



**Texas Commission on Environmental Quality (TCEQ)
Texas Emissions Reduction Plan (TERP)
Texas Natural Gas Vehicle Grant Program (TNGVGP)
Summary**

1. Funding

- The funding for this fiscal biennium is approximately \$24 million.

2. Purpose

- To encourage companies or individuals with on-road heavy-duty vehicles and medium-duty vehicles to replace the vehicles with natural gas vehicles or repower the vehicles with natural gas engines.
- Projects must result in a reduction of emissions of nitrogen oxides (NO_x) of at least 25%.

3. Eligible Applicants

- An entity operating a heavy-duty or medium-duty vehicle in the state of Texas may apply for a grant through a Participating Dealer, including individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations or any other legal entity.

4. Old Vehicles Being Replaced or Repowered must:

- have been owned, leased, or commercially financed by the grant applicant; registered in Texas; and operated by the grant applicant in Texas for at least the two years immediately preceding the submission of a grant application;
- be in operating condition with at least two years of remaining useful life; and
- have a gross vehicle weight rating (GVWR) of 8,501 pounds or greater.

5. Qualifying (New) Vehicles Eligible for Funding must:

- be a new natural gas vehicle (or new natural gas engine for repowers);
- be same category, description, and within the same GVWR range as the old vehicle;
- be powered by an engine that receives not less than 75% of its power from compressed or liquefied natural gas (vehicles capable of operating independently on either natural gas or another fuel will not be eligible under this program);
- be powered by an engine certified by the EPA to the applicable federal emissions standard; and

- be powered by an engine certified to a NO_x emissions rate at least 25% lower than the engine of the vehicle being replaced or repowered.

6. Eligible Grant Amounts

- Grants to pay up to 90% of incremental cost to purchase, lease, commercially finance, or repower with qualifying natural gas vehicles or engines.
- Predetermined grant amounts are based on the size of the natural gas fueling system and the usage of the funded vehicles.
- Grants will be paid on a reimbursement basis, after the new vehicle or engine is purchased or installed.

7. Vehicle Disposition

- Unless otherwise approved by the TCEQ, the vehicles being replaced must be permanently destroyed within 90 days of receiving reimbursement from the state. The standard destruction methods are crushing the vehicle and engine; drilling hole in the engine block and cutting frame rails in half; or sending the engine to an authorized remanufacturing facility.

8. Usage Commitment

- Applicants must commit to operate the grant-funded vehicles in the eligible Texas counties for at least 75% of the annual mileage for the activity life (the current Map of TNGVGP Eligible Counties is available on the TERP Web site).
- Grant recipients must monitor and report on annual mileage and location of use at least annually over the activity life.
- Activity Life is the earlier of four years or 400,000 miles of operation after the date of reimbursement, as determined by the TCEQ.

9. Prioritization for Funding

- Grants will be awarded on a first come, first served basis.

10. For More Information

- For more information, visit www.terpgrants.org or call the toll-free TERP hotline at 800-919-TERP (8377).