

## Exhibit 1

### **Port Arthur Alternative Fuel Vehicle and Equipment Program**

**Project Description:** Performing Party shall: 1) retire current diesel powered or gasoline-powered vehicles and equipment and replace those vehicles and equipment with alternative-fueled or low-emission vehicles or equipment; 2) convert current vehicles and equipment to alternative-fueled vehicles or equipment; or 3) retrofit current gasoline-powered and diesel-powered vehicles and equipment to decrease emissions from those sources. SEP Funds may only be used for: 1) the incremental costs of purchase of alternative-fueled or lower emission vehicles or equipment or retrofit of existing vehicles or equipment; 2) the incremental cost of purchase of alternative fuels versus regular gasoline or diesel fuels; or 3) other direct expenses authorized in advance and in writing by TCEQ.

Retirement of Vehicles: Any purchases of new vehicles or equipment shall comply with EPA verified and certified technology guidelines. Performing Party shall ensure that equipment and vehicles being retired are operational and that vehicles have current registration stickers. The retired vehicles and equipment must not be resold for any use except scrap value. The exhaust system, including the catalytic converter, must be destroyed. Performing Party shall submit proof of registration, decommissioning, and scrapping for all retired vehicles and equipment.

Retrofits and Conversions: Performing Party shall submit proof that all conversions or retrofits meet current EPA low-emission standards. When purchasing alternative-fueled vehicles or equipment, Performing Party shall purchase only those types of equipment that use fuels that are available for purchase within 15 miles of its fleet operation area. Alternative-fueled technologies may include propane or electric-powered lawn mowers, propane-powered light duty vehicles and heavy equipment, propane-powered generators, and other technologies or alternative fuels as described below. Performing Party may utilize any of the following fuel technologies if the fuel is available for purchase within 15 miles of its fleet operation area:

Alternative Fuels: Use of alternative fuels is limited to this list of fuels which are defined as alternative fuels by the Energy Policy Act of 1992 and are currently, or have been, commercially available for vehicles.

- Biodiesel (if used in an area not designated as ozone non-attainment or near non-attainment)
- Electricity
- Ethanol
- Hydrogen
- Methanol
- Natural Gas
- Propane

Other fuels that are currently under development may be approved for use at the discretion of the TCEQ staff.

Performing Party certifies that it has no prior budgetary commitment to do this Project and that it is not receiving duplicative funding to perform this Project. Performing Party agrees to disclose to TCEQ any additional sources of funding it receives to perform any portion of the projects described herein or for which it intends to utilize SEP Funds. Performing Party certifies that it shall not use SEP Funds to assist in complying with any governmental rule or regulation and that it is not required to perform this project under any existing rule or law.

**Environmental Benefit:** Replacement of gasoline and diesel powered lawn mowers, heavy equipment, and vehicles with lower-emission items will reduce air pollution emissions of particulate matter (PM), volatile organic carbon (VOC) compounds, nitrogen oxides (NO<sub>x</sub>), and other pollutants associated with the combustion of fuel that would have been generated by the older replaced item. Use of alternative fuels combined with energy efficiency modifications results in a direct reduction in the amount of emissions that contribute to air pollution in this state.

**Eligible Counties:** Jefferson

**Minimum Contribution Amount:** \$500