

**T E X A S COMMISSION ON ENVIRONMENTAL QUALITY**  
**P. O. BOX 13087, MC 204**  
**AUSTIN, TEXAS 78711-3087**

March 20, 2014

**ADDENDUM NUMBER 1**  
**TO**

**SOLICITATION TITLE: TERP - Request for Grant Applications (RFGA)**  
**TEXAS NATURAL GAS VEHICLE GRANT PROGRAM**  
**SOLICITATION NUMBER: 582-14-41629**  
**DUE DATE: May 31, 2015**

The following is a clarification to the above-referenced Solicitation, including the sections of the RFGA and application forms listed below.

- Item A. Request for Grant Applications, Page 5, Section 1.6: Requirements and Procedures: a. For at least the two years immediately preceding the submission of the grant application, the vehicle being replaced or repowered must have been owned, leased, or otherwise commercially financed by the grant applicant; continually registered in Texas; and operated within the State of Texas by the grant applicant.
- Item B. Texas Natural Gas Vehicle Grant Program Project Application, Form 8: Dealer Certification: c. The vehicle has been continuously operated within the State of Texas by the Applicant for the two years immediately preceding the signature date on the application.
- Item C. Texas Natural Gas Vehicle Grant Program Project Application, Certification Form 2: Vehicle/Equipment Ownership and Condition Certification: d. The vehicle has been continuously operated within the State of Texas by the Applicant for the two years immediately preceding the signature date on the application.

The basis for the ownership, registration, and use requirements under the TNGVGP is, in part, validation that a project will result in reductions in nitrogen oxides (NO<sub>x</sub>) emissions and other pollutants in the eligible areas when compared with what would have happened if the grant were not awarded. Funding to replace vehicles that have not been continuously operated in Texas does not meet these criteria.

Based on review of several applications received by the TCEQ, it appears that there may be confusion about what is meant by the term "continuously operated within the State of Texas" in the application certification forms. Some of these applications involve vehicles operated under an apportioned registration providing for operation in several states where it appears that the vehicles may not have operated at all in Texas or were operated for only a small percentage of the vehicle's annual mileage in Texas. This level of operation in Texas does not constitute continuous operation in the State of Texas.

Therefore, the TCEQ has determined it necessary to clarify the RFGA and application certification language. In all instances where the RFGA or application forms reference the vehicle being replaced or repowered having been operated or continuously operated within the State of Texas, that language means that the vehicle being replaced or repowered has been operated for at least 75% of the vehicle's average annual usage in Texas for the two years

preceding the signature date on the application. In signing the application forms the applicant and dealer must ensure that the certifications regarding continuous operation in the State of Texas are valid according to this clarification of the criteria.

Although the term "continuous operation" could be construed to mean 100% operation in Texas, the TCEQ's determination that 75% of total annual usage in Texas is appropriate is based, in part, on the requirement that the grant-funded vehicle must be operated for at least 75% of annual usage in the eligible areas for the life of the activity. The determination that the emissions reductions are valid is based, in part, on the continuity of use between the replacement vehicle and the vehicle being replaced.

The TCEQ may withhold approval of any application, including applications already received, for which it has questions about whether the vehicles meet these criteria. The TCEQ may request additional verification and documentation of compliance with these criteria from applicants and/or Participating Dealers.

Applicants and/or Participating Dealers should contact the TCEQ immediately if the certifications regarding continuous operation in the State of Texas made on an already-submitted application are not valid given this clarification. Any contract awarded where the TCEQ later discovers that the certifications are not valid may be considered voidable.