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 CHRISTI CRADDICK, *COMMISSIONER*
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RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

MEMORANDUM

TO: Chairman Wayne Christian
 Commissioner Christi Craddick
 Commissioner Jim Wright

FROM: Anna Harris, Attorney
 Office of General Counsel

THROUGH: Alexander C. Schoch, General Counsel

DATE: October 5, 2022

SUBJECT: Proposed Amendments to 16 TAC Chapters 13 and 14,
 relating to Regulations for Compressed Natural Gas and
 Liquefied Natural Gas

October 11, 2022		
Approved	Denied	Abstain
DS 		
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Attached are proposals to amend the Commission's Alternative Fuels Regulations in 16 Texas Administrative Code Chapters 13 and 14. The amendments to Chapters 13 and 14, relating to Regulations for Compressed Natural Gas and Regulations for Liquefied Natural Gas respectively, are proposed to implement changes from the 87th Legislative Session. The proposed amendments also update, clarify, and ensure consistency among the Commission's alternative fuels regulations.

Staff requests the Commission's approval to publish the proposed amendments in the *Texas Register* for public comment. If approved at conference on October 11th, the proposals should appear in the October 28th issue of the *Texas Register*. The proposals and an online comment form would also be made available on the Commission's website by October 12th, giving interested persons more than two additional weeks to review and submit comments to the Commission.

cc: Wei Wang, Executive Director
 Kari French, Director, Oversight and Safety Division
 April Richardson, Director, Alternative Fuels Safety

1 The Railroad Commission of Texas (Commission) proposes amendments to §13.1, Applicability,
2 Severability, and Retroactivity; §13.3, Definitions; §13.25, Filings Required for Stationary CNG Installations;
3 §13.40, Manufacturer's Nameplates and Markings on ASME Containers; §13.61, License Categories,
4 Container Manufacturer Registration, Fees, and Application for Licenses, Manufacturer Registrations, and
5 Renewals; §13.63, Self-Insurance Requirements; §13.69, Registration and Transfer of CNG Cargo Tanks or
6 Delivery Units; §13.70, Examination and Exempt Registration Requirements and Renewals; §13.91,
7 Applicability; §13.93, System Protection Requirements; §13.203, Sections in NFPA 52 Adopted with
8 Additional Requirements or Not Adopted; and §13.301, Adoption by Reference of NFPA 55. The Commission
9 also proposes new §13.33, Reporting Unsafe CNG Activities, and §13.68, CNG Cargo Tank Requirements.

10 The Commission proposes the amendments and new rules to incorporate provisions of Senate Bill
11 1582 (SB 1582) enacted during the 87th Texas Legislative Session (Regular Session, 2021) and to make
12 additional clarifying changes as discussed in the following paragraphs.

13 SB 1582 amended section 116.034(e) and (f) of the Natural Resources Code to provide for licensing
14 and registration examination to be performed by a proctoring service. The Commission proposes amendments
15 in §13.70(b)(3)(A)(iii), (b)(3)(C)(v), and (d) to incorporate the use of an online testing or proctoring service
16 and to ensure any required fee is paid to the testing or proctoring service in addition to the Commission's
17 examination fee. Proposed subsection (b)(3)(C)(v) specifies that the use of an online testing or proctoring
18 service may begin upon the rule's effective date, which is not certain at this time. Upon adoption of the
19 amendments, the Commission will include a specific date in subsection (b)(3)(C)(v). Also in §13.70(b), the
20 Commission proposes clarifying changes regarding AFS scheduling and registration for courses to reflect
21 current Commission practice. In §13.70(c)(1)(A), the Commission proposes a correction to a typographical
22 error that appears in the current rule text. In §13.70(c)(1)(B), the Commission proposes a clarification in the
23 delivery truck driver activities to remove references to service work. Most CNG drivers do not perform service
24 work, but if they do, they may take the examination referenced in §13.70(c)(1)(A) to be qualified to perform
25 those activities.

26 Regarding other proposed amendments, the Commission proposes amendments in §13.1 to make this
27 rule provision consistent with the corresponding rule in Chapter 9 of this title regarding LP-Gas Safety Rules.
28 Proposed amendments in §13.3 delete the definitions of some unused terms.

29 In §13.25, the Commission proposes amendments to correct a subsection reference and to correct
30 references to the aggregate storage capacity of CNG commercial installations. In §13.25(c)(1), the
31 Commission proposes to change the deadline for submittal of CNG Form 1501 from 10 calendar days to 30
32 calendar days, which is consistent with the similar rule in Chapter 9.

33 The Commission proposes new §13.33 to outline the process by which industry members and the
34 public may submit complaints about non-compliance. The proposed text of the new rule is similar to the

1 equivalent rule in Chapter 9. The Commission will update CNG Form 1022 separately from these proposed
2 rule amendments.

3 The Commission proposes amendments in §13.40 to make the rule consistent with the nameplate
4 provisions in Chapter 9.

5 The Commission proposes amendments in §13.61(b) and proposes new subsection (c) to make the rule
6 consistent with the similar rule in Chapter 9 and redesignates the remaining subsections. In subsection (k),
7 redesignated from subsection (j), and in subsection (p), redesignated from subsection (n), the Commission
8 proposes to add references to Forms 1007A and 1007T. The Commission proposes new subsection (n) to
9 require a 24-hour emergency telephone number, which is also consistent with Chapter 9. In subsection (q)(2),
10 the Commission proposes to add license category "1B" which was inadvertently omitted from previously
11 adopted amendments in Chapter 13. Proposed new §13.61(q)(3) clarifies requirements for DOT and ASME
12 licensees, consistent with provisions in Chapter 9. The Commission also proposes new subsection (r) regarding
13 repair to certain cylinders or tanks, consistent with the same provision recently adopted in Chapter 9.

14 The Commission proposes an amendment in §13.63 to correct a typographical error.

15 The Commission proposes new §13.68 regarding CNG cargo tank requirements, which is added for
16 consistency with similar provisions in Chapter 9.

17 The Commission proposes amendments to §13.69 regarding requirements for registering different
18 types of units to coincide with the proposal of new forms for registration or transfer of CNG cargo tanks or
19 delivery units, which will be proposed separately during the comment period for these proposed amendments
20 to corresponding rules in Chapter 13. Proposed amendments in newly designated subsection (a)(1) remove the
21 requirement to file a copy of the manufacturer's data report; these reports are not applicable to CNG cargo
22 tanks.

23 The Commission proposes amendments to §13.91 to better reflect the subject matter included in the
24 subchapter.

25 The Commission proposes amendments in §13.93(c) to remove paragraph (6) for consistency with the
26 similar provision in Chapter 9.

27 The Commission proposes to correct typographical errors in the Figure in §13.203 and in
28 §13.301(b)(26).

29 April Richardson, Director, Alternative Fuels Safety Department, has determined that for each year of
30 the first five years that the amendments and new rules will be in effect, there will be no costs to the
31 Commission as a result of enforcing and administering the proposed amendments and new rules. There are no
32 anticipated fiscal implications for local governments as a result of enforcing the amendments and new rule.

1 Ms. Richardson has also determined that for each year of the first five years the amendments and new
2 rules as proposed are in effect the public benefit will be compliance with recent changes to the Texas Natural
3 Resources Code and consistency of rule provisions.

4 Ms. Richardson has determined that for each year of the first five years that the amendments and new
5 rules will be in effect, there will be no economic costs for persons required to comply as a result of adoption of
6 the proposed amendments and new rules. Persons who elect to use a testing or proctoring service for the rules
7 examination in §13.70 may be charged a separate fee by the testing or proctoring service in addition to the
8 Commission's fee for the rules examination, but the use of those services is optional.

9 Texas Government Code, §2006.002, relating to Adoption of Rules with Adverse Economic Effect,
10 directs that, as part of the rulemaking process, a state agency prepare an economic impact statement that
11 assesses the potential impact of a proposed rule on rural communities, small businesses, and micro-businesses,
12 and a regulatory flexibility analysis that considers alternative methods of achieving the purpose of the rule if
13 the proposed rule will have an adverse economic effect on rural communities, small businesses, or micro-
14 businesses. The proposed amendments and new rule will not have an adverse economic effect on rural
15 communities, small businesses, or micro businesses because the only potential cost due to the proposed
16 amendments is for the use of a testing or proctoring service, which is optional. Therefore, the regulatory
17 flexibility analysis addressed in §2006.002 is not required.

18 The Commission has determined that the proposed rulemaking will not affect a local economy;
19 therefore, pursuant to Texas Government Code, §2001.022, the Commission is not required to prepare a local
20 employment impact statement for the proposed rules.

21 The Commission has determined that the proposed amendments and new rules do not meet the
22 statutory definition of a major environmental rule as set forth in Texas Government Code, §2001.0225;
23 therefore, a regulatory analysis conducted pursuant to that section is not required.

24 During the first five years that the rules would be in effect, the proposed amendments and new rule
25 would not: create or eliminate a government program; create or eliminate any employee positions; require an
26 increase or decrease in future legislative appropriations; require an increase or decrease in fees paid to the
27 agency; create a new regulation; expand, limit, or repeal an existing regulation; increase or decrease the
28 number of individuals subject to the rule's applicability; or affect the state's economy.

29 Comments on the proposal may be submitted to Rules Coordinator, Office of General Counsel,
30 Railroad Commission of Texas, P.O. Box 12967, Austin, Texas 78711-2967; online at
31 www.rrc.texas.gov/general-counsel/rules/comment-form-for-proposed-rulemakings; or by electronic mail to
32 rulescoordinator@rrc.texas.gov. The Commission will accept comments until 5:00 p.m. on Monday,
33 November 28, 2022. The Commission finds that this comment period is reasonable because the proposal and
34 an online comment form will be available on the Commission's website more than two weeks prior to Texas

1 Register publication of the proposal, giving interested persons additional time to review, analyze, draft, and
2 submit comments. The Commission cannot guarantee that comments submitted after the deadline will be
3 considered. For further information, call Ms. Richardson at (512) 463-6935. The status of Commission
4 rulemakings in progress is available at www.rrc.texas.gov/general-counsel/rules/proposed-rules.

5 The Commission proposes the amendments and new rules under Texas Natural Resources Code
6 §116.012, which authorizes the Commission to adopt rules and standards relating to compressed natural gas
7 activities to protect the health, welfare, and safety of the general public; Texas Natural Resources Code
8 §116.031(e), which requires a person engaging in the manufacture or fabrication of containers to register with
9 the commission in accordance with rules adopted by the commission; and Texas Natural Resources Code
10 §116.034(e) and (f) as amended by Senate Bill 1582 (87th Legislature, Regular Session).

11 Statutory authority: Texas Natural Resources Code, §§116.012, 116.031, and 116.034.

12 Cross reference to statute: Texas Natural Resources Code Chapter 116.

13
14 SUBCHAPTER A. SCOPE AND DEFINITIONS

15 §13.1. Applicability, Severability, and Retroactivity.

16 (a) The Regulations for Compressed Natural Gas in this chapter apply [~~This chapter applies~~] to the
17 design, installation, and operation of compressed natural gas (CNG) [~~compression and dispensing~~] systems
18 and equipment, including those used for compression [~~; the design and installation of CNG engine fuel~~
19 ~~systems on vehicles of all types and their associated fueling facilities; and the construction and operation of~~
20 ~~equipment for the storage, handling, and transportation of CNG].~~

21 (b) - (g) (No change.)

22
23 §13.3. Definitions.

24 The following words and terms, when used in this chapter, shall have the following meanings, unless
25 the context clearly indicates otherwise.

26 (1) (No change.)

27 [~~(2) ANSI--American National Standards Institute.~~]

28 (2) [~~(3)~~] ASME--American Society of Mechanical Engineers.

29 (3) [~~(4)~~] ASME Code--ASME Boiler and Pressure Vessel Code.

30 [~~(5) ASTM--ASTM International (formerly American Society for Testing and Materials).~~]

31 (6) - (52) (*To be renumbered as (4) - (50).*)

32
33

1 SUBCHAPTER B. GENERAL RULES FOR COMPRESSED NATURAL GAS (CNG) EQUIPMENT
2 QUALIFICATIONS.

3 §13.25. Filings Required for Stationary CNG Installations.

4 (a) (No change.)

5 (b) Installations with an aggregate storage capacity of 84,500 standard cubic feet or more. The storage
6 capacity of each container is based on the container's operating pressure.

7 (1) - (6) (No change.)

8 (7) The applicant shall submit to AFS written notice of completed construction and the
9 Commission shall complete the field inspection as specified in subsection (d) [(e)] of this section. After the
10 Commission has completed the inspection, the operator, pending the inspection findings, may commence CNG
11 activities at the facility.

12 (8) - (11) (No change.)

13 (c) Commercial installations with an aggregate storage capacity of less than 84,500 [240] standard
14 cubic feet [~~water volume~~]. The storage capacity of each container is based on the container's operating
15 pressure.

16 (1) Within 30 [40] calendar days following the completion of a commercial container
17 installation, the licensee shall submit CNG Form 1501 to AFS stating:

18 (A) - (C) (No change.)

19 (2) - (3) (No change.)

20 (d) Physical inspection of stationary installations.

21 (1) Aggregate storage capacity of 84,500 [240] standard cubic feet [~~water volume~~] or more.

22 The applicant shall notify AFS in writing when the installation is ready for inspection.

23 (A) - (B) (No change.)

24 (2) Aggregate storage capacity of less than 84,500 [240] standard cubic feet [~~water volume~~].

25 After receipt of CNG Form 1501, AFS shall conduct an inspection as soon as possible to verify the installation
26 described complies with the rules in this chapter. The facility may be operated prior to inspection if the facility
27 fully complies with the rules in this chapter. If the initial inspection at a commercial installation results in the
28 citation of non-compliance items, AFS may require that the subject container, including any piping,
29 appliances, appurtenances, or equipment connected to it be immediately removed from CNG service until the
30 applicant corrects the non-compliance items.

31 (3) - (4) (No change.)

32

33 §13.33. Reporting Unsafe CNG Activities.

1 (a) A person may report any unsafe or noncompliant CNG activities to AFS by mail, telephone, email,
2 or fax. When possible, the person shall make the report using CNG Form 1022. Within five business days of
3 receipt of such report, AFS shall notify the alleged noncompliant party in writing regarding the report and
4 specify the reported noncompliant installations and/or activities.

5 (b) The Commission may release the person's name in accordance with applicable open records
6 procedures.

7 (c) A person who reports unsafe CNG activities may be called to testify at a Commission hearing if
8 one is necessary following the initiation of an enforcement action.

9
10 §13.40. Manufacturer's Nameplates and Markings on ASME Containers.

11 (a) In addition to NFPA 52 §5.4.5.1 and NFPA 55 §7.1.6.1; [5]

12 (1) Compressed [~~compressed~~] natural gas (CNG) shall not be introduced into any ASME
13 [American Society of Mechanical Engineers (ASME)] container unless the container is [~~which is not~~]
14 equipped with an original [~~a manufacturer's original or replacement~~] nameplate or at least one of the following
15 nameplates permanently attached to the container or has the required information stamped directly on the
16 vessel.

17 (A) A duplicate nameplate is an additional ASME container nameplate issued by the
18 original manufacturer with duplicate information as the original nameplate and clearly marked as a duplicate
19 nameplate but installed in a remote location.

20 (B) A modification (or alteration) nameplate is a nameplate issued and affixed by an
21 ASME Code facility including only partial information applicable to a modification or alteration performed on
22 that container.

23 (C) A replacement nameplate is a nameplate including the identical information as the
24 original nameplate and identified as a replacement nameplate, but issued and affixed by the original
25 manufacturer or its successor company or companies when the original nameplate is lost or illegible.

26 (2) Nameplates on ASME containers [~~No ASME container~~] manufactured on or after
27 November 1, 1994, shall be [~~used in the State of Texas unless it has attached to it a~~] stainless steel
28 [~~manufacturer's nameplate or the required information is visibly stamped directly on the vessel~~].

29 (3) If the nameplate is attached, it shall be attached in a manner that will minimize corrosion
30 of the nameplate or its attachments or that will not contribute to the corrosion of the container.

31 (b) - (e) (No changes.)

32 (f) AFS may remove a container from CNG service or require ASME acceptance of a container at any
33 time if AFS determines that the nameplate or stamped information, in any form defined in subsection (a) of

1 this section, is loose, unreadable, or detached, or if it appears to be tampered with or damaged in any way and
2 does not contain at a minimum the items defined in subsection (c) or (e) of this section as applicable.

3
4 SUBCHAPTER C. CLASSIFICATION, REGISTRATION, AND EXAMINATION.

5 §13.61. License Categories, Container Manufacturer Registration, Fees, and Application for Licenses,
6 Manufacturer Registrations, and Renewals.

7 (a) (No change.)

8 (b) The license categories and fees are as follows.

9 (1) - (4) (No change.)

10 (5) A Category 3 license for retail and wholesale dealers authorizes the sale, storage,
11 transportation for delivery, or dispensing of CNG for use other than by an ultimate consumer, and the sale,
12 installation, service, or repair of CNG systems as set out in Categories 2 and [5] ~~5 and 6~~. The original license
13 fee is \$750; the renewal fee is \$300.

14 (6) - (7) (No change.)

15 (c) A container manufacturer registration authorizes the manufacture, assembly, repair, subframing,
16 testing and sale of CNG containers. The original registration fee is \$1,000; the renewal fee is \$600.

17 (d) [(e)] A military service member, military veteran, or military spouse shall be exempt from the
18 original license fee specified in subsection (b) of this section pursuant to the requirements in §13.76 of this
19 title (relating to Military Fee Exemption). An individual who receives a military fee exemption is not exempt
20 from the renewal or transport registration fees specified in subsection (p) ~~[(n)]~~ of this section and §13.69 of
21 this title (relating to Registration and Transfer of CNG Cargo Tanks or Delivery Units).

22 (e) [(d)] In addition to NFPA 55 §7.1.12, no person may engage in CNG activities until that person has
23 obtained a license from the Commission authorizing that activity, except as follows:

24 (1) A state agency or institution, county, municipality, school district or other governmental
25 subdivision is exempt from licensing requirements as provided in Texas Natural Resources Code, §116.031(d),
26 if the entity is performing CNG activities on its own behalf, but is required to obtain a license to perform CNG
27 activities for or on behalf of a second party.

28 (2) An ultimate consumer is not subject to the licensing requirements of this chapter in order
29 to perform those CNG activities dealing only with the ultimate consumer; however, a license is required to
30 register a transport or cylinder delivery unit. An ultimate consumer's license does not require a fee or a
31 company representative.

32 (3) An original manufacturer of a new motor vehicle powered by CNG or a subcontractor of a
33 manufacturer who produces a new CNG powered motor vehicle for the manufacturer is not subject to the
34 licensing requirements of this chapter, but shall comply with all other rules in this chapter.

1 (f) [~~e~~] A license obtained by an individual, partnership, corporation, or other legal entity shall extend
2 to the entity's employees who are performing CNG activities, provided that each employee is properly certified
3 as required by this chapter.

4 (g) [~~f~~] An applicant for license shall not engage in CNG activities until it has employed a company
5 representative who meets the requirements of §13.72 of this title (relating to Designation and Responsibilities
6 of Company Representative and Operations Supervisor).

7 (h) [~~g~~] Licensees, registered manufacturers, company representatives, and operations supervisors at
8 each outlet shall have copies of all current licenses and/or manufacturer registrations and certification cards for
9 employees at that location available for inspection during regular business hours. In addition, licensees and
10 registered manufacturers shall maintain a current version of the rules in this chapter and any adopted codes
11 covering CNG activities performed by the licensee or manufacturer, and shall provide at least one copy of all
12 publications to each company representative and operations supervisor. The copies shall be available to
13 employees during business hours.

14 (i) [~~h~~] Licenses or manufacturer registrations issued under this chapter expire one year after issuance
15 at midnight on the last day of the month previous to the month in which they are issued.

16 (j) [~~i~~] If a license or registration expires, the person shall immediately cease CNG activities.

17 (k) [~~j~~] Applicants for a new license shall file with AFS:

18 (1) a properly completed CNG Form 1001 listing all names under which CNG related
19 activities requiring licensing are to be conducted and the applicant's properly qualified company
20 representative, and the following forms or documents as applicable:

21 (A) CNG Form 1001A if the applicant will operate any outlets pursuant to subsection
22 (l) [~~k~~] of this section;

23 (B) CNG Form 1007, 1007A, or 1007T and any information requested in §13.69 of
24 this title if the applicant intends to register any CNG cargo tanks or container delivery units;

25 (C) CNG Form 1019 if the applicant will be transferring the operation of one or more
26 existing retail service stations;

27 (D) any form required to comply with §13.62 of this title (relating to Insurance
28 Requirements);

29 (E) a copy of current certificate of account status if required by §13.75 of this title
30 (relating to Franchise Tax Certification and Assumed Name Certificate); and/or

31 (F) copies of the assumed name certificates if required by §13.75 of this title; and

32 (2) payment for all applicable fees.

33 (A) If the applicant submits the payment by mail, the payment shall be in the form of
34 a check, money order or printed copy of an online receipt.

1 (B) If the applicant pays the applicable fee online, the applicant shall submit a copy of
2 an online receipt via mail, email, or fax.

3 (l) [~~(k)~~] A licensee shall submit CNG Form 1001A listing all outlets operated by the licensee.

4 (1) Each outlet shall employ an operations supervisor who meets the requirements of §13.72
5 of this title.

6 (2) Each outlet shall be listed on the licensee's renewal specified in subsection (m) [~~(h)~~] of this
7 section.

8 (m) [~~(h)~~] Beginning February 15, 2021, a prospective container manufacturer may apply to AFS to
9 manufacture CNG containers in the state of Texas. Beginning February 15, 2021, a person shall not engage in
10 the manufacture of CNG containers in this state unless that person has obtained a container manufacturer's
11 registration as specified in this subsection.

12 (1) Applicants for container manufacturer registration shall file with AFS CNG Form 1001M,
13 and the following forms or documents as applicable:

14 (A) any form required by §13.62 of this title;

15 (B) a copy of current certificate of account status if required by §13.75 of this title;

16 (C) copies of the assumed name certificates if required by §13.75 of this title;

17 (D) a copy of current DOT authorization. A registered manufacturer shall not continue
18 to operate after the expiration date of the DOT authorization; and/or

19 (E) a copy of current ASME Code, Section VIII certificate of authorization or "R"
20 certificate. If ASME is unable to issue a renewed certificate of authorization prior to the expiration date, the
21 manufacturer may request in writing an extension of time not to exceed 60 calendar days past the expiration
22 date. The request for extension shall be received by AFS prior to the expiration date of the ASME certificate of
23 authorization referred to in this section, and shall include a letter or statement from ASME that the agency is
24 unable to issue the renewal certificate of authorization prior to expiration and that a temporary extension will
25 be granted for its purposes. A registered manufacturer shall not continue to operate after the expiration date of
26 an ASME certificate of authorization until the manufacturer files a current ASME certificate of authorization
27 with AFS or AFS grants a temporary exception.

28 (2) By filing CNG Form 1001M, the applicant certifies that it has read the requirements of this
29 chapter and shall comply with all applicable rules, regulations and adopted standards.

30 (3) The required fee shall accompany CNG Form 1001M. An original registration fee is
31 \$1,000; the renewal fee is \$600.

32 (A) If submitted by mail, payment shall be by check, money order, or printed copy of
33 an online receipt.

34 (B) If submitted by email or fax, payment shall be a copy of an online receipt.

1 (4) If a manufacturer registration expires or lapses, the person shall immediately cease the
2 manufacture, assembly, repair, testing and sale of CNG containers in Texas.

3 (n) Applications for license or registration must include a 24-hour emergency telephone number.

4 (o) [(m)] AFS will review an application for license or registration to verify all requirements have
5 been met.

6 (1) If errors are found or information is missing in the application or other documents, AFS
7 will notify the applicant of the deficiencies in writing.

8 (2) The applicant must respond with the required information and/or documentation within 30
9 days of the written notice. Failure to respond by the deadline will result in withdrawal of the application.

10 (3) If all requirements have been met, AFS will issue the license or manufacturer registration
11 and send the license or registration to the licensee or manufacturer, as applicable.

12 (p) [(n)] For license and manufacturer registration renewals:

13 (1) AFS shall notify the licensee or registered manufacturer in writing at the address on file
14 with AFS of the impending license or manufacturer registration expiration at least 30 calendar days before the
15 date the license or registration is scheduled to expire.

16 (2) The renewal notice shall include copies of applicable CNG Forms 1001, 1001A, and 1007,
17 1007A or CNG Form 1001M showing the information currently on file.

18 (3) The licensee or registered manufacturer shall review and return all renewal documentation
19 to AFS with any necessary changes clearly marked on the forms. The licensee or registered manufacturer shall
20 submit any applicable fees with the renewal documentation.

21 (4) Failure to meet the renewal deadline set forth in this section shall result in expiration of the
22 license or manufacturer registration.

23 (5) If a person's license or manufacturer registration expires, that person shall immediately
24 cease performance of any CNG activities authorized by the license or registration.

25 (6) If a person's license or manufacturer registration has been expired for 90 calendar days or
26 fewer, the person shall submit a renewal fee that is equal to 1 1/2 times the renewal fee in subsection
27 [subsections] (a) [(and (k))] of this section~~[, respectively]~~.

28 (7) If a person's license or manufacturer registration has been expired for more than 90
29 calendar days but less than one year, the person shall submit a renewal fee that is equal to two times the
30 renewal fee.

31 (8) If a person's license or manufacturer registration has been expired for one year or longer,
32 that person shall not renew, but shall comply with the requirements for issuance of an original license or
33 manufacturer registration under subsections ~~[(i) or]~~ (k) or (m) of this section.

1 (9) After verification that the license or registered manufacturer has met all requirements for
2 licensing or manufacturer registration, AFS shall renew the license or registration and send the applicable
3 authorization to the licensee or manufacturer.

4 (q) ~~[(e)]~~ Applicants for license or license renewal in the following categories shall comply with these
5 additional requirements.

6 (1) An applicant for a Category 4 license or renewal shall file with AFS a completed CNG
7 Form 1505, certifying that the applicant will follow the testing procedures indicated. CNG Form 1505 shall be
8 signed by the appropriate CNG company representative designated on CNG Form 1001.

9 (2) An applicant for Category 1, 1B, or 4 license or renewal who tests tanks, subframes CNG
10 cargo tanks, or performs other activities requiring DOT registration shall file with AFS a copy of any
11 applicable current DOT registrations. Such registration shall comply with Title 49, Code of Federal
12 Regulations, Part 107 (Hazardous Materials Program Procedures), Subpart F (Registration of Cargo Tank and
13 Cargo Tank Motor Vehicle Manufacturers and Repairers and Cargo Tank Motor Vehicle Assemblers).

14 (3) An applicant for Category 1, 1A or 4 license or renewal who repairs or tests ASME
15 containers shall file with AFS a copy of its current ASME Code, Section VIII certificate of authorization or
16 "R" certificate. If ASME is unable to issue a renewed certificate of authorization prior to the expiration date,
17 the manufacturer may request in writing an extension of time not to exceed 60 calendar days past the
18 expiration date. The request for extension shall be received by AFS prior to the expiration date of the ASME
19 certificate of authorization referred to in this section, and shall include a letter or statement from ASME that
20 the agency is unable to issue the renewal certificate of authorization prior to expiration and that a temporary
21 extension will be granted for its purposes. A registered manufacturer shall not continue to operate after the
22 expiration date of an ASME certificate of authorization until the manufacturer files a current ASME certificate
23 of authorization with AFS or AFS grants a temporary exception.

24 (r) Repair to a US DOT cylinder or cargo tank is defined in 49 CFR §§180.203, 180.403 and 180.413.
25 Changes made to or maintenance of a cylinder or cargo tank excluded from the definition of repair in 49 CFR
26 §§180.203, 180.403 and 180.413 do not require a license.

27
28 §13.63. Self-Insurance Requirements.

29 (a) - (c) (No change.)

30 (d) Periodic reports. The applicant shall file ~~with~~ semiannual reports and annual statements reflecting
31 the applicant's financial condition and status of its self-insurance program with AFS during the period of its
32 self-insurer status by March 10 and September 10 of each year.

33 (e) - (g) (No change.)

34

1 §13.68. CNG Cargo Tank Requirements.

2 (a) Applicability.

3 (1) This section applies to transport containers constructed under special permit from the
4 Department of Transportation (DOT) for the transportation of CNG.

5 (2) All CNG cargo tanks shall comply with US DOT Code of Federal Regulations (CFR) or
6 Transport Canada (TC) Transportation of Dangerous Goods (TDG).

7 (3) Licensees and ultimate consumers shall comply with other DOT or motor vehicle
8 requirements, if applicable. In addition, transports shall comply with the applicable sections of 49 CFR, the
9 Federal Motor Vehicle Safety Standards, and any other applicable regulations.

10 (b) Testing Requirements. Each transport container unit required to be registered with AFS shall be
11 tested in accordance with the special permit under which it was constructed, relating to requirements for test
12 and inspection. The tests shall be conducted by any individual authorized by the United States Department of
13 Transportation through a DOT "CT" number to conduct such tests. This section shall not apply to the initial
14 transfer of unregistered units that are tested and transferred from another state. If the test results show any
15 unsafe condition, or if the transport unit does not comply with the special permit, the transport container unit
16 shall be immediately removed from CNG service and shall not be returned to CNG service until all necessary
17 repairs have been made and AFS authorizes in writing its return to service.

18 (c) Markings. CNG transports and container delivery units shall be marked on each side and the rear
19 with the name of the licensee or the ultimate consumer operating the unit. Such lettering shall be legible and at
20 least two inches in height and in sharp color contrast to the background. AFS shall determine whether the
21 name marked on the unit is sufficient to properly identify the licensee or ultimate consumer operating the unit.

22
23
24 §13.69. Registration and Transfer of CNG Cargo Tanks or Delivery Units.

25 [(a) All CNG cargo tanks shall comply with US DOT Code of Federal Regulations (CFR) or Transport
26 Canada (TC) Transportation of Dangerous Goods (TDG).]

27 (a) [(b)] A person who operates a transport equipped with CNG cargo tanks or any container delivery
28 unit, regardless of who owns the transport or unit, shall register such transport or unit with AFS in the name or
29 names under which the operator conducts business in Texas prior to the unit being used in CNG service.

30 (1) To register a cargo tank unit previously unregistered in Texas, the operator of the unit
31 shall:

32 (A) pay to AFS the \$270 registration fee for each transport [unit];

33 (B) file a properly completed CNG Form 1007;

34 [(C) file a copy of the manufacturer's data report;]

1 (C) [~~D~~] file a copy of the US DOT special permit under which the container is built;
2 and

3 (D) [~~E~~] file a copy of the most recent test required by §13.68 of this title (relating to
4 CNG Cargo Tank Requirements) [~~the US DOT special permit under which the container was built~~].

5 (2) To register a container delivery unit previously unregistered in Texas, the operator of the
6 unit shall:

7 (A) pay to AFS the \$270 registration fee for each unit; and

8 (B) file a properly completed CNG Form 1007A.

9 (3) [~~2~~] To register a CNG cargo tank or any container delivery unit which was previously
10 registered in Texas but for which the registration has expired, the operator of the unit shall:

11 (A) pay to AFS the \$270 registration fee;

12 (B) file a properly completed CNG Form 1007 for cargo tanks or CNG Form 1007A
13 for container delivery units; and

14 (C) for cargo tanks, file a copy of the latest test results required by §13.68 of this title
15 if an expired unit has not been used in the transportation of CNG for over one year, or if a current test has not
16 been filed with AFS.

17 (4) [~~3~~] To transfer a currently registered unit, the new operator of the unit shall:

18 (A) pay the \$100 transfer fee for each unit; [~~and~~]

19 (B) file a properly completed CNG Form 1007T [~~1007~~]; and

20 (C) for cargo tanks, file a copy of the latest test results required by §13.68 of this title
21 if one has not been filed with AFS.

22 (5) [~~4~~] To re-register [~~re-register~~] a currently registered unit, the licensee operating the unit
23 shall:

24 (A) pay a \$270 annual registration fee;

25 (B) file CNG Form 1007 for cargo tanks or CNG Form 1007A for container delivery
26 units or the truck list provided with licensee's renewal notice; and

27 (C) for cargo tanks file a copy of the latest test results required by §13.68 of this title
28 if one has not been filed with AFS.

29 (b) [~~e~~] When all registration or transfer requirements have been met, AFS shall issue CNG Form
30 1004 which shall be properly affixed in accordance with the placement instructions on the form. CNG Form
31 1004 shall authorize the licensee or ultimate consumer to whom it has been issued and no other person to
32 operate such unit in the transportation of CNG and to fill the transport containers.

33 (1) A person shall not operate a CNG transport or cylinder delivery unit in Texas unless the
34 CNG Form 1004 has been properly affixed or unless its operation has been specifically approved by AFS.

1 (2) A person shall not introduce CNG into a transport container unless that unit bears a CNG
2 Form 1004 or unless specifically approved by AFS.

3 (3) CNG Form 1004 shall not be transferable by the person to whom it has been issued, but
4 shall be registered by any subsequent licensee or ultimate consumer prior to the unit being placed into CNG
5 service.

6 (4) This subsection shall not apply to:

7 (A) a container manufacturer/fabricator who introduces a reasonable amount of CNG
8 into a newly constructed container in order to properly test the vessel, piping system, and appurtenances prior
9 to the initial sale of the container. The CNG shall be removed from the transport container prior to the
10 transport leaving the manufacturer's or fabricator's premises; or

11 (B) a person who introduces a maximum of 500 cubic feet of CNG into a newly
12 constructed transport container when such container will provide the motor fuel to the chassis engine for the
13 purpose of allowing the unit to reach its destination.

14 (5) AFS shall not issue a CNG Form 1004 if AFS or a Category 1 or 4 licensee determines
15 that the transport is unsafe for CNG service.

16 (6) If a CNG Form 1004 decal on a unit currently registered with AFS is destroyed, lost, or
17 damaged, the operator of that vehicle shall obtain a replacement by filing CNG Form 1018B and a \$50
18 replacement fee with AFS.

19
20 §13.70. Examination and Exempt Registration Requirements and Renewals.

21 (a) (No change.)

22 (b) Rules examination.

23 (1) An individual who passes the applicable rules examination with a score of at least 75%
24 will become a certificate holder. AFS will send ~~mail~~ a certificate to the licensee listed on the CNG Form
25 1016. If a licensee is not listed on the form, AFS will send the certificate ~~[will be mailed]~~ to the individual's
26 personal address.

27 (A) - (B) (No change.)

28 (2) (No change.)

29 (3) An individual who files CNG Form 1016 and pays the applicable nonrefundable
30 examination fee may take the rules examination.

31 (A) Dates and locations of available Commission CNG examinations may be obtained
32 ~~[in the Austin offices of AFS and]~~ on the Commission's web site~~[-, and shall be updated at least monthly].~~
33 Examinations may be administered: ~~[conducted]~~

1 (i) at the Commission's AFS Training Center in Austin; ~~[between the hours of~~
2 ~~8:00 a.m. and 12:00 noon, Monday through Friday, except for state holidays, and]~~

3 (ii) at other designated times and locations around the state; and

4 (iii) through an online testing or proctoring service.

5 (B) Individuals or companies may request in writing that examinations be given in
6 their area. AFS shall schedule [its] examinations [~~and locations~~] at its discretion.

7 (C) [~~(B)~~] Exam fees.

8 (i) The nonrefundable management-level rules examination fee is \$70.

9 (ii) The nonrefundable employee-level rules examination fee is \$40.

10 (iii) The nonrefundable examination fees shall be paid each time an individual
11 takes an examination.

12 (iv) A military service member, military veteran, or military spouse shall be
13 exempt from the examination fee pursuant to the requirements in §13.76 of this title (relating to Military Fee
14 Exemption). An individual who receives a military fee exemption is not exempt from renewal fees specified in
15 subsection (h) of this section.

16 (v) Beginning on the effective date of this rule, individuals who register for an
17 examination to be administered by a testing or proctoring service shall pay any fee required by the testing or
18 proctoring service in addition to paying the examination fee to the Commission.

19 (D) [~~(C)~~] Time limits.

20 (i) An applicant shall complete the examination within two hours.

21 (ii) The examination proctor shall be the official timekeeper.

22 (iii) An examinee shall submit the examination and the answer sheet to the
23 examination proctor before or at the end of the established time limit for an examination.

24 (iv) The examination proctor shall mark any answer sheet that was not
25 completed within the time limit.

26 (E) [~~(D)~~] Each individual who performs CNG activities as an employee of an ultimate
27 consumer or a state agency, county, municipality, school district, or other governmental subdivision shall be
28 properly supervised by his or her employer. Any such individual who is not certified by AFS to perform such
29 CNG activities shall be properly trained by a competent person in the safe performance of such CNG
30 activities.

31 (c) The following examinations are offered by the Commission.

32 (1) Employee-level examinations:

33 (A) The Service and Installation Technician examination qualifies an individual to
34 perform all CNG activities related to stationary CNG systems, including CNG containers, piping, and

1 equipment. The Service and Installation examination does not authorize an individual to fill containers or
2 operate a CNG [~~doe~~] transport.

3 (B) The Delivery Truck Driver examination qualifies an individual to operate a cargo
4 tank [~~or cylinder-deliver unit~~], load and unload CNG and connect and disconnect transfer hoses, and operate a
5 cylinder delivery unit [~~-, perform all activities related to stationary CNG systems, including CNG containers,~~
6 ~~pipng and equipment, and inspect, fill, disconnect, and connect CNG cylinders].~~

7 (C) The Cylinder Filler examination qualifies an individual to inspect, fill, disconnect,
8 and connect CNG cylinders.

9 (2) (No change.)

10 (d) Within 15 calendar days of the date an individual takes an examination, AFS shall notify the
11 individual of the results of the examination.

12 (1) If the examination is graded or reviewed by a testing or proctoring service, AFS shall
13 notify the individual of the examination results within 14 days of the date AFS receives the results from the
14 testing or proctoring service.

15 (2) If the notice of the examination results will be delayed for longer than 90 days after the
16 examination date, AFS shall notify the individual of the reason for the delay before the 90th day. AFS may
17 require a testing or proctoring service to notify an individual of the individual's examination results.

18 (e) - (h) (No change.)

19

20 SUBCHAPTER D - CNG COMPRESSION, STORAGE, AND DISPENSING SYSTEMS

21 §13.91. Applicability.

22 This subchapter applies to the design, construction, installation, and operation of cylinders, pressure
23 vessels, compression equipment, buildings and structures, and associated equipment used for stationary
24 [~~storage and dispensing of~~] compressed natural gas (CNG) installations [~~as an engine fuel in fleet and~~
25 ~~automatic dispensing operations~~].

26

27 §13.93. System Protection Requirements.

28 (a) - (b) (No change.)

29 (c) Guardrails at CNG stationary installations shall comply with the following:

30 (1) - (5) (No change.)

31 [~~(6) A minimum clearance of 24 inches shall be maintained between the railing and any part~~
32 ~~of the CNG compression equipment, cylinder cascades, containers, or dispensing equipment.]~~

33 (d) - (g) (No change.)

34

1 SUBCHAPTER G. ADOPTION BY REFERENCE OF NFPA 52 (VEHICULAR GASEOUS FUEL
2 SYSTEMS CODE)

3 §13.203. Sections in NFPA 52 Adopted with Additional Requirements or Not Adopted

4 Table 1 of this section lists certain NFPA 52 sections which the Commission adopts with additional
5 requirements or does not adopt in order to address the Commission's rules in this chapter.

6 Figure: 16 TAC §13.203 (*See Figure at end of document*)

7

8 SUBCHAPTER H. ADOPTION BY REFERENCE OF NFPA 55 (COMPRESSED GASES AND
9 CRYOGENIC FLUIDS CODE)

10 §13.301. Adoption by Reference of NFPA 55.

11 (a) (No change.)

12 (b) Effective February 15, 2021, the Commission also adopts by reference all other NFPA publications
13 or portions of those publications referenced in NFPA 55 which apply to CNG activities only. The pamphlets
14 adopted by reference in NFPA 55 are:

15 (1) - (25) (No changes.)

16 (26) NFPA 505, Fire Safety Standard for Powered Industrial Trucks [~~Trucks~~] Including Type
17 Designations, Areas of Use, Conversions, Maintenance, and Operations, 2011 edition;

18 (27) - (29) (No change.)

19

20 This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be
21 within the agency's authority to adopt.

22 Issued in Austin, Texas on _____, 2022.

23 Filed with the Office of the Secretary of State on _____, 2022.

Anna Harris
Attorney, Office of General Counsel
Railroad Commission of Texas

Figure: 16 TAC §13.203

NFPA 52 Sections with Additional Requirements or Not Adopted		
Affected NFPA 52 Section	Specific Action	Commission Rule(s) to be Followed or Other Comments
1.4.1	additional requirement	See Commission rule §13.37, Appurtenances and equipment
1.4.1.2	additional requirement	See Commission rule §13.37, Appurtenances and equipment
1.4.3	additional requirements	See Commission rule §13.70, Examination and exempt registration requirements and renewals and §13.72, Designation and responsibilities of company representatives and and operations supervisors
4.2	additional requirements	See Commission rule §13.70, Examination and exempt registration requirements and renewals and §13.72, Designation and responsibilities of company representatives and and operations supervisors
4.3	additional requirement	See Commission rule §13.35, Application for an exception to a safety rule
5.2.1.1	additional requirement	See Commission rule §13.22, Odorization
5.3.1	additional requirement	See Commission rule §13.37, Appurtenances and equipment
5.4.5.1	additional requirement	See Commission rule §13.40, Manufacturer's nameplate and markings on ASME containers
6.3.2	additional requirement	See Commission rule §13.133, Installation of fuel supply containers
6.3.3	additional requirement	See Commission rule §13.133, Installation of fuel supply containers
6.9.3	additional requirement	See Commission rule §13.34, Vehicle fueling connection
6.13.2	additional requirement	See Commission rule §13.23, Installation and maintenance
6.14.1.1	additional requirement	See Commission rule §13.143, Venting of CNG to the atmosphere
7.3.1	additional requirement	See Commission rule §13.25, Filings required for stationary CNG installations
7.3.2	additional requirements	See Commission rule §13.93, System protection requirements
7.4.3.11	additional requirement	See Commission rule §13.93, System protection requirements
7.11.5.2	additional requirement	See Commission rule §13.93, System protection requirements

7.14.4	additional requirement	See Commission rule §13.107, Dispenser installation
7.14.5	additional requirement	See Commission rule §13.107, Dispenser installation
7.14.12	additional requirement	See Commission rule §13.93, System protection requirements
7.16.2	not adopted	See Commission rule §13.107, Dispenser installations
8.2.1	additional requirement	See Commission rule §13.183, System component qualifications
8.5	additional requirement	See Commission rule §13.187, Installation of pressure relief devices
8.8.3	not adopted	See Commission rule §13.190, Piping and hose
Chapter 9	not adopted	NFPA 52 Chapter 9 does not apply to CNG installations
Chapter 10	not adopted	NFPA 52 Chapter 10 does not apply to CNG installations
Chapter 12	not adopted	NFPA 52 Chapter 12 does not apply to CNG installations
Chapter 13	not adopted	NFPA 52 Chapter 13 does not apply to CNG installations
Chapter 14	not adopted	Commission rules in Chapter 13 do not cover marine installations