

Air Grants 101





What does TERP do?

The purpose of the TERP program is to:

- provide grants to reduce nitrogen oxides (NO_x) emissions from mobile sources;
- support programs to encourage the use of alternative fuels for transportation in Texas; and
- help to keep the air in Texas clean.



Why Reduce NO_x Emissions?

Ground level ozone is created by chemical reactions of NO_x and volatile organic compounds (VOC) in the presence of sunlight.

NO_x + VOC + Sunlight = OZONE

Mobile sources continue to be a large contributor to NO_x emissions in areas not currently meeting the National Ambient Air Quality Standards (NAAQS) under the Federal Clean Air Act (FCAA).



How Does TERP Reduce NO_x Emissions from Mobile Sources?

- TERP provides financial incentives for the **early retirement** of heavy-duty vehicles and equipment, particularly those with large diesel engines, that have been operating in Texas.
- Retired vehicles and equipment are rendered permanently inoperable, and replaced with newer, cleaner models.
- Grantees commit to operating newer, cleaner models in designated areas of Texas.



TERP Grant Programs

Diesel Emissions Reduction Incentive (DERI) Program

Emissions Reduction Incentive Grants (ERIG) Program

Rebate Grants Program

Seaport and Rail Yard Areas Emissions Reduction (SPRY) Program

Texas Clean Fleet Program (TCFP)

Texas Natural Gas Vehicle Grant Program (TNGVGP)

Alternative Fueling Facilities Program (AFFP)

Texas Clean School Bus (TCSB) Program

Light-Duty Motor Vehicle Purchase or Lease Incentive Program (LDPLIP)

New Technology Implementation Grant (NTIG) Program

Port Authorities Studies & Pilot Program (PASPP)

Governmental Alternative Fuel Fleets (GAFF) Program



TERP Grant Programs

TERP programs that focus on reducing NO_x emissions in the nonattainment and affected areas:

- **Diesel Emissions Reduction Incentive (DERI) Grants Program**
 - The **Emissions Reduction Incentive Grants (ERIG) Program** provides grants on a competitive basis to upgrade or replace older heavy-duty vehicles, non-road equipment, locomotives, marine vessels, and stationary equipment.
 - The **Rebate Grants Program** provides grants on a first-come, first-served basis for the replacement or repower of heavy-duty on-road diesel vehicles and select non-road equipment.



TERP Grant Programs

TERP programs that focus on reducing NO_x emissions in and around seaports and rail yards:

- The **Port Authority Studies and Pilot Programs** provides grants to port authorities in Texas' nonattainment and affected areas for incentives to encourage cargo movement that reduces NO_x emissions and particulate matter.
- The **Seaport and Rail Yard Areas Emissions Reduction Program** provides grants on a first-come, first-served basis for the replacement or repower of older drayage trucks, terminal tractors, and cargo-handling equipment operating at seaports and Class I rail yards in areas of Texas designated as nonattainment.



TERP Grant Programs

TERP grant programs for natural gas, alternative fuel, and electric vehicles and infrastructure within counties in and along some of the major interstate corridors across Texas:

- The **Texas Natural Gas Vehicle Grants Program** provides grants on a first-come, first-served basis for entities to upgrade or replace existing on-road heavy-duty and medium-duty vehicles powered by diesel or gasoline with new natural gas vehicles and engines.
- The **Texas Clean Fleet Program** provides grants on a competitive basis for large fleets of on-road light-duty or heavy-duty vehicles to replace diesel vehicles with new alternative fuel or hybrid vehicles.
- The **Alternative Fueling Facilities Program** provides grants on a competitive basis for the construction or expansion of natural gas and other alternative fueling stations.



TERP Grant Programs

TERP grant programs available to applicants state-wide:

- The **Light-Duty Purchase or Lease Incentive Program** provides grants on a first-come, first-served basis for the purchase or lease of an eligible new light-duty motor vehicle powered by compressed natural gas, liquefied petroleum gas, or hydrogen fuel cell or other electric drive.
- The **Texas Clean School Bus Program** provides grants on a first-come, first-served basis to replace or retrofit older diesel school buses with newer school buses powered by any fuel type to reduce emissions of particulate matter in diesel exhaust throughout the state.
- The **New Technology Implementation Grant Program** provides grants on a competitive basis to offset the cost of the implementation of existing technologies that reduce emissions from facilities and other stationary sources in Texas.



TERP Funding Fiscal Year (FY) 2020 – 2021

Revenue Sources, THSC, \$386.251

**All TERP surcharges and fees expire August 31, 2021*

	FY 2020 ¹	FY 2021 ²
3012 and 3016 Motor Vehicle Certificate of Title Fee	\$148 million	\$148 million
3102 Off-Road, Heavy-Duty Diesel Equipment Surcharge	\$70 million	\$70 million
3004 Heavy-Duty Diesel Motor Vehicle Surcharge	\$18 million	\$18 million
3014 Truck-Tractor and Commercial Motor Vehicle Registration Surcharge	\$13.9 million	\$13.9 million
3020 Commercial Motor Vehicle Inspection Fee	\$6.3 million	\$6.3 million
Total	\$256.2 million	\$256.2 million

Appropriation from the TERP Fund to TCEQ

TERP Grant Programs and Administration	\$77.3 million	\$77.3 million
--	-----------------------	-----------------------

TERP Fund Balance³

¹Amounts listed for FY20 are estimated.

\$1.8 billion

\$1.9 billion

²Amounts listed for FY21 are estimated.

³Amounts listed reflect the estimated total after deductions.



TERP Totals 2001-August 31,2019

Grant Program	Total Grant Amount	Total Tons of NO _x Reduced	Average Cost Per Ton of NO _x Reduced
Diesel Emissions Reduction Incentive Program	\$1,153,991,148	184,207.19	\$6,265
Seaport and Rail Yard Areas Emissions Reduction Program	\$15,493,808	773.45	\$20,032
Texas Clean Fleet Program	\$62,177,649	670.97	\$92,669
Texas Natural Gas Vehicle Grant Program	\$55,951,222	1,685.63	\$33,193
Texas Clean School Bus Program	\$6,070,000	68.94	\$88,042
Alternative Fueling Facilities Program	\$22,539,032	N/A	N/A
Light-Duty Motor Vehicle Purchase or Lease Incentive Program	\$9,967,065	N/A	N/A
Texas Clean School Bus Program	\$34,558,623	N/A	N/A
New Technology Implementation Grants Program	\$12,197,812	N/A	N/A
Totals	\$1,372,946,359	187,406.18	\$7,326



TERP Funding and Implementation FY 2020 – 2021

Program	FY 2020/2021 Funding	Opening Date
Texas Clean School Bus Program	\$6.2M	CLOSED
Alternative Fueling Facilities Program	\$12M	CLOSED
Texas Clean Fleet Program	\$7.7M	CLOSED
New Technology Implementation Grant	\$4.6M	OPEN Now - October 7, 2020
Light-Duty Motor Vehicle Purchase or Lease Incentive Program	\$7.7M	OPEN Now - January 7, 2021
Seaport and Rail Yard Areas Emissions Reduction Program	\$9.2M	OPEN Now - February 12, 2021
Texas Natural Gas Vehicle Grants Program	\$15.4M	OPEN Now - February 26, 2021
Rebate Grants	\$10M	COMING SOON: Summer 2020
Port Authorities Studies and Pilot Programs	\$1M	COMING SOON: Summer 2020
Emissions Reduction Incentive Grants	\$20M	COMING SOON: Fall of 2020
Governmental Alternative Fuel Fleet Grant Program	\$6M	Winter 2021

Program opening dates are tentative and may be subject to change. Visit the TERP website or call 800-919-TERP (8377) for the latest information about program openings and workshops.



TERP Contact Information

- **Website:** www.terpgrants.org
- **E-mail:** terp@tceq.texas.gov
- **Toll Free:** **800-919-TERP (8377)**



Texas Volkswagen Environmental Mitigation Program (TxVEMP)

- Volkswagen entered into settlements with the U.S. Environmental Protection Agency and California Air Resources Board to resolve violations for installing devices on 2.0 and 3.0 liter diesel vehicles to emit NO_x above the federal standards in normal operation.
- As part of the settlement agreements, VW must pay approximately \$2.9 billion into the Environmental Mitigation Trust Agreement for State Beneficiaries (Trust).
- Texas is designated as a state beneficiary under the Trust.
- Governor Abbott designated the TCEQ as the Lead Agency for Texas.
- The Lead Agency must administer the funds, submit funding requests, track and monitor the use of the funds, and submit semi-annual reports to the Trustee.



TxVEMP

- Over \$209 million in grant funding available to Texas
- Replacement and Repower Project Categories
 - Class 4 – 7 Local Freight Trucks
 - Class 8 Local Freight Trucks and Drayage Trucks
 - Class 7 – 8 Refuse Vehicles
 - School Buses
 - Transit and Shuttle Buses
 - Forklifts and Port Cargo Handling Equipment (Electric Only)
 - Airport Ground Support Equipment (Electric Only)
- Other Project Categories
 - Ocean-Going Vessel Shore Power
 - Light-Duty Zero Emission Vehicle Supply Equipment



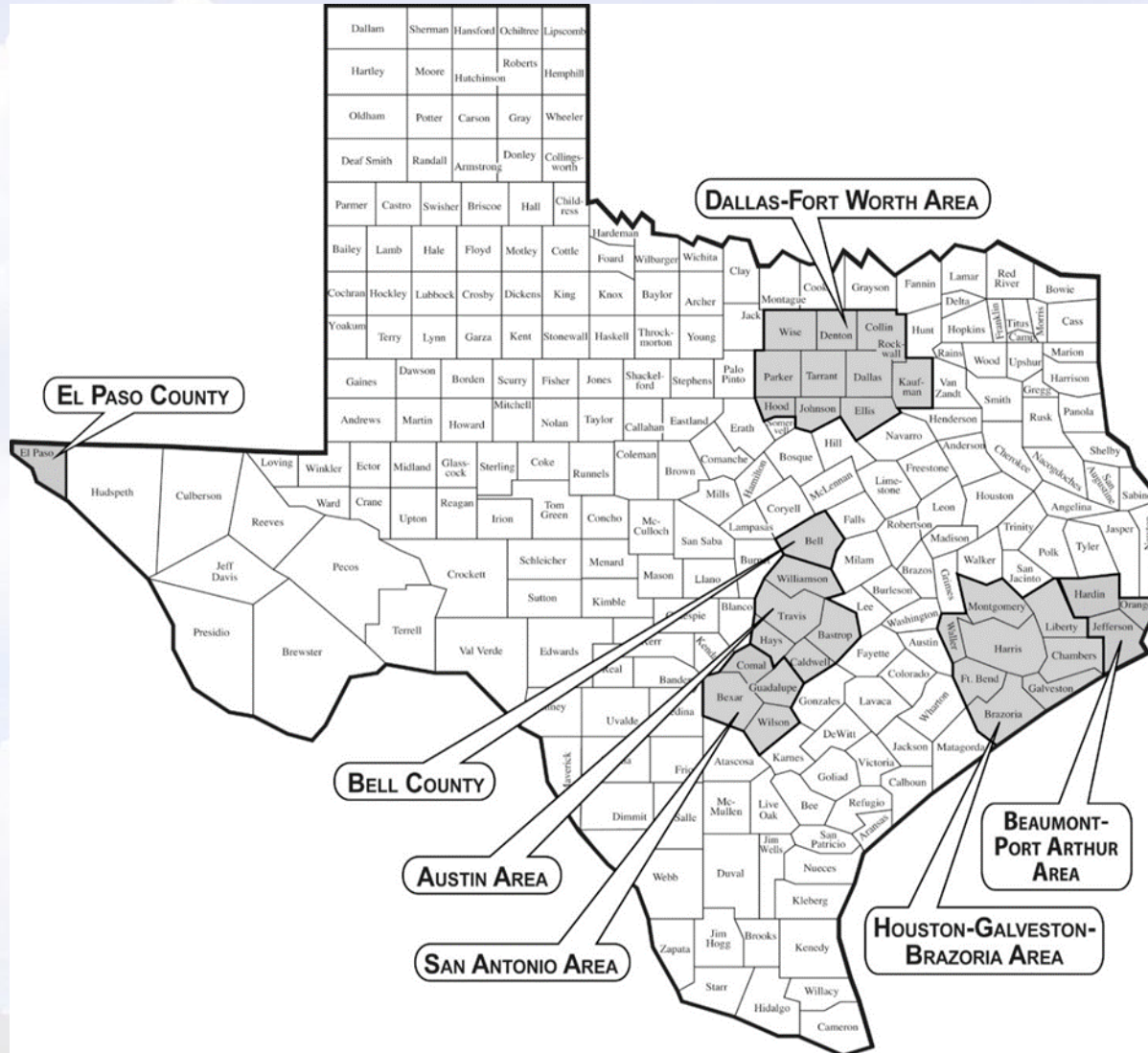
VW Infrastructure Funding

- Applicants may be eligible for:
 - Up to 50% of the eligible costs associated with electrical vehicle supply equipment;
 - Up to 33% of the eligible costs associated with installation of hydrogen dispensing equipment capable of at least 250 kg/day; or
 - Up to 25% of the eligible costs associated with installation of hydrogen dispensing equipment capable of at least 100 kg/day.

Government-Owned	
Replacements, Repowers, and Shore Power	80%
Non-Government-Owned	
Replacement - Electric	50%
Replacement, Drayage Trucks - Diesel or Alternative Fuel	50%
Replacement, Non-Drayage - Diesel or Alternative Fuel	25%
Repower - Electric	50%
Repower - Diesel or Alternative Fuel	40%
Shore Power	25%
ZEV Supply	
Electric Chargers	50%
Hydrogen Supply (250 kg/day)	33%
Hydrogen Supply (100 kg/day)	25%



TxVEMP Priority Areas





TxVEMP Funding and Implementation

Grant Round	Total Funding Amount	Opening Date
School, Transit, & Shuttle Buses	\$58.7M	CLOSED
Class 7-8 Refuse Vehicles	\$41.9M	OPEN NOW - October 8, 2020
Class 4-8 Local Freight & Drayage Trucks	\$33.5M	OPEN Now - January 27, 2021
Level 2 Light-Duty Zero Emission Vehicle Supply Equipment	\$31.4M	COMING SOON - Summer 2020
Fast-Charge Light-Duty Zero Emission Vehicle Supply Equipment	\$31.4M	Summer 2021
Electric Forklifts & Port Cargo-Handling Equipment	\$16.8M	Summer 2021
Electric Airport Ground Support Equipment	\$16.8M	Winter 2021
Ocean-Going Vessel Shore Power	\$1.9M	Winter 2021
Total¹	\$201M	

¹Does not include 4% of total funding for administrative expenses.



TxVEMP Contact Information

- **Website:** www.txvwfunds.org
- **E-mail:** vwsettle@tceq.texas.gov
- **Toll Free:** **(833) 215-TXVW (8989)**