine the fiscal year appropriation from which a rebate or incentive is paid. The commission may obligate or reserve funds to pay a rebate or incentive from funds of a fiscal year other than that in which the installation date occurs.

(e) Acceptance. Applications will be accepted no earlier than the effective date of this rule and no later than the date of termination of the program. An application for a rebate or incentive on domestic equipment, such as an appliance, must be received by AFRED no later than 30 days following the date of the eligible installation to be eligible for a rebate or incentive. An application for a rebate or incentive on a motor vehicle, industrial lift truck, or other industrial equipment must be received by AFRED no later than 60 days following the date of the eligible installation to be eligible for a rebate or incentive. Applications may be mailed to the Railroad Commission of Texas, Alternative Fuels Research and Education Division, P.O. Box 12967, Austin, Texas 78711-2967, or hand-delivered to the commission at 1701 North Congress Avenue, Austin, Texas 78701. Applications may also be scanned and submitted electronically or submitted by facsimile transmission (FAX).

(f) Installation date. Applications must pertain to eligible installations made not earlier than the effective date of this rule and not later than the program termination date. The installation date is the date that determines whether funds are available and the rebate or incentive amount that is in effect.

(g) Completeness. Applicants must furnish completely and correctly all information required on the official rebate or incentive application. No application may be considered complete until all required information is correct and all forms and required supporting documentation are received by AFRED.

(h) Incomplete applications. Applicants have 30 days from the date AFRED sends notice to correct any errors or omissions on the application. If a complete, correct application is not received by AFRED within 30

days after notice has been sent, the application shall be void.

*The provisions of this §15.6 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.7. Conditions of Receipt of Rebate or Incentive.** The application forms prescribed by the commission shall include conditions that the applicant agrees:

- (1) to practice environmentally sound operating principles;
- (2) not to modify the equipment for a period of five years, or for a shorter term as determined by the commission, from the date of installation in any way that would materially impair the equipment's performance with respect to energy conservation, energy efficiency or air quality;
- (3) not to remove the equipment from this state;
- (4) not to remove eligible equipment permanently from service for a period of five years, or for a shorter term as determined by the commission, from the date of installation; and
- (5) either to allow commission inspection of the installation or to respond completely and accurately to a commission verification survey or questionnaire, or both, pursuant to §15.10 of this title (relating to Verification, Safety, Disallowance, and Refund).

*The provisions of this §15.7 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.8. Selection of Equipment and Installer.** Selection of eligible equipment and an installer is solely the responsibility of the applicant. The commission will not recommend equipment, dealers or installers.

*The provisions of this §15.8 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.9. Rebate or Incentive Amount, Minimum Efficiency Factor, or Performance Standard.**

(a) The commission shall establish the rebate or incentive amount and may establish a minimum energy efficiency factor or other performance standard, as applicable, for an eligible installation. The commission may change this amount or performance standard at any time. If the commission changes the rebate or incentive amount or performance standard, an applicant whose application is approved will receive the amount that is in effect on the installation date of the eligible installation.

(b) In setting the amount of the rebate or incentive or the performance standard, the commission may consider any or all of the following:

- (1) availability of funds;
- (2) the effectiveness of the program in increasing alternative fuel use;
- (3) dealer participation;

- (4) consumer acceptance;
- (5) administrative cost; and
- (6) air quality, energy security, or economic benefits.

*The provisions of this §15.9 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.10. Verification, Safety, Disallowance, and Refund.**

(a) Upon reasonable notice and at any reasonable time, an inspector, employee or agent of the commission may enter premises where an eligible installation has taken place, to verify compliance with the requirements of the rebate or incentive program and/or commission safety rules. The commission may perform such inspection prior to approving payment of a rebate or incentive.

(b) Either in addition to or instead of verifying compliance by inspection of premises where an eligible installation has taken place, the commission may verify compliance by surveys or questionnaires conducted by telephone, mail or electronic media. The commission may direct the surveys or questionnaires for any particular eligible installation to the dealer, the applicant or both.

(c) No rebate or incentive will be paid for any installation found to be out of compliance. If an installation found to be out of compliance is not brought into compliance within 30 days, the rebate or incentive will be disallowed.

(d) If an installation is found not to be in compliance after payment of a rebate or incentive, the applicant shall have 30 days to bring the installation into compliance. If the installation is not brought into compliance at the end of 30 days, the applicant shall refund the full amount of the rebate or incentive to the commission.

*The provisions of this §15.10 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.11. Assignment of Rebate or Incentive.** AFRED may authorize payment of a rebate or incentive to a dealer or equipment supplier only by assignment from an applicant. Rebate or incentive amounts assigned shall be those in effect on the installation date of eligible equipment. An applicant may apply to assign a rebate or incentive to a dealer or equipment supplier by completing and submitting the form prescribed for that purpose.

*The provisions of this §15.11 adopted to be effective December 16, 2013, 38 TexReg 9012.*

**§15.12. Compliance.**

(a) An applicant, dealer or equipment supplier may be suspended from or declared ineligible to participate in the rebate and incentive program if, in the judgment of the AFRED director, the applicant, dealer or

equipment supplier has submitted false information or otherwise violated a rule in this chapter.

(b) Within 30 days after the AFRED director mails a notice of suspension or ineligibility to an applicant, dealer or equipment supplier, the applicant, dealer or equipment supplier may appeal the suspension or declaration of ineligibility in writing to the commission. Actions taken by the commission with respect to such appeals are final.

*The provisions of this §15.12 adopted to be effective December 16, 2013, 38 TexReg 9012.*

*§15.13. Complaints.*

(a) Any person may file a complaint about an applicant, a dealer or another person regarding alleged violations of rules in this chapter. Complaints should be sent in writing to the director at the address set forth in §15.6(e) of this title (relating to Application).

(b) Complaints that an installation does not comply with the commission's LP-gas, CNG, or LNG safety rules should be sent in writing to the director of AED at the same address.

*The provisions of this §15.13 adopted to be effective December 16, 2013, 38 TexReg 9012.*