

**Texas Commission on Environmental Quality (TCEQ)  
Texas Emissions Reduction Plan (TERP)**

**SEAPORT AND RAIL YARD AREAS EMISSIONS REDUCTION (SPRY) PROGRAM  
Request for Grant Applications (RFGA)  
Fiscal Year (FY) 2020**

**Grants for Projects to  
Reduce Emissions of Nitrogen Oxides (NO<sub>x</sub>)**

**Solicitation No. 582-20-11910**



A PROGRAM OF TCEQ

**February 13, 2020**

**Texas Commission on Environmental Quality  
Air Grants Division  
SPRY, MC-204  
P.O. Box 13087  
Austin, Texas 78711-3087  
1-800-919-TERP (8377)**

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Applications will be accepted for consideration during this grant period on a first-come, first-served basis at the front desk, Rm. 1301, 1st floor of Building F on the premises of the TCEQ, no later than 5:00 p.m., Central Time, on February 12, 2021. Applications received in the TCEQ mail room on that date are not guaranteed to be delivered to Rm. 1301 by the required deadline, so applicants are encouraged to plan their submission date accordingly. In addition, the award of a SPRY grant is dependent upon the availability of funding and the TCEQ may suspend the acceptance of applications prior to this closing date. Any changes to this solicitation will be made through an addendum in the Electronic State Business Daily (ESBD).

There will be no pre-proposal conference.

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**Texas Commission on Environmental Quality  
Texas Emissions Reduction Plan**

**Seaport and Rail Yard Areas Emissions Reduction Program  
Request for Grant Applications  
Fiscal Year (FY) 2020**

**1.0 INVITATION**

The Texas Commission on Environmental Quality (TCEQ) invites applications from persons or entities who operate on-road and/or non-road drayage trucks and cargo handling equipment at seaports and rail yards located within the air quality nonattainment areas of Texas. Incentive funding is available for the replacement or repower of vehicles and equipment that will reduce emissions of nitrogen oxides (NO<sub>x</sub>) and other pollutants, including particulate matter (PM), at these facilities and in the nonattainment areas and other affected counties (Appendix A). Eligibility is limited to persons who own or lease the equipment to be replaced or repowered. For the purposes of this RFGA, the term “equipment” means “vehicles and/or equipment”.

**1.1 PURPOSE**

The Seaport and Rail Yard Areas Emissions Reduction (SPRY) Program is established under Chapter 386, Subchapter D-1, of the Texas Health and Safety Code (THSC) to implement a portion of the Texas Emissions Reduction Plan (TERP). Rules for the program have been adopted by the TCEQ in Title 30 Texas Administrative Code, Chapter 114 (30 TAC 114), Subchapter K, Division 8. The TCEQ has also adopted the *Texas Emissions Reduction Plan: Guidelines for the Seaport and Rail Yard Areas Emissions Reduction Program* (guidelines), which contain more specific standards governing this program. Copies of the rules and guidelines are available at the Texas Emission Reduction Plan (TERP) website [www.terpgrants.org](http://www.terpgrants.org).

**1.2 TERP OBJECTIVES**

The objectives of the TERP are to:

- achieve maximum reductions in NO<sub>x</sub> to demonstrate compliance with the state implementation plan;
- Implement new technology and monitoring of that technology to reduce PM;
- prevent areas of the state from being in violation of national ambient air quality standards;
- achieve cost-saving and multiple benefits by reducing emissions of other pollutants;
- achieve reductions of pollutants emitted in diesel exhaust from school

- buses; and
- advance new technologies that reduce NO<sub>x</sub> emissions and other emissions from facilities and stationary sources.

### **1.3 PROGRAM GUIDELINES**

The guidelines, grant application forms, grant application form instructions, grant amount tables, example contract, and a copy of this Request for Grant Applications (RFGA) may be viewed and downloaded from the TERP website at [www.terpgrants.org](http://www.terpgrants.org). The materials may also be obtained by calling TERP staff at 1-800-919-TERP (8377).

To be eligible for funding consideration, grant applications must be prepared and submitted in accordance with this RFGA, the guidelines, and the application.

## **2.0 PROJECT CRITERIA**

### **2.1 ELIGIBLE APPLICANTS AND OPERATION REQUIREMENTS**

General eligibility requirements are contained in the guidelines.

A person is eligible to apply for funding if, for at least the two years preceding the submission date of the application, the applicant has:

- owned or leased an on-road vehicle, non-road yard truck or other cargo handling equipment eligible to be replaced under the program; and
- operated the vehicle or equipment in one or more of the designated seaports or rail yards for a minimum of 200 days per year (12-month period) for the preceding two years (24-month period).

Additional eligibility information and operational requirements:

- a) Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, and/or any other legal entity. This may include a corporation headquartered outside of Texas that operates eligible equipment in Texas.
- b) Businesses or other entities in which a TCEQ employee, spouse, or family member of a TCEQ employee has a direct or indirect interest, financial or otherwise, may be prohibited from receiving a grant, depending upon the nature of the interest. Any questions regarding the eligibility of an entity to apply for a grant should be referred to the TERP staff early in the application process.
- c) The applicant must have the authority to dispose of the vehicle or equipment and engine being replaced or repowered in accordance with the grant requirements at the time the application is submitted. Applicants must certify compliance with these requirements in the application.

- d) Entities intending to serve as a third party for the funding, whereby the grant funding and/or cost savings resulting from the funding will be passed through to the owners or operators of the vehicles or equipment, are not considered eligible applicants.
- e) Grant recipients must agree to operate the grant-funded vehicle or equipment at one or more of the designated seaports or rail yards for a minimum of 200 days per year (12-month period) for the duration of the five-year Activity Life of the project.
- f) For **on-road** projects, grant recipients must agree to operate the grant-funded truck for 50%, 75%, or 100% of the annual and total usage in the nonattainment areas and affected counties.
- g) For **non-road** projects, grant recipients must agree to operate the grant-funded non-road yard truck or other cargo handling equipment for 75%, or 100% of the annual and total usage in the nonattainment areas and affected counties.

## 2.2 ELIGIBLE SEAPORTS AND RAIL YARDS

Refer to Appendix A for a map of the eligible counties.

For this grant round, eligible applicants operating at least 200 days per year in the following seaport terminals and Class I intermodal rail yards located in the state's air quality nonattainment areas may be considered for a grant.

### Seaport Terminals & Facilities

- Port of Houston
  - Barbours Cut Container Terminal
  - Bayport Container Terminal
  - Bulk Materials Handling Plant
  - Houston Bulk Terminal
  - Care Terminal
  - Jacintoport Terminal
  - Public Elevator No. 2
  - Turning Basin Terminal
  - Woodhouse Terminal
  - Participating facilities of the Houston Ship Channel Security District (HSCSD)
- Port of Galveston
  - East End Roll-On/Roll-off Cargo Terminal
  - Refrigerated Warehouse Terminal
  - Export Grain Elevator
  - Project and General Cargo Terminal
  - Bulk Cargo Terminal
  - West End Roll-On/Roll-off and General Cargo

- Port of Freeport Terminal Facilities

**Class I Intermodal Rail Yards**

- San Antonio
  - Union Pacific San Antonio Intermodal Terminal
- El Paso
  - Burlington Northern Santa Fe El Paso Intermodal Terminal
- Houston-Galveston-Brazoria
  - Burlington Northern Santa Fe Houston Port Facility
  - Burlington Northern Santa Fe Houston Intermodal Facility (Pearland)
  - Kansas City Southern (Rosenberg)
  - Union Pacific (Englewood)
  - Union Pacific Houston (Settegast)
- Dallas/Fort Worth
  - Burlington Northern Santa Fe Alliance Intermodal Facility
  - Kansas City Southern Wylie Intermodal Facility
  - Union Pacific Mesquite
  - Union Pacific Dallas Intermodal Terminal

If an applicant is not able to determine whether a facility is part of the HSCSD or is otherwise not sure of the eligibility of a facility, the applicant should contact TERP staff at (800) 919-TERP (8377) for help determining whether a particular facility is eligible.

**2.3 ELIGIBLE ACTIVITIES**

Activities eligible for funding under this program involve the replacement or repower of drayage vehicles and cargo handling equipment with newer drayage vehicles and cargo handling equipment that emit NO<sub>x</sub> at a rate that is at least 25% less than the emissions rate of the engines on the vehicles or equipment being replaced.

Applications will not be accepted for an activity that was included in a project previously awarded a TERP grant and that was subsequently canceled by the grant recipient after the date of issuance of this RFGA.

**2.4 DRAYAGE TRUCKS AND CARGO HANDLING EQUIPMENT ELIGIBLE FOR REPLACEMENT OR REPOWER**

General information and criteria on eligible activities are available in the guidelines. This RFGA may contain additional requirements that apply to this application period. Potential applicants should review this RFGA, the guidelines, and the application forms.

Vehicles and equipment used primarily for competition or recreational purposes are not eligible for funding under any of the project categories.

Models of drayage trucks and cargo handling equipment eligible for replacement or repower under this program include:

- a heavy-duty on-road vehicle with a gross vehicle weight rating (GVWR) over 26,000 pounds;
- a non-road yard truck; and
- other cargo handling equipment.

The applicant must provide documentation of ownership or lease and the operational requirements under Section 2.1, as specified.

- a) For an **on-road** drayage truck being replaced, the applicant must have continuously owned or leased the vehicle and have been listed as the owner on the title or the lessee on the lease agreement for the two years immediately preceding the application date.
- b) For a **non-road** drayage truck and other cargo handling equipment being replaced, the applicant must have continuously owned or leased the vehicle or cargo-handling equipment and have been listed as the owner on ownership documents or the lessee on the lease agreement for the two years immediately preceding the application date.
- c) For a drayage truck or cargo handling equipment being repowered, the applicant must have continuously owned the vehicle or equipment and have been listed as the owner on the title (on-road vehicles) or other ownership documents (non-road vehicles and equipment) for the two years immediately preceding the application date.
- d) The drayage truck or cargo handling equipment must have been used in its primary function in the routine operations of the applicant in Texas for the two years immediately preceding the submission of the grant application and must be capable of doing so for at least five more years from the application date.
- e) The TCEQ may require the applicant to provide records and other documentation of use of the drayage truck or cargo handling equipment at the eligible facilities.
- f) Unless the vocational type of an on-road drayage truck is exempt from inspection and registration requirements, such as an on-road vehicle used as a non-road yard truck, the vehicle must currently be registered for operation in Texas and must have been continuously inspected and registered in Texas for the two years immediately preceding the application date.
- g) An apportioned registration for operation in several states will not normally be accepted as proof of continuous registration and operation in Texas, unless the applicant can document that at least

75% of the vehicle operation occurred in Texas over the previous two years.

- h) For on-road vehicles, non-road yard trucks, and other cargo handling equipment, the TCEQ may require other documentation, as determined by the TCEQ, that the applicant has authority to dispose of the vehicle and engine being replaced.
- i) An on-road vehicle used for non-road purposes may be considered, case by case, if it was used at an eligible seaport or rail yard for cargo handling for the preceding two years.
- j) The TCEQ may consider situations, case by case, where the ownership of the company has changed, the assets of the company have been purchased by another company, or the company has changed names or incorporation status. The use or vocation of the vehicle or equipment being replaced may not have changed.
- k) The TCEQ may also consider, case by case, on-road vehicles that do not have a current registration or safety inspection, or vehicles that were not continuously registered and had an up-to-date safety inspection over the preceding two years, if the vehicle was used exclusively for non-road purposes at an eligible seaport or rail yard.
- l) Short lapses in vehicle registration and/or use may also be considered, as long as the owner or lease holder of the vehicle did not change.

## **2.5 DRAYAGE TRUCKS AND CARGO HANDLING EQUIPMENT ELIGIBLE FOR PURCHASE**

Models of drayage trucks and cargo handling equipment eligible for purchase to replace an existing drayage truck or cargo handling equipment under the program include:

- a heavy-duty on-road vehicle with a gross vehicle weight rating (GVWR) over 26,000 pounds;
- a non-road yard truck; and
- other cargo handling equipment.

To be eligible for purchase under this program a drayage truck or cargo handling equipment must:

- be powered by an electric motor or contain an engine certified to the current federal emissions standards applicable to that type of equipment, as determined by TCEQ; and
- emit NO<sub>x</sub> at a rate that is at least 25% less than the emissions rate of the engine on the truck or equipment being replaced.

Unless otherwise determined by TCEQ, the NO<sub>x</sub> emissions rate of the engines replaced or purchased under this program will be based on the emissions standard or family emissions limit to which the engine is certified by the United States Environmental Protection Agency (EPA) or the California Air Resources Board (CARB) or, for replacement of an uncontrolled engine, a baseline emissions rate established by TCEQ.

In general, the replacement drayage truck or cargo handling equipment must be of the same type, power range, weight category, and body and axle configuration as the drayage truck or cargo handling equipment being replaced. The TCEQ may accept, in specific cases, vehicles or equipment of a different type, power range, weight category, or body and axle configuration to account for the latest technology, vehicle or equipment type used for certain drayage or other cargo handling purposes.

Some, but not all, of the situations the TCEQ may consider include:

- replacement of an on-road heavy-duty vehicle used solely for moving cargo in an eligible facility with an on-road or non-road yard truck;
- replacement of an on-road yard truck with a non-road yard truck, or vice versa; and
- replacement of certain types of cargo handling equipment used specifically for container handling with a different type of cargo handling equipment that is also used for container handling.

Some cargo handling equipment, including rough terrain forklifts and some rubber tire loaders with certain affixtures, may be used specifically for container handling as opposed to other drayage activities. Applicants must identify whether eligible cargo handling equipment is used primarily for container handling in the application. Eligible cargo handling equipment, not including non-road yard trucks, used primarily for container handling will be classified as “Container Handling Equipment” for purposes of determining maximum grant amounts (see the Maximum Eligible Grant Amount Tables at [www.terpgrants.org](http://www.terpgrants.org)).

## **2.6 ENGINES OR MOTORS ELIGIBLE FOR PURCHASE**

To be eligible for purchase for repowering a drayage truck or cargo handling equipment under this program, an engine or motor must:

- be powered by electricity or be an engine certified to the current federal emissions standards applicable to that type of engine, as determined by the TCEQ; and
- emit NO<sub>x</sub> at a rate that is at least 25% less than the NO<sub>x</sub> emissions rate of the engine being replaced.

Unless otherwise determined by the TCEQ, the NO<sub>x</sub> emissions rate of the engines replaced or purchased under this program will be based on the

emissions standard or family emissions limit to which the engine is certified, or, for replacement of an uncontrolled engine, a baseline emissions rate established by the TCEQ.

## **2.7 ELIGIBLE COSTS AND GRANT AMOUNTS**

### **a) Replacement Projects**

- For replacement projects, the grant recipient may be eligible for reimbursement of up to 80% of the eligible incremental costs associated with the purchase or lease of the replacement vehicle or equipment, not to exceed the maximum grant amount listed in the Maximum Eligible Grant Amount Tables found at [www.terpgrants.org](http://www.terpgrants.org) and not to exceed a cost per ton of \$25,000 for the amount of NO<sub>x</sub> reduced. The TCEQ may fund projects at less than the maximum grant amounts.
- A finance lease, with a binding commitment to buy and retain ownership of the replacement vehicle or equipment at the end of the lease, may be considered a purchase, subject to approval by the TCEQ. Other types of leases, such as an option to buy, are not eligible for reimbursement.
- The incremental cost is the purchase price, which may include the invoice price, including taxes and delivery charges included in the price of the replacement vehicle or equipment, minus a scrap value of \$1000. The incremental cost of the proposed activity must also be reduced by the value of any existing financial incentive that directly reduces the cost of the proposed activity, including tax credits or deductions, other grants, or any other public financial assistance.

### **b) Repower Projects**

- For repower projects, the grant recipient may be eligible for reimbursement of up to 80% of the eligible incremental costs associated with the repower of the vehicle or equipment, not to exceed the maximum rebate grant amount listed in the Maximum Eligible Grant Amount Tables found at [www.terpgrants.org](http://www.terpgrants.org), and not to exceed a cost per ton of \$25,000 for the amount of NO<sub>x</sub> reduced. The TCEQ may fund projects at less than the maximum grant amounts.
- The incremental cost is the cost to purchase and install the new engine, minus a scrap value of \$250. The incremental cost of the proposed activity must also be reduced by the value of any existing financial incentive that directly reduces the cost of the proposed activity, including tax credits or deductions, other grants, or any other public financial assistance.

- Reported costs that may be reimbursed, subject to approval by the TCEQ, include:
  - i. the invoice cost of the new engine or upgrade, including sales tax and delivery charges;
  - ii. the invoice cost of additional equipment that must be installed with the new engine or upgrade;
  - iii. associated supplies directly related to the installation of the engine or system;
  - iv. the costs to remove and dispose of the old engine, if applicable;
  - v. installation costs;
  - vi. reengineering costs, if the vehicle or equipment must be modified for the new engine to fit; and
  - vii. other costs directly related to the project, including the purchase and installation of a global positioning system (GPS).
- In some cases, the repower of a drayage truck or other cargo handling equipment to convert to operation using a new technology, such as electric drive, may include the complete remanufacturing of the vehicle or equipment to new condition. The TCEQ may consider additional costs, case-by-case, where the repower of the vehicle or equipment is part of a more complete remanufacture of the vehicle or equipment. Applicants should consult with TERP staff to determine eligibility of costs before applying for this type of repower activity.

**c) All Projects - Allowable Costs**

- The cost to purchase and install a TCEQ-approved GPS to track and log the location and use of the vehicle or equipment. If the costs for the purchase and installation of a TCEQ-approved GPS are included in the grant, the grant recipient must agree to pay for any required ongoing operational costs of using the GPS, including the reporting system provided by the vendor, for the Activity Life. Failure to maintain and use the GPS may result in a requirement to return any grant funds used to pay for all or part of the purchase and installation of the GPS. Please refer to the TERP website [www.terpgrants.org](http://www.terpgrants.org) to obtain the latest GPS vendor, price, and contact information.
- Optional features necessary for the normal operation and vocation of the vehicle or equipment.
- To the extent applicable, as determined by the TCEQ, the cost principles of the Uniform Grant Management Standards apply to the determination of eligible costs:  
<http://comptroller.texas.gov/purchasing/docs/ugms.pdf>

**d) All Projects - Ineligible Costs**

- Administrative costs and other internal costs of the grant recipient, including but not limited to personnel expenses, internal salaries, indirect costs, and travel. This restriction also applies to situations where the grant recipient acts as the freight/delivery provider for delivery of the grant-funded vehicle or equipment before or after acceptance of the vehicle or equipment.
- Fees for a third-party consultant hired by the grant recipient to manage and administer the grant-funded activities, including coordination of the work and submission of reports and paperwork to the TCEQ for the grant recipient will be considered administrative costs and are not eligible for reimbursement.

This determination is not intended to limit the ability of the vehicle or equipment vendor or engine installer to include reasonable and necessary costs for overseeing the work to be performed in the price of the vehicle, equipment, engine, and/or installation services.

- Finance fees and charges.

**2.8 DISPOSITION OF VEHICLE/EQUIPMENT AND ENGINE**

The contract will include specific provisions for destroying the vehicle/equipment and engines, and for submitting disposition verification information to the TCEQ. Grantees must have legal authority for this disposition.

**1) Standard Destruction**

The old vehicle and engine must be rendered permanently destroyed and inoperable within 90 days of receiving financial reimbursement. The applicant must structurally damage and destroy the vehicle and engine so that it may not be repaired or operational.

**A. Methods of standard destruction include:**

- completely crushing the equipment and engine, or
- cutting a 3-inch or larger hole in the engine block on both sides and cutting both frame rails in half.

**B. Alternative Destruction**

- Grant applicants may request TCEQ's preauthorization of an alternative method for rendering the vehicle and engine permanently inoperable.
- Applicants must request alternative disposition or destruction using Form 10 of the application.

- iii. If approved, the alternative disposition method will be included in the special conditions of the contract; otherwise the standard methods described above will be required.

### **C. Documentation**

- i. The contract will include specific provisions for scrapping the vehicles and engines and for submitting disposition verification information to the TCEQ.
- ii. The applicant must provide a certification of the destruction of the old vehicle and engine on forms provided by the TCEQ.

Grant recipients must submit a copy of a Texas Nonrepairable Vehicle Title issued by the Texas Department of Motor Vehicles (TxDMV) for titled vehicles replaced under this grant. The Texas Nonrepairable Vehicle Title must be submitted at the same time that the required documentation is submitted to the TCEQ. This title is available by submitting a completed form VTR-441 along with the required fee to the TxDMV.

## **2.9 USE OF CONSULTANTS**

- a) Private consultants may be available to assist an applicant to complete and submit an application. These consultants do not represent the TCEQ. The TCEQ neither encourages nor discourages the use of a consultant to assist with the application process. The TCEQ has no agreements where applications submitted by a consultant will receive more favorable treatment than other applications.
- b) The applicant must indicate in the application if the application was prepared by a third party. If a third party prepares the application, the third-party preparer must also sign the application and certify that the information provided is correct.
- c) Any fees charged by a consultant are the responsibility of the applicant or the vendor and may not be charged to the grant, either directly or as an addition to the cost basis of the grant-funded vehicle or equipment.
- d) All purchase decisions must be based on sound business practices and arm's length bargaining.
- e) It is generally considered acceptable for an applicant to accept assistance from a vendor or an agent of a vendor in preparing an application, as long as any decision by the applicant to purchase the grant-funded vehicle or equipment from that vendor is made independently and meets the other reasonableness provisions in the grant contract.

TCEQ may consider it a conflict of interest and unreasonable if the consultant has an interest in the company selling the grant-funded vehicles/equipment and is paid directly by the applicant to complete the application documents and to act as the applicant's agent for the grants process. Contact the TERP staff with any questions.

## 2.10 ADDITIONAL REQUIREMENTS

Additional criteria that apply to activities funded under this program are discussed below.

- a) Up to ten activities may be included in each grant application. The TCEQ reserves the right to limit the number of grants awarded per applicant.
- b) Multiple activities of similar equipment and usage type (i.e. non-road or on-road) may be included in an application. However, separate applications must be submitted for projects that operate in different primary areas.
- c) Include a photocopy of an official state or federal identification card in the application (e.g. driver's license) if applying as an individual or sole proprietor.
- d) An activity is not eligible if it is currently required by any state or federal law, rule, regulation, memorandum of agreement, or other legally binding document.
- e) This restriction also does not apply to the purchase of vehicles or equipment that are required only by local law or regulation or by corporate or controlling board policy of a public or private entity.
- f) Any emissions reductions achieved by the SPRY Program must be assigned to the TCEQ and any marketable emissions reduction credits must be retired. Therefore, if another incentive program requires that emissions reductions achieved by the project be assigned for use by that program, funding from that program may not be combined with a SPRY Program grant for the purchase of a replacement or repowered vehicle or equipment.
- g) An activity involving a new emission reduction measure that would otherwise generate marketable credits under state or federal emissions reduction credit averaging, banking, or trading programs is not eligible for funding under this program unless: the activity includes the transfer of the reductions that would otherwise be marketable credits to the state implementation plan, or the owner or operator as provided under Section 386.056, Texas Health and Safety Code; and the reductions are permanently retired.
- h) Unless otherwise approved by the TCEQ, the vehicle or equipment being purchased may not have been acquired before the start of the grant application period.
- i) Applicants may request less than the eligible amount. If an applicant requests less than the eligible amount, the requested amount will be used by the TCEQ to determine the grant award. If the applicant requests more than the eligible amount, the TCEQ will only consider for award up to the maximum eligible grant amount.
- j) Applicants must list in the application all other financial incentives and tax credits received and/or expected to be received for the vehicle, equipment, or engine purchase. The combined total of the SPRY Program grant and other financial incentives or assistance, including tax credits

received or expected to be received, may not exceed the incremental costs to the applicant.

### **3.0 GRANT ADMINISTRATION**

#### **3.1 REIMBURSEMENT OF EXPENSES**

All grants are paid on a reimbursement basis. To receive grant funds, all project costs must have been incurred and paid, and grant-funded vehicles or equipment must have been received, on or before the end of the Purchase Expiration Date indicated in the contract. Any expenses incurred by grant recipients prior to receiving a fully-executed contract will be at the grant recipient's own risk. All final requests for reimbursement must be received by TCEQ within 45 days after this date. The RFR is available on the TERP website [www.terpgrants.org](http://www.terpgrants.org) or by calling TERP at (800) 919-TERP (8377).

Subject to approval of the TCEQ, if the grant recipient has paid eligible expenses that are equal to, or greater than, the reimbursement amount with cash on hand (non-borrowed funds), the reimbursement may be paid directly to the grant recipient. If the acquisition of the grant equipment is financed, the reimbursement may be assigned to the company that provided the financing. Supporting documentation must be submitted to establish that the vehicle(s) or equipment were received, and that the reimbursement amount is owed to the company that provided the financing.

Expenses eligible for reimbursement include the cost of grant-funded vehicles or equipment, taxes, government fees, warranties, and delivery fees. They do not include additional equipment or attachments, insurance premiums, extended service plans, loan related fees and interest, consultant fees, or grant recipient's internal administrative expenses. This list is not all-inclusive.

Eligible costs will be reduced by the scrap value of the old equipment and by any other financial incentives or assistance including tax credits received or expected to be received. The resulting amount is the Incremental Cost. Reimbursement cannot exceed 80% of the Incremental Cost. Normally the scrap value will be a default amount set by the TCEQ. If not using the default value, the amount received for the vehicle or equipment being replaced must be the result of arms-length bargaining with the entity taking the old vehicle or equipment.

#### **3.2 MONITORING AND REPORTING**

The grant recipient must agree to monitor the use of the grant-funded vehicle or equipment for the five-year Activity Life.

- a) The beginning and ending dates for the Activity Life of each grant-funded activity will be established by the TCEQ. The Activity Life start date begins on the date that the TCEQ accepts verification of the disposition of the vehicle or engine. At that time, the grant recipient will be notified in writing of the beginning and end date of the Activity Life.

- b) Annual reports on the use of the grant-funded vehicle or equipment will be required, using TCEQ forms.
- c) If requested by TCEQ, grant recipients must place a TCEQ-provided identifying mark or label on the grant-funded vehicles and equipment to aid both the TCEQ and the grant recipient in the tracking and identification of those vehicles and pieces of equipment. The grant recipient must agree to place the label on the grant-funded vehicle or equipment.
- d) If requested by TCEQ, grant recipient must install and use a device for tracking the location of grant-funded vehicles or equipment.
- e) Initial installation of a GPS is voluntary. However, during the Activity Life of the grant, the TCEQ may require installation of a GPS for grant recipients that are not meeting the grant requirements pertaining to usage or location of use, in lieu of requiring immediate return of grant funds. In those cases of non-compliance, the grant recipient must agree to install and use the approved GPS if requested to do so by the TCEQ, or the grant recipient may be required to return all or a portion of the grant funds.
  - If the grant recipient installs a GPS from the TCEQ-authorized GPS contractor, either as part of the grant or with other funds, the TCEQ may accept the reports available from the GPS service provider in lieu of the grant recipient submitting annual usage reports.
  - The TCEQ has approved the vendor for a GPS to electronically track the location and use of grant-funded vehicles and equipment. Only the GPS system purchased from the TERP GPS Monitoring Service contractor, Precision Tracking Services, Inc., is authorized by and contracted with the TCEQ to provide the system. Refer to our website [www.terpgrants.org](http://www.terpgrants.org) to obtain the latest price and contact information, or you may contact them directly at 888-987-8722.

### **3.3 PERFORMANCE EVALUATION**

The TCEQ may prepare written evaluations of the performance of the grant recipient upon the completion of the life of the project or more frequently, as deemed necessary by the TCEQ. The criteria used to evaluate performance will be included in the contract. The performance rating on contractor evaluations for a past grant may be considered by the TCEQ in evaluating an application from the grant recipient for additional funding under this or other TCEQ grant programs. A rating of marginal or unsatisfactory performance may be used as a basis to lower or otherwise change the priority and ranking of a future application.

### 3.4 FUNDING

- a) The total amount to be awarded under this grant program is estimated at \$9.2 million but will depend upon the amount of revenue received into the TERP account. The TCEQ is not obligated to select project proposals to cover the full amount of expected or available funding or may select projects that exceed the anticipated revenue amount.
- b) The TCEQ will not be obligated to select applications for funding, even if received within the application deadline. The TCEQ may also select parts of a proposal for funding and may offer to fund less than the dollar amount requested in a proposal.
- c) The TCEQ may suspend the first-come, first-served provisions and hold additional applications from a particular entity after that entity has been awarded approximately 35% of the funds available.
- d) To assist applicants in determining whether sufficient funds will be available to cover their application, the TCEQ may post updates on the TERP website [www.terpgrants.org](http://www.terpgrants.org) regarding the amount of unobligated funds that remain available. Information will also be available by calling TERP staff at 1-800-919-TERP (8377).

### 4.0 APPLICATION PROCESS

**Required Forms.** Application forms and complete guidelines for this program may be viewed and downloaded from the TERP website at [www.terpgrants.org](http://www.terpgrants.org). Copies of the forms may also be obtained by calling TERP staff at 1-800-919-TERP (8377).

**Application Submission.** To apply for funding, applicants must complete and submit two copies of the grant application. Instructions for completing an application can be viewed and downloaded at the TERP website [www.terpgrants.org](http://www.terpgrants.org). Completed and signed forms may be submitted to:

**Regular Mail:**

Texas Commission on Environmental Quality  
Air Grants Division  
SPRY, MC-204  
P.O. Box 13087  
Austin, TX 78711-3087

**Express Mail or Hand Delivery:**

Texas Commission on Environmental Quality  
Air Grants Division  
SPRY, MC-204  
12100 Park 35 Circle  
Building F, 1<sup>st</sup> Floor, Room 1301  
Austin, TX 78753

**Application Deadline.** Proposals will be accepted and considered on a first-come, first-serve basis during this grant solicitation period. The TCEQ may suspend acceptance and/or processing of applications at any time during the

application period with no obligation to continue processing an otherwise eligible application received within the deadline. Unless the acceptance of applications is suspended by the TCEQ prior to the application deadline, applications must be received at the front desk, Room 1301, 1<sup>st</sup> floor of Building F on the premises of the TCEQ by no later than 5:00 p.m., Central Time, February 12, 2021. Applications received in the TCEQ mail room on February 12, 2021 are not guaranteed to be delivered to Room 1301 by the required deadline, so applicants are encouraged to plan their submission date accordingly.

**Additional Program Information.** Individuals desiring further information are encouraged to call the TERP staff at 1-800-919-TERP (8377).

**Public Information.** Upon submission, all proposals become the property of the State of Texas and as such become subject to the Texas Public Information Act, Texas Government Code Chapter 552.

**Personal Information Policy.** Individuals are entitled to request and review their personal information the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact TERP staff at 1-800-919-TERP (8377).

## 5.0 CALCULATIONS OF NO<sub>x</sub> EMISSIONS REDUCTIONS

For this RFGA a primary selection factor will be the amount of nitrous oxides (NO<sub>x</sub>) emissions reductions projected to be achieved by the project in the eligible counties.

- a) Default annual mileage rates will be used for each weight classification of vehicle or equipment. The calculations will be based on operation of the grant-funded vehicles or equipment for 50%, 75%, or 100% of the annual mileage or hourly usage in the eligible counties, as marked in the application.
- b) Baseline NO<sub>x</sub> emission rates for the vehicles and equipment being replaced will be the NO<sub>x</sub> emissions standard to which the vehicle/equipment or engine is certified, based on the standards applicable to that classification and model year of vehicle/equipment or engine. The NO<sub>x</sub> emissions of the vehicle or equipment being purchased will be based on the certified NO<sub>x</sub> emissions standard of that vehicle/equipment and/or engine.

## 6.0 APPLICATION REVIEW AND SELECTION

### 6.1 APPLICATION REVIEW

Applications will be date and time stamped as they are received by the TERP program staff. Subject to the additional criteria in this section, properly completed and eligible projects will be processed for approval on a first-come, first-served basis. Incomplete or ineligible applications may be returned to the applicant. The TCEQ will work with applicants, to the extent possible, to correct

problems with applications and to obtain all necessary information and documentation to consider the application complete. However, the amount of time available for this will be limited, and the TCEQ is not obligated to wait for all corrections to be completed before making the grant selections. Corrected or changed applications will be considered based on the date and time at which the corrected or changed versions are received and stamped by TERP program staff.

The TCEQ may base funding decisions on other factors associated with best achieving the goals of the program. As part of this consideration, the TCEQ may give priority to projects in certain areas and/or for certain emission sources.

## **6.2 PROJECT SELECTION**

The TCEQ will review the applications and required documentation and will, to the extent possible, contact the applicant for any needed changes or additional information.

The TCEQ will review applications for selection pending receipt of all needed information or documentation. The issuance of a contract may be contingent upon receipt of the additional information.

The TCEQ may make selection for funding contingent upon agreement by the grant applicant to additional conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and other program elements. These provisions may be included in the contract.

Under Section 231.006 of the Texas Family Code, a child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25% is not eligible to receive a state funded grant or loan. All business entities applying for a grant under this RFGA must include in the application the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25% of the business entity submitting the application.

The certifying official submitting the application must also certify in the application that the individual or business entity named in the application is eligible to receive the grant and acknowledges that any contract may be terminated and payment may be withheld if the certification is inaccurate. Grant applicants must also submit a W-9 Form (Request for Taxpayer Identification Number and Certification Form) when submitting the application.

Based on the number and types of applications received, the TCEQ may establish a cut-off level for grant selections that is less than the available funding, and projects may be offered a smaller amount of funding or may be held until a later date.

## **6.3 GRANT AWARD AND CONTRACTING**

An example contract shell is available on the TERP website, [www.terpgrants.org](http://www.terpgrants.org). Successful applicants will be notified by phone, or other means, of their selection and the amount of grant funds that may be awarded. At that time, the applicant will need to confirm to the TCEQ if the applicant intends to accept the

grant. A contract will be developed and 2 copies mailed to the applicant to sign and return to the TCEQ. Upon signature and execution of the contract by the TCEQ, one original signed contract will be returned to the applicant, at which time the grant will be considered awarded. All services or work carried out under a contract awarded because of this RFGA must be completed within the scope, time frames, and funding limitations specified in the contract. TCEQ reserves the right to modify the terms in the example contract due to changes in law, rules, or policy.

#### **6.4 TAXES**

Grant recipients are responsible for complying with all U.S. Internal Revenue Service (IRS) laws and rules regarding the taxable status of grants. The grant payments are Form 1099 reportable.

#### **7.0 CONSIDERATION OF APPLICATION IN FUTURE GRANT ROUNDS**

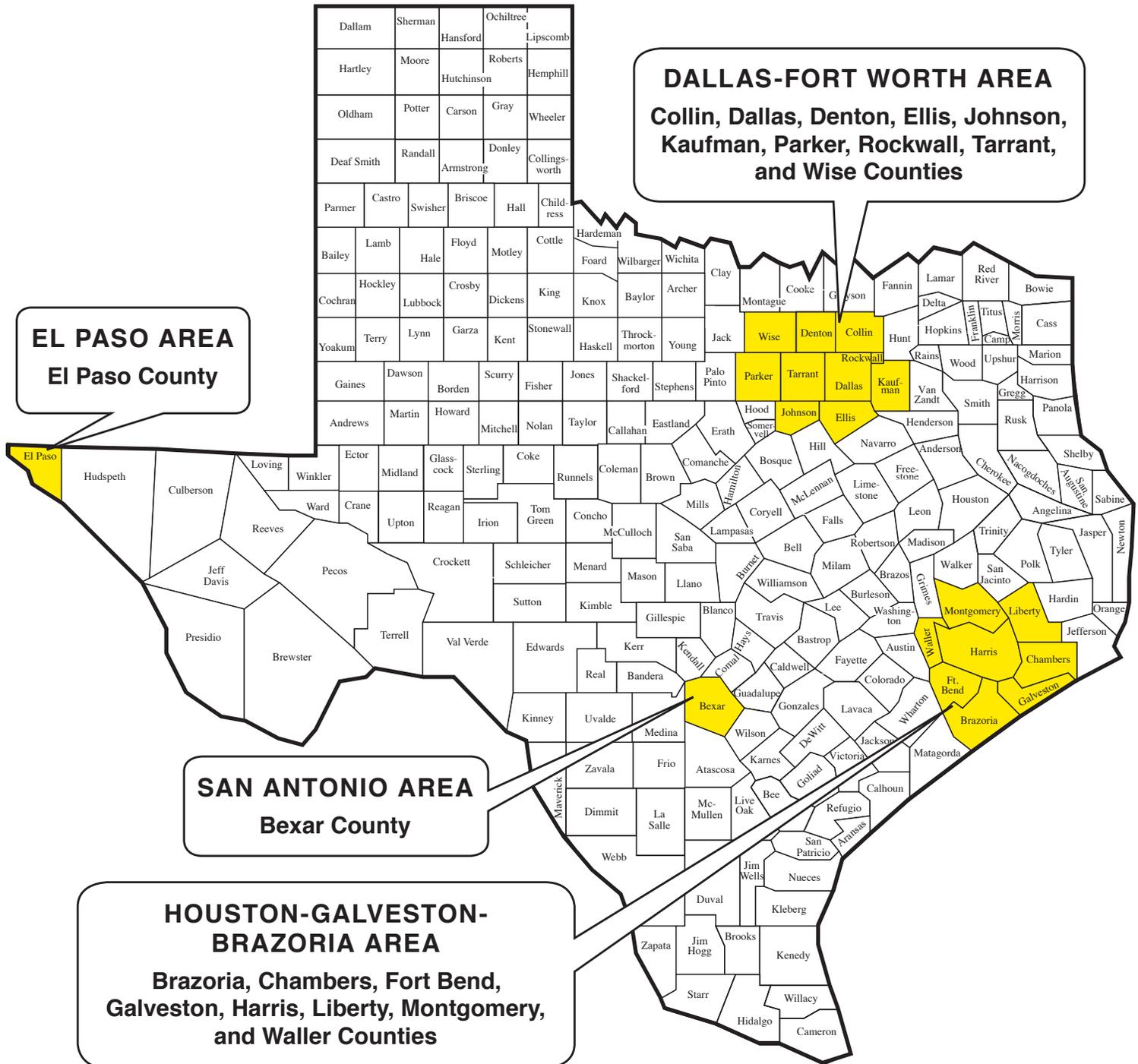
The TCEQ may, at its discretion, retain applications not selected for funding under this notice for consideration under a future grant round. Applicants will be notified by the TCEQ if their application is retained for consideration under a future grant round and will be given the option of withdrawing their application from consideration.

# Seaport and Rail Yard Areas Emissions Reduction Program



Eligible Counties for Location of Seaports and Rail Yards

A PROGRAM OF TCEQ



TEXAS  
COMMISSION ON  
ENVIRONMENTAL  
QUALITY

July 2019

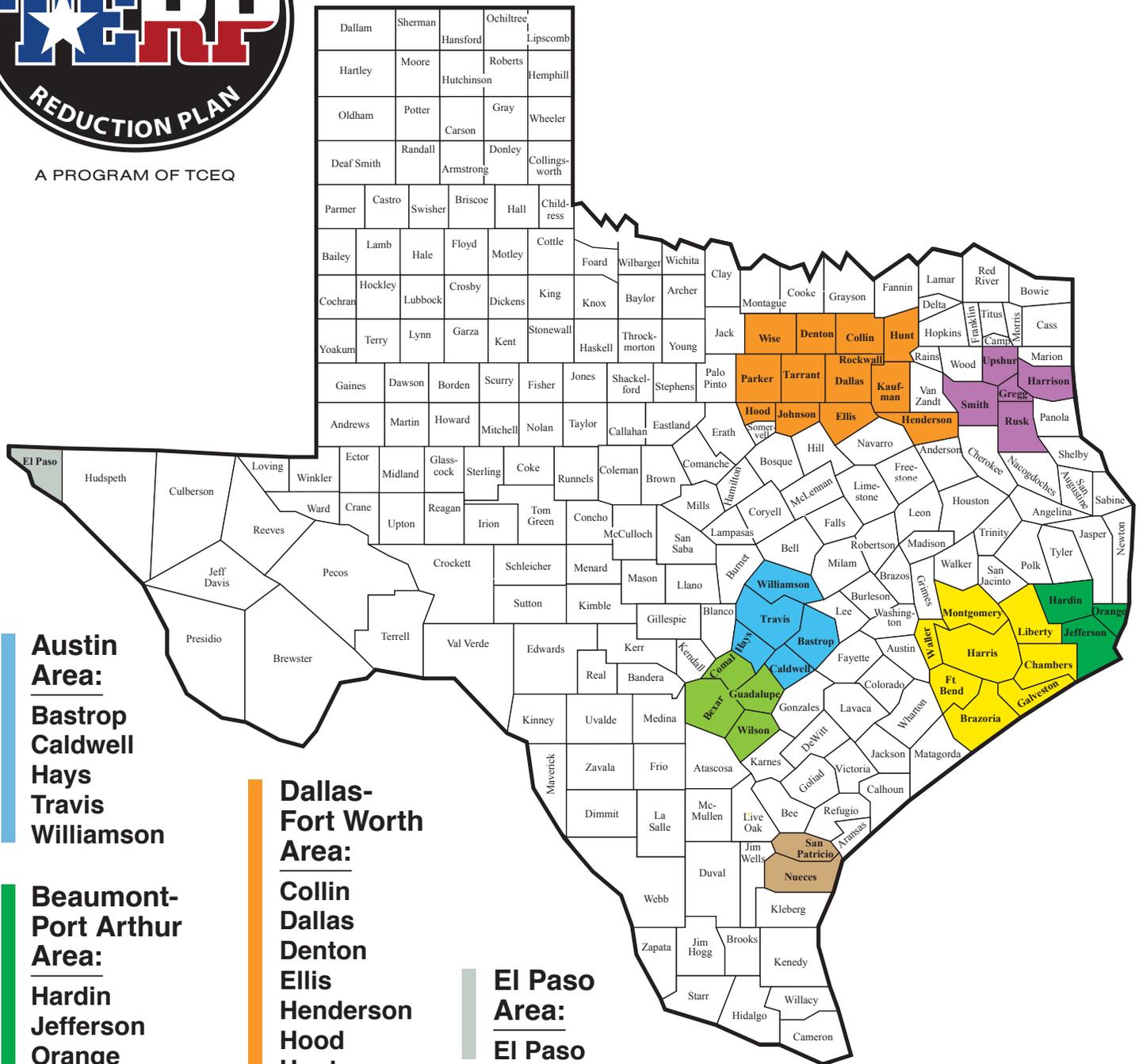
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A PROGRAM OF TCEQ

# Seaport and Rail Yard Grants Program

## Eligible Counties for Usage



### Austin Area:

- Bastrop
- Caldwell
- Hays
- Travis
- Williamson

### Beaumont-Port Arthur Area:

- Hardin
- Jefferson
- Orange

### Corpus Christi Area:

- Nueces
- San Patricio

### Dallas-Fort Worth Area:

- Collin
- Dallas
- Denton
- Ellis
- Henderson
- Hood
- Hunt
- Johnson
- Kaufman
- Parker
- Rockwall
- Tarrant
- Wise

### El Paso Area:

### Houston-Galveston-Brazoria Area:

- Brazoria
- Chambers
- Fort Bend
- Galveston
- Harris
- Liberty
- Montgomery
- Waller

### San Antonio Area:

- Bexar
- Comal
- Guadalupe
- Wilson

### Tyler-Longview Area:

- Gregg
- Harrison
- Rusk
- Smith
- Upshur



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

January 2020

This map was generated by the TCEQ's Air Grants Division solely for informational purposes and does not represent property boundaries. If you have questions concerning this map, contact the division at 800-919-TERP.

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## APPENDIX B: GROSS VEHICLE/EQUIPMENT WEIGHT RATING INSTRUCTIONS

**Gross Vehicle Weight Rating (GVWR).** The weight listed for the vehicle or equipment may not exceed the maximum weight allowed by the Texas Department of Transportation (TxDOT), as listed on the Permissible Weight Table. In general, the maximum weight listed for the vehicle or equipment may not exceed 20,000 pounds (lbs.) per axle.

The gross combined weight rating (GCWR) of the vehicle/equipment and trailer may be used for haul trucks or similar trucks that permanently operate in combination with a trailer. An applicant should contact the TCEQ if unsure whether an equipment and trailer combination meets these conditions.

The TCEQ may, at its discretion, accept a weight over 20,000 lbs. per axle for vehicles or equipment operating under an annual over the weight tolerance permit or other annual specialty permit issued by TxDOT for certain uses. **A copy of the annual permit and/or other documentation of permanent operation in the higher weight category must be provided with the application.** Registration of the vehicle/equipment at a higher weight and/or a temporary overweight permit will not be sufficient documentation that the vehicle/equipment is permanently operated at the higher weight.

Proof of the registered GVWR is required with the grant application.

### Examples

- **Class 7:** 26,001-33,000 pounds GVWR
- **Class 8a:** 33,001-60,000 pounds GVWR
- **Class 8b:** Greater than 60,000 pounds GVWR or GCWR

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