

Governmental Alternative Fuel Fleet Grant Program (GAFF)

Stakeholder Meeting

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Workshop Agenda

- TERP Overview
- GAFF Grant Program
 - Purpose
 - Eligibility
 - Project Types and Criteria
 - Grant Amounts
- Questions and Answers



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.



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.



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.

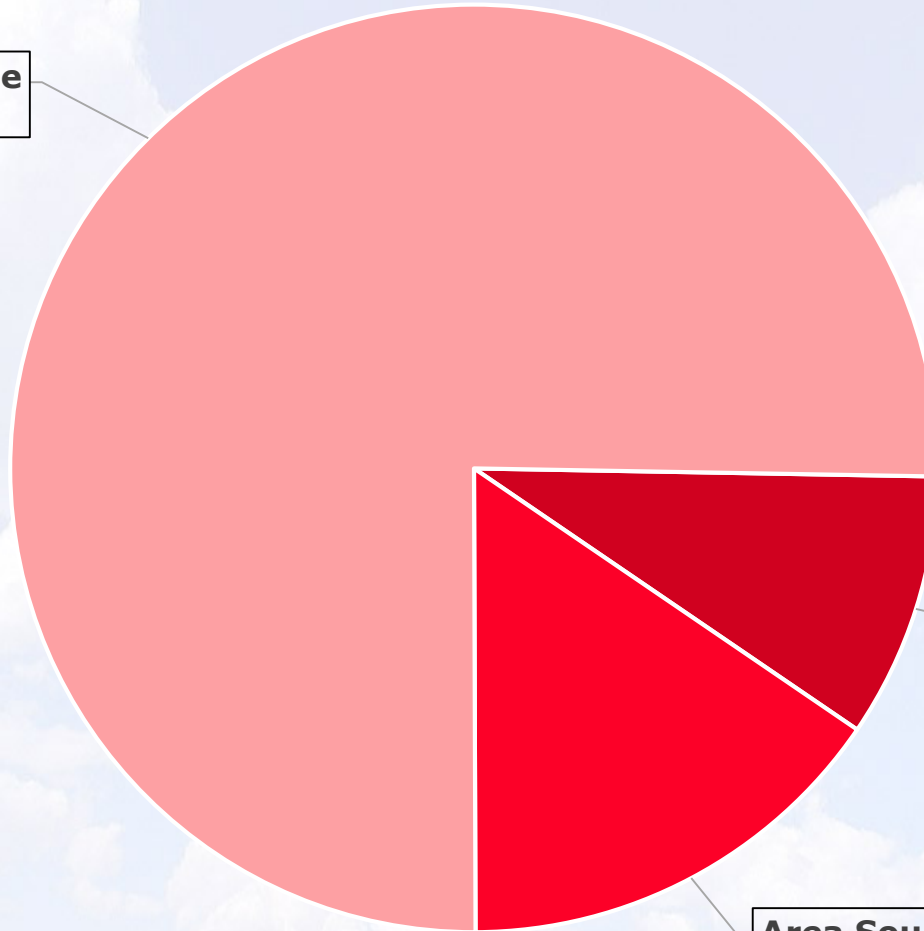
NO_x + VOC + Sunlight = OZONE

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).



2017 Dallas-Fort Worth Area NO_x Emissions

Mobile Source
75%



Point Source
9%

Area Source
16%

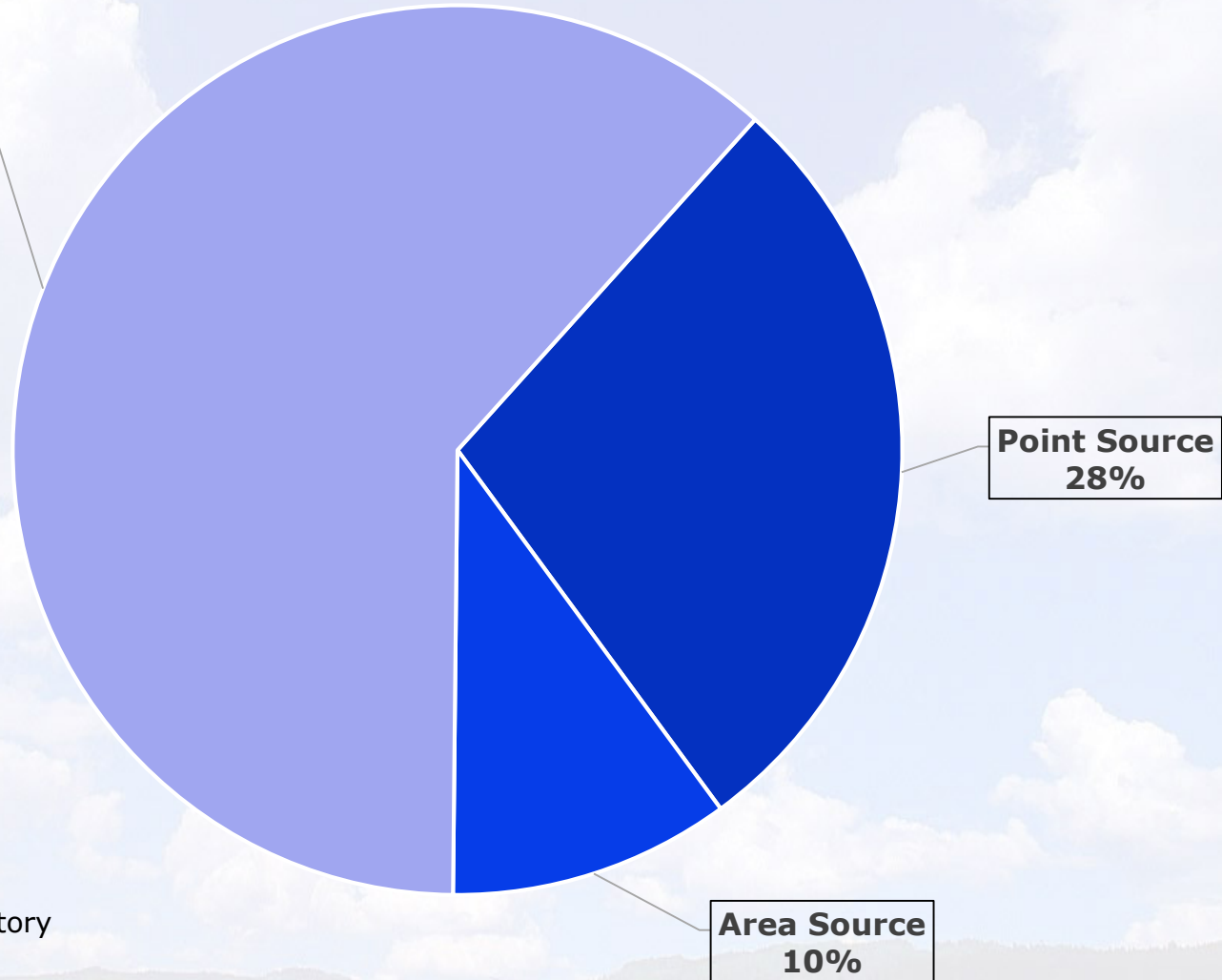
Counties:

Collin
Dallas
Denton
Ellis
Johnson
Kaufman
Parker
Rockwall
Tarrant
Wise

Source: TCEQ Emissions Inventory
Updated: 8/15/2019



2017 Houston-Galveston-Brazoria Area NO_x Emissions



Mobile Source
62%

Point Source
28%

Area Source
10%

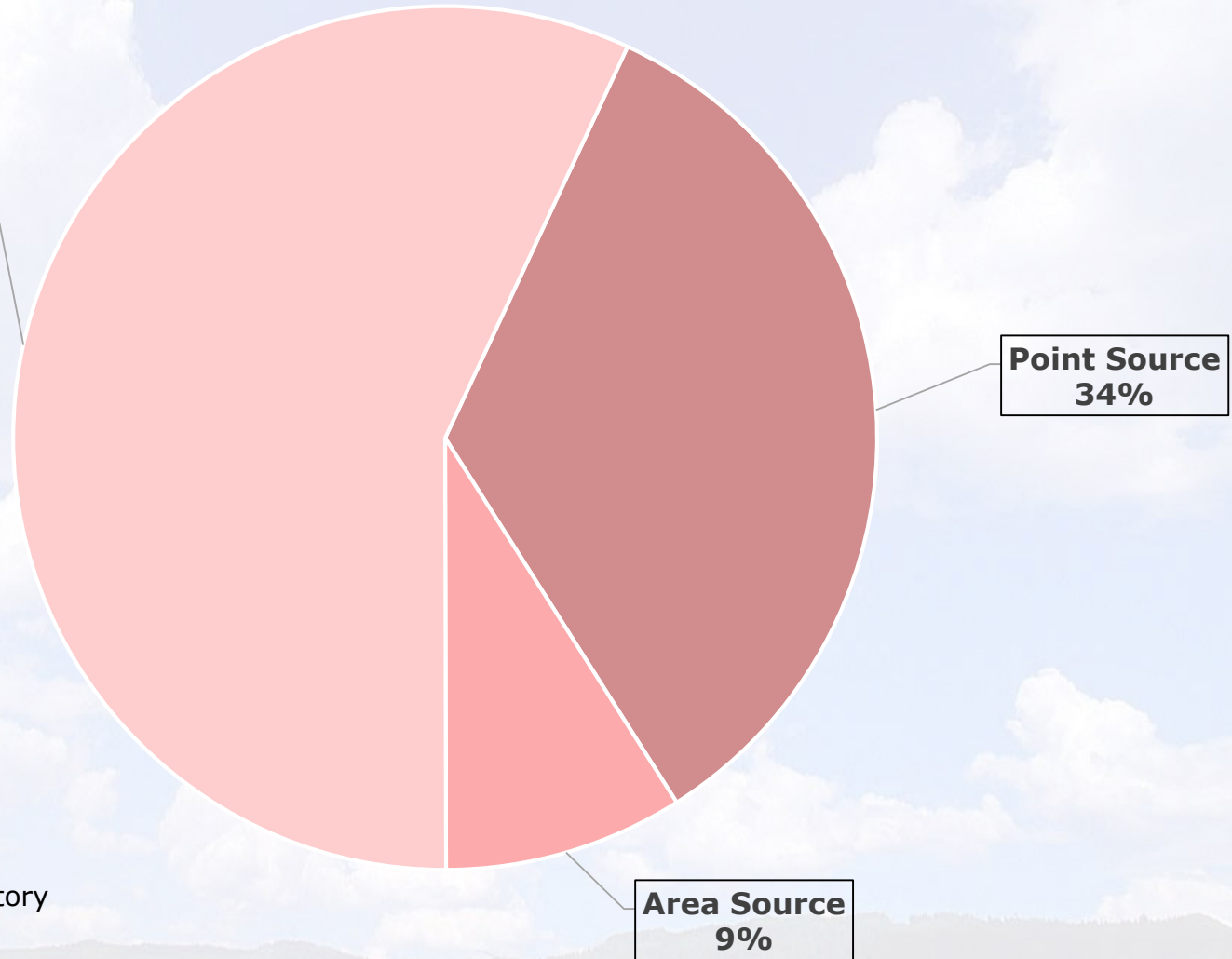
Counties:

Brazoria
Chambers
Fort Bend
Galveston
Harris
Liberty
Montgomery
Waller

Source: TCEQ Emissions Inventory
Updated: 8/15/2019



2017 San Antonio Area NO_x Emissions



Mobile Source
57%

Point Source
34%

Area Source
9%

Counties:

Bexar
Comal
Guadalupe
Wilson

Source: TCEQ Emissions Inventory
Updated: 8/15/2019



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



Governmental Alternative Fuel Fleet (GAFF) Grant Program

The GAFF program was enacted by Senate Bill 1731, 85th Texas Legislature, Regular Session to:

- assist eligible applicants in the purchase or lease of new motor vehicles that operate primarily on an alternative fuel; and
- assist eligible applicants in the purchase, lease, or installation of refueling infrastructure for grant funded vehicles.



Eligible Areas and Funding

- GAFF will be open to eligible entities ***statewide.***
- Approximately **\$6 million** will be available for award under this program.
- At least **\$600,000** per fiscal year must be allocated to infrastructure.



GAFF Eligible Applicants

Eligible applicants include:

- political subdivisions or state agencies that operate a fleet of **more than 15 motor vehicles**; and
- mass transit or school transportation providers, or any other public entity established to provide public or school transportation services.



Eligible Project Types

Eligible Project Types include:

- the replacement of an existing motor vehicle that is high mileage and does not use an alternative fuel;
- the purchase or lease of a new vehicle to add to an existing fleet; and
- the purchase or lease of refueling infrastructure to store and dispense alternative fuels for eligible grant-funded motor vehicles.



GAFF Motor Vehicle Requirements

- Grants will be available for the purchase or lease of a new, purpose-built alternative fuel vehicle, or a vehicle converted to operate on an alternative fuel before first retail sale that:
 - has a dedicated, dual-fuel, or bi-fuel system; and
 - if fully electric or hybrid plug-in, has a U.S. Environmental Protection Agency rating of at least 75 miles per gallon equivalent or range.
- A motor vehicle lease agreement must have a term of at least three years.
- If replacing a vehicle that currently operates on an alternative fuel, the replacement vehicle must produce fewer emissions and have greater fuel efficiency than the vehicle being replaced.



Eligible Fuel Types

Eligible Fuel Types include:

- Compressed Natural Gas (CNG);
- Liquefied Natural Gas (LNG);
- Liquefied Petroleum Gas (LPG or Propane);
- Hydrogen Fuel Cell; and
- Electricity (fully electric or hybrid plug-in).



Eligible Infrastructure Projects

Grants will be available for the purchase, lease, installation, or procurement of refueling infrastructure and services **made in conjunction with the purchase or lease of a grant-funded vehicle.**

- The grantee must demonstrate that a refueling station is not available within five miles of the location at which the new motor vehicles are stored or primarily operated.
- The infrastructure must be owned or leased by the grant recipient.
- A lease or service agreement for refueling infrastructure must have a term of at least three years.



TCEQ Priorities

The TCEQ must prioritize grant awards in the following order:

1. Projects proposed by state agencies
2. Projects in or near non-attainment areas
3. Projects in affected counties
4. Projects with the greatest emission reductions



TCEQ Priorities (cont.)

Additional TCEQ considerations include:

- type and number of vehicles purchased or leased;
- location of the fleet and refueling infrastructure or equipment;
- number and rate of vehicles served by the refueling infrastructure or equipment;
- amount of any matching funds committed by the applicant; and
- the schedule for project completion.



Applicant Priorities

Applicants must prioritize:

- the purchase or lease of new alternative fuel vehicles when replacing or adding vehicles to the fleet;
- the purchase of new alternative fuel vehicles to replace vehicles with the highest total mileage and that do not operate on an alternative fuel; and
- obtaining vehicles that operate on CNG, LNG, or LPG.



Grant Amounts

- Grants will be paid on a **reimbursement** basis (*all eligible costs must be incurred and equipment received by the grantee prior to reimbursement*).
- The grant may not exceed total cost to the grantee.
- The TCEQ may set a maximum percentage of costs that will be reimbursed.
- For vehicles, grant amounts may cover the difference in the costs of a new diesel vehicle and the grant-funded alternative-fuel vehicle.
- A grant may be combined with funding from other sources, including other grant programs, except that a grant may not be combined with other TERP funding.
 - Emission credits generated by the grant **MUST** be transferred to the TCEQ and permanently retired.



TERP Contact Information

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

We are here to help! Call us!