Seaport and Rail Yard Areas Emissions Reduction (SPRY) Program

Workshop Presentation

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Workshop Agenda

- TERP Overview
- Program Overview
- Project Criteria
- Submitting a Grant Application
- Questions and Answers

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

What does TERP do?

- Provides grants to reduce nitrogen oxides (NO_X) emissions from mobile sources.
- Supports programs to encourage the use of alternative fuels for transportation in Texas.
- Helps to keep the air in Texas clean.

How Does TERP Reduce NO_X Emissions from Mobile Sources?

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.

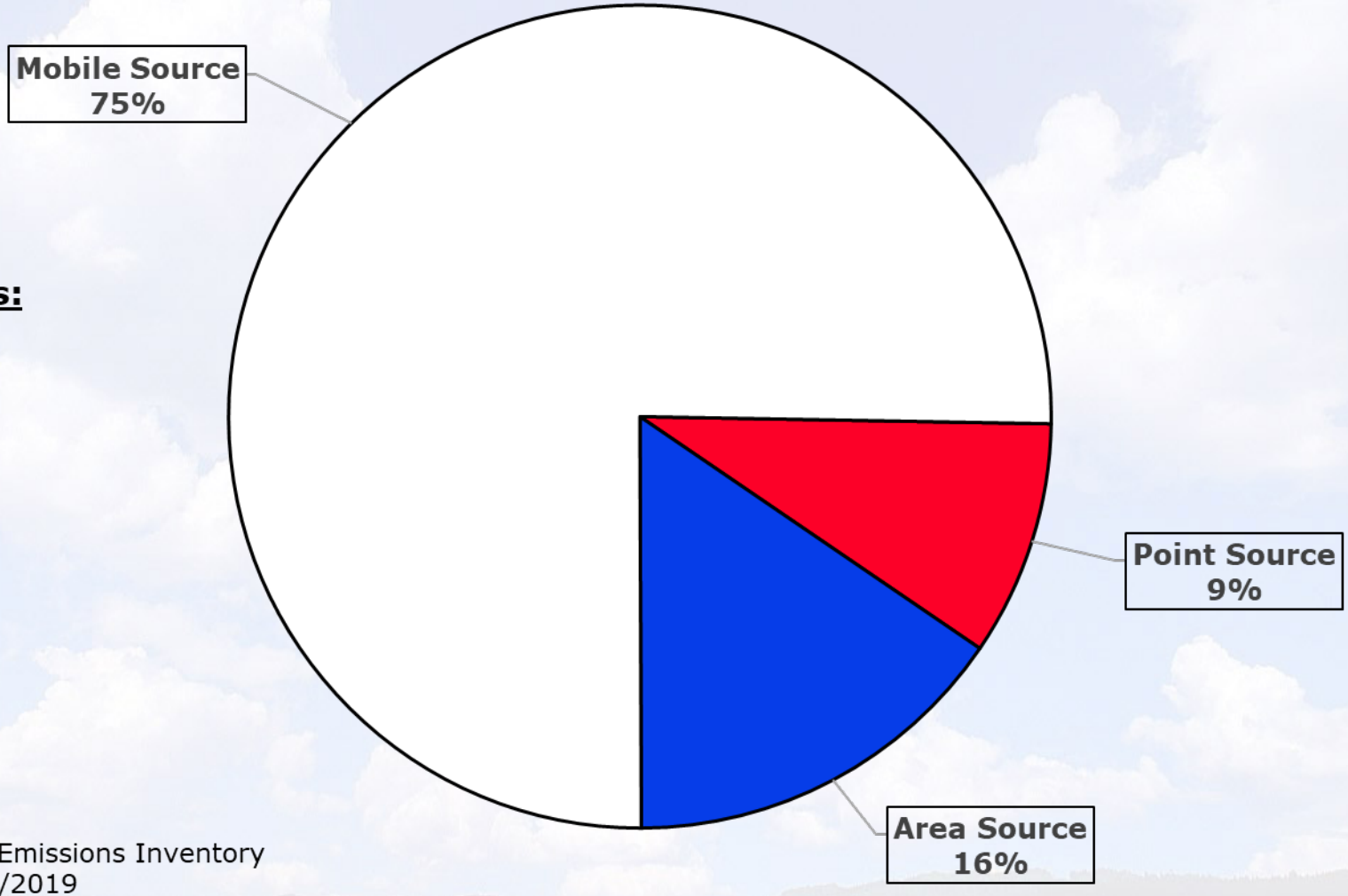
- Retired vehicles and equipment are rendered permanently inoperable.
- Retired vehicles and equipment are replaced with newer, cleaner models.
- Grantees commit to operating newer, cleaner models in designated areas of Texas.

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.

$$\underline{NO_X + VOC + Sunlight} = OZONE$$

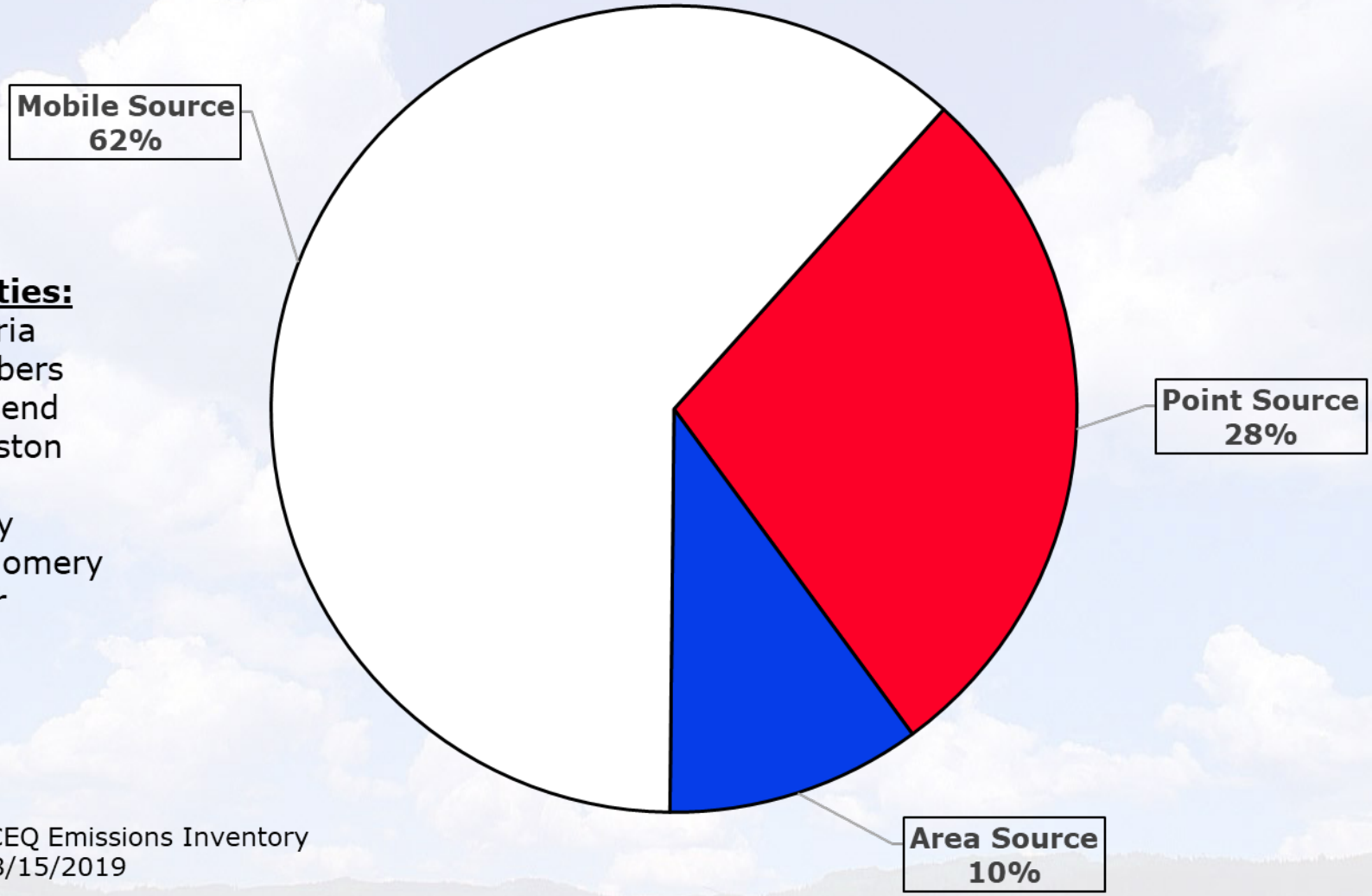
2017 Dallas-Fort Worth Area NO_x Emissions



Counties:
Collin
Dallas
Denton
Ellis
Johnson
Kaufman
Parker
Rockwall
Tarrant
Wise

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

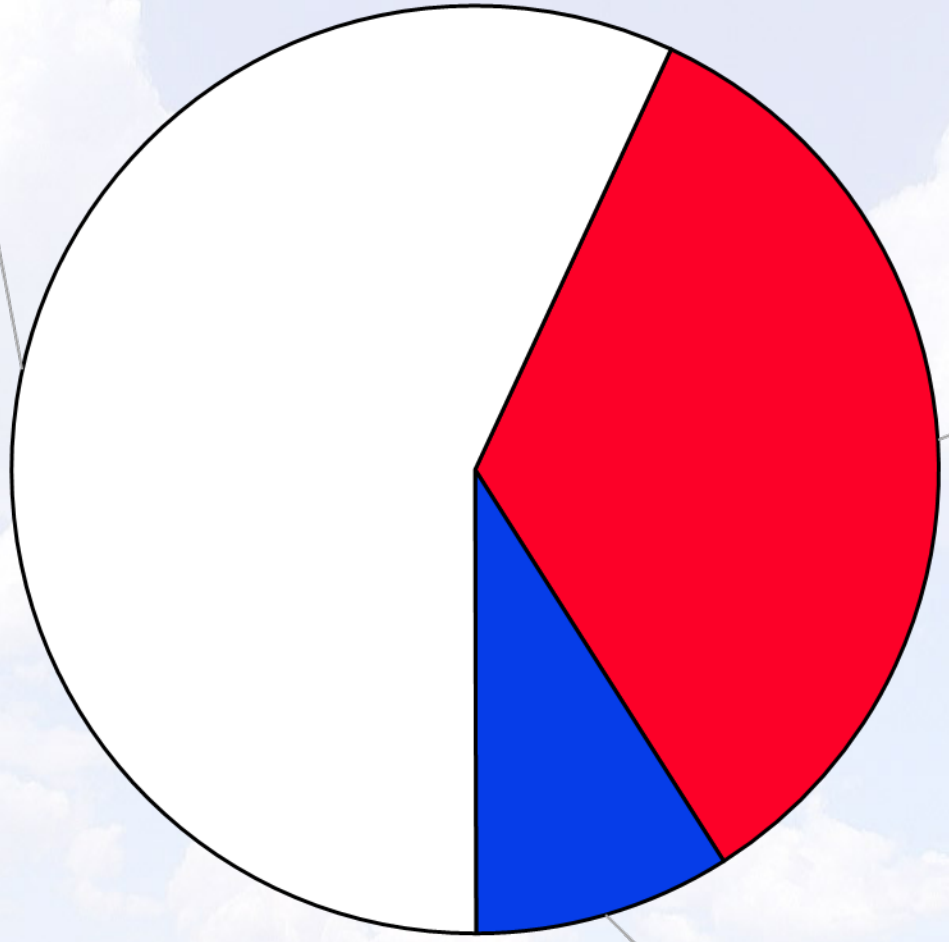
2017 Houston-Galveston-Brazoria Area NO_x Emissions



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



Counties:
Bexar
Comal
Guadalupe
Wilson

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

Program Overview

- Approximately **$9.2 million** is available for award under this Request for Grant Applications (RFGA).
- Grants are awarded on a **first-come, first-served** basis.
- Applications will be accepted until **February 12, 2021,** or until all grant funds have been awarded**.**
- Maximum Grant Amount Tables are provided on the TERP website at www.terpgrants.org.
- Applicants may be eligible for the maximum grant amount listed on the TERP website or 80% of the eligible costs, whichever is less.

Eligible Applicants

For the two years preceding the application date, applicants must have:

- owned or leased the vehicle or equipment;
- operated the vehicle or equipment at one or more of the designated seaports or Class I rail yards for a **minimum of 200 days per year**; and
- on road vehicles must have been continuously registered for the previous two years.

Eligible Counties for Location of Seaports & Class I Rail Yards

- A list of designated seaports and Class I rail yards will be made available by the TCEQ.
- Eligible seaports and Class I rail yards may be located in one of the nonattainment area counties listed below *(some nonattainment area counties do not currently have an eligible seaport or Class I rail yard).*

Bexar	**El Paso**	**Montgomery**
Brazoria	**Fort Bend**	**Parker**
Chambers	**Galveston**	**Rockwall**
Collin	**Harris**	**Tarrant**
Dallas	**Johnson**	**Waller**
Denton	**Kaufman**	**Wise**
Ellis	**Liberty**	

Designated Seaport Terminals

Port of Houston

- Barbours Cut
- Bayport
- Bulk Materials Handling Plant
- Houston Bulk Terminal
- Care Terminal
- Jacintoport Terminal
- Public Elevator No. 2
- Turning Basin Terminal
- Woodhouse Terminal

Port of Galveston

- East End Roll On-Roll Off
- West End Roll On-Roll Off
- Refrigerated Warehouse
- Export Grain Elevator
- Project and General Cargo
- Bulk Cargo Terminal

Port of Freeport

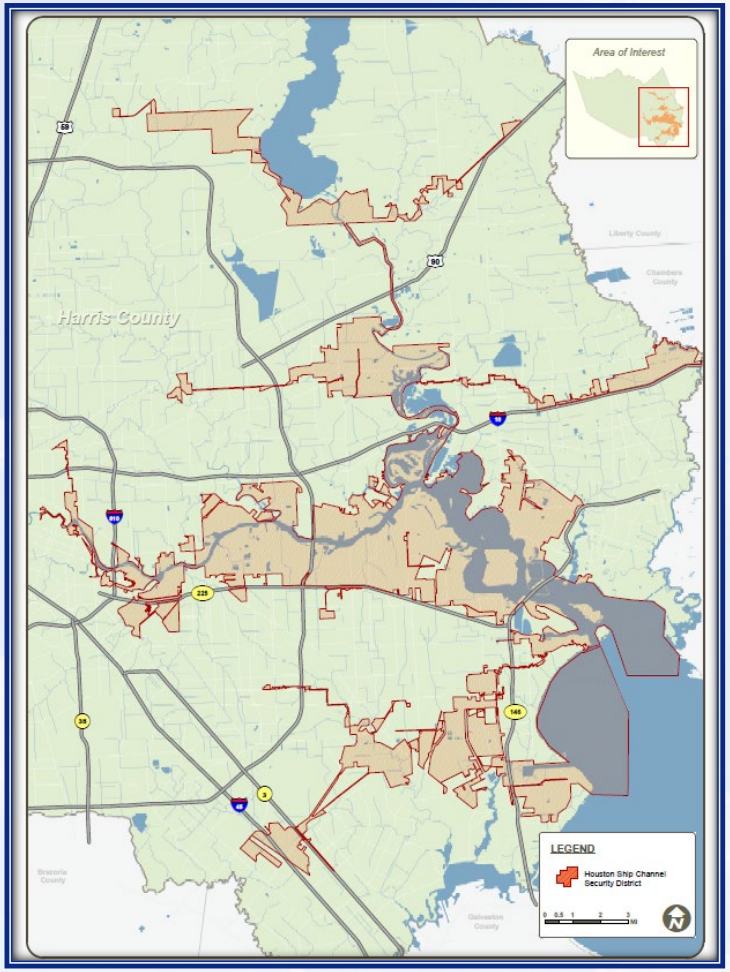
All terminal facilities

Additional seaport terminals may be added under this grant round.

Designated Seaport Terminals (cont.)

Houston Ship Channel Security District (HSCSD)

- Participating facilities of the HSCSD
- Applicants may contact the TCEQ if uncertain whether a facility is part of the HSCSD.



Designated Class I Rail Yards

Dallas-Fort Worth

- BNSF Alliance
- KCS Wylie
- UP Mesquite
- UP Dallas

El Paso

- BNSF El Paso

San Antonio

- UP San Antonio

Houston-Galveston-Brazoria

- BNSF Houston Port Facility
- BNSF Houston (Pearland)
- KCS Rosenberg
- UP Englewood
- UP Houston (Settegast)

Additional rail yards may be added under this grant round.

Eligible Vehicles and Equipment for Replacement or Repower

- Drayage trucks and cargo handling equipment eligible for replacement or repower under this program include:
  - a heavy-duty vehicle with a gross vehicle weight rating (GVWR) over 26,000 pounds;
  - a yard truck or terminal tractor; **or**
  - other cargo handling equipment.
- Drayage trucks and cargo handling equipment must be in good operating condition and used in their primary function in the routine operations of the applicant, and be capable of performing that function for at least ***5 more years*.**

Types of Cargo Handling Equipment

Cargo handling equipment is defined as any heavy-duty non-road, self-propelled vehicle or equipment used at a seaport or rail yard to lift or move cargo such as containerized, bulk, or break-bulk goods, including, but not limited to:

- rubber-tired gantry cranes;
- top handlers;
- side handlers;
- reach stackers;
- forklifts;
- loaders;
- aerial lifts; and
- **container handling equipment.**

Container Handling Equipment

- Equipment used primarily for container handling must be classified as **"container handling equipment"** in the grant application for purposes of determining maximum grant amounts, for example:
  - rough terrain forklifts and some rubber tire loaders with certain affixtures may be used specifically for **container handling** as opposed to other cargo and drayage activities.

Replacement and Repower Projects

For replacement projects, the new vehicles or equipment must:

- be powered by an electric motor or contain an engine certified to the current federal emissions standards applicable to that type of engine, as determined by the TCEQ; and
- emit NO_X at a rate that is at least 25% less than the emissions rate of the engine on the truck or equipment being replaced.

Replacement Projects

For replacement projects, the new vehicles or equipment must generally be of the same type, power range, weight category, and body and axle configuration as the drayage truck or cargo handling equipment being replaced.

Eligible Grant Amount

Eligible grant amounts are listed on the TERP website at www.terpgrants.org and are based on the age and certified NO_X emissions rate of the engine in the drayage truck or cargo handling equipment being replaced or repowered, and the total percentage of annual use in the eligible areas.

Eligible Grant Amount (cont.)

Eligible grant amounts:

- may not exceed the cost-effectiveness limit of $25,000/ ton of NO_X reduced; and
- may not exceed 80% of the incremental cost of the project.
  - For replacement projects, the incremental cost is the cost to purchase the replacement vehicle minus the scrap value ($1,000) of the vehicle being replaced.
  - For repower projects, the incremental cost is the cost to purchase and install the replacement engine and associated equipment, minus the scrap value ($250).

Supporting Documentation

Applicants must submit with the application:

- color photos of the equipment and engine;
- copy of a valid photo ID if applying as an individual;
- signed and completed W-9 Form; and
- documentation of ownership or lease for 2 years prior to submitting the application, including title and registration for on-road vehicles.
  - 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 the majority of the vehicle operation occurred in Texas over the previous two years.

Submitting the Grant Application

Completed grant applications may be submitted to the TCEQ in person or by mail:

Regular Mail:

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

Express Mail (or in-person delivery):

Texas Commission on Environmental Quality
Air Grants Division
SPRY Program, MC-204
12100 Park 35 Circle, Bldg. F, Room 1301
Austin, TX 78753

What happens next if my project is selected for award?

1. A contract will be sent to the grantee selected for award to sign and return.
2. Once the contract is signed by the TCEQ, the grantee may purchase the equipment and then request reimbursement for eligible expenses.
   - Goods and services must have been paid for and received by the grantee before reimbursement can be requested.
3. Grant recipients may assign the grant payment to a dealer or financing entity.

Activity Life Commitment

- The Activity Life is the period of time used to determine the emissions reduction, and is set at five years under this program.
- Grantees must track and report annually on the use and location of all grant funded equipment over the **five-year** Activity Life of the project.

Usage Commitment

All grant-funded vehicles and equipment under this program must operate at one or more of the designated seaports or Class I rail yards a minimum of **200 days per year** throughout the **five-year** Activity Life of the project.

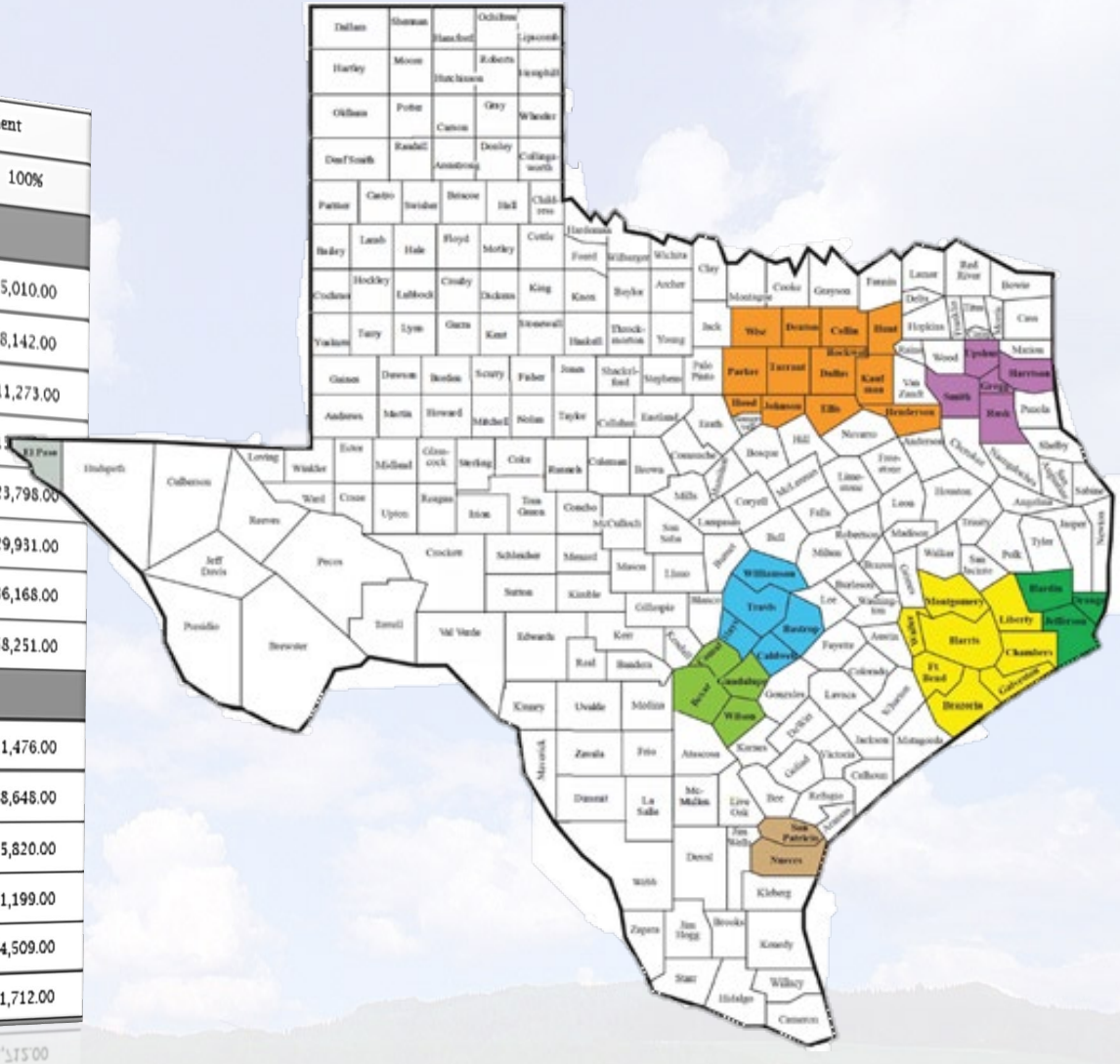
Usage Commitment (cont.)

For at least the **five-year** Activity Life of the project:

- ***on-road*** grant recipients must agree to operate the grant-funded drayage truck for **50%, 75%, or 100%** of its annual usage in the nonattainment areas and affected counties; and
- ***non-road*** grant recipients must agree to operate the grant-funded yard truck or other cargo handling equipment for **75% or 100%** of the annual and total usage in the nonattainment areas and affected counties.

Areas of Operation

Old Vehicle/Equipment		New CI On-Road Haul Truck Usage Commitment		
GVWR	Emission Rate	50%	75%	100%
HHDV7: 26,001-30,000 lbs	0.5			
	1			
	1.5			$5,010.00
	2.00	$5,636.00	$6,106.00	$8,142.00
	2.375	$6,811.00	$8,455.00	$11,273.00
	4.00	$11,899.00	$10,216.00	$13,[illegible]
	5.00	$14,966.00	$17,849.00	$23,798.00
	6.00	$18,084.00	$22,448.00	$29,931.00
	10.70	$29,126.00	$27,126.00	$36,168.00
HHDV8a: 33,001-60,000 lbs	0.5			
	1	$5,738.00	$8,607.00	$11,476.00
	1.5	$9,324.00	$13,986.00	$18,648.00
	2.00	$12,910.00	$19,365.00	$25,820.00
	2.375	$15,600.00	$23,400.00	$31,199.00
	4.00	$27,255.00	$40,882.00	$54,509.00
	5.00	$35,856.00	$53,784.00	$71,712.00



Reporting Requirements

- The grant recipient must submit usage reports once per year for the duration of the **five-year** Activity Life.
- TCEQ may conduct **on-site visits** to view the equipment and ensure usage records are being maintained.
- Failure to report or failure to meet the usage commitments may result in the recipient having to repay a share or all of the grant funds.

Global Positioning System

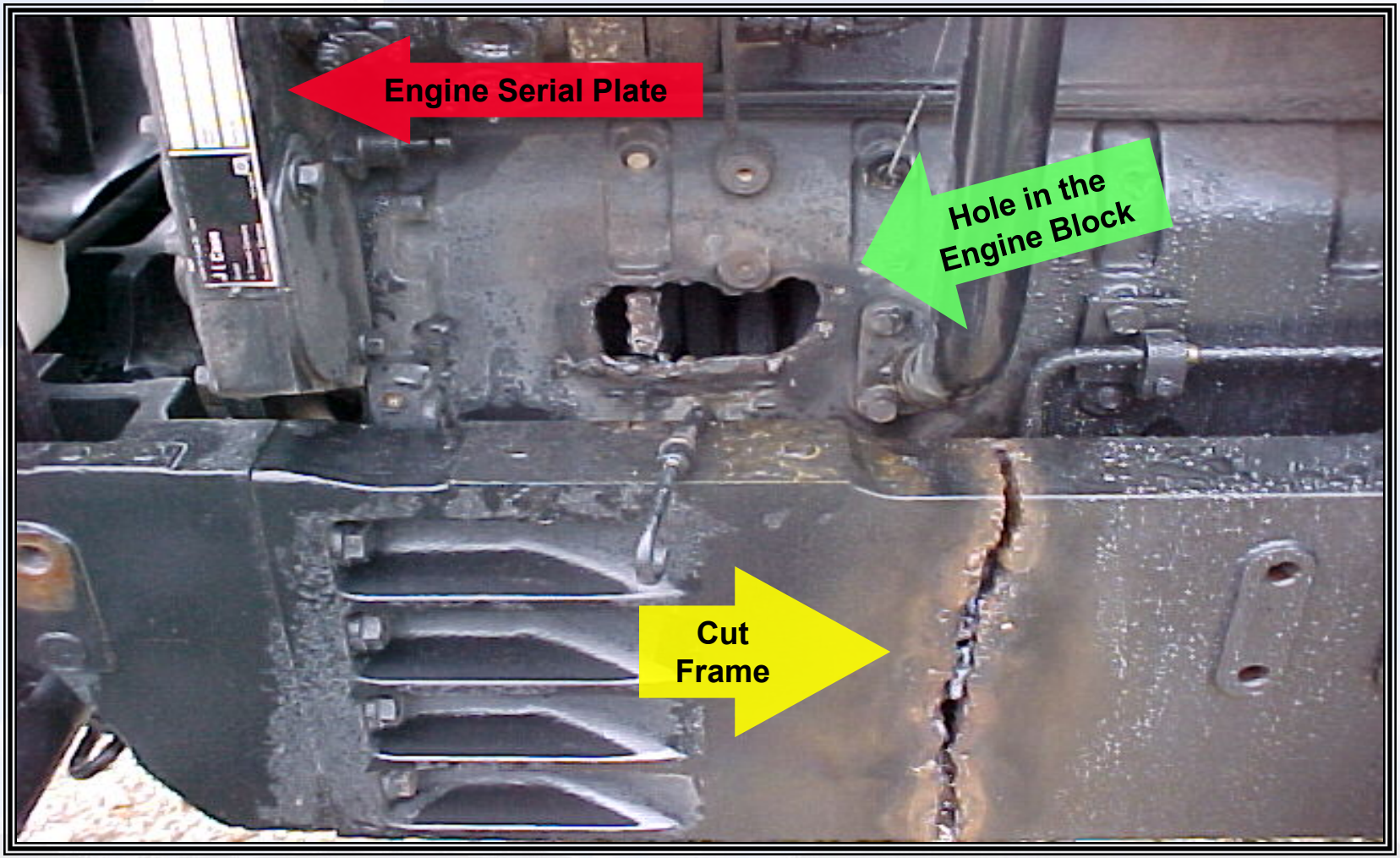
Global Positioning Systems (GPS) *optional*:

- The costs to purchase and install a GPS unit to track and log the location and use of the equipment may be included in the incremental cost calculation for the grant.
- The applicant will be responsible for ongoing operational and maintenance charges.
- If the applicant uses the TCEQ-authorized service provider, the TCEQ may allow the vendor to provide the required usage reports.

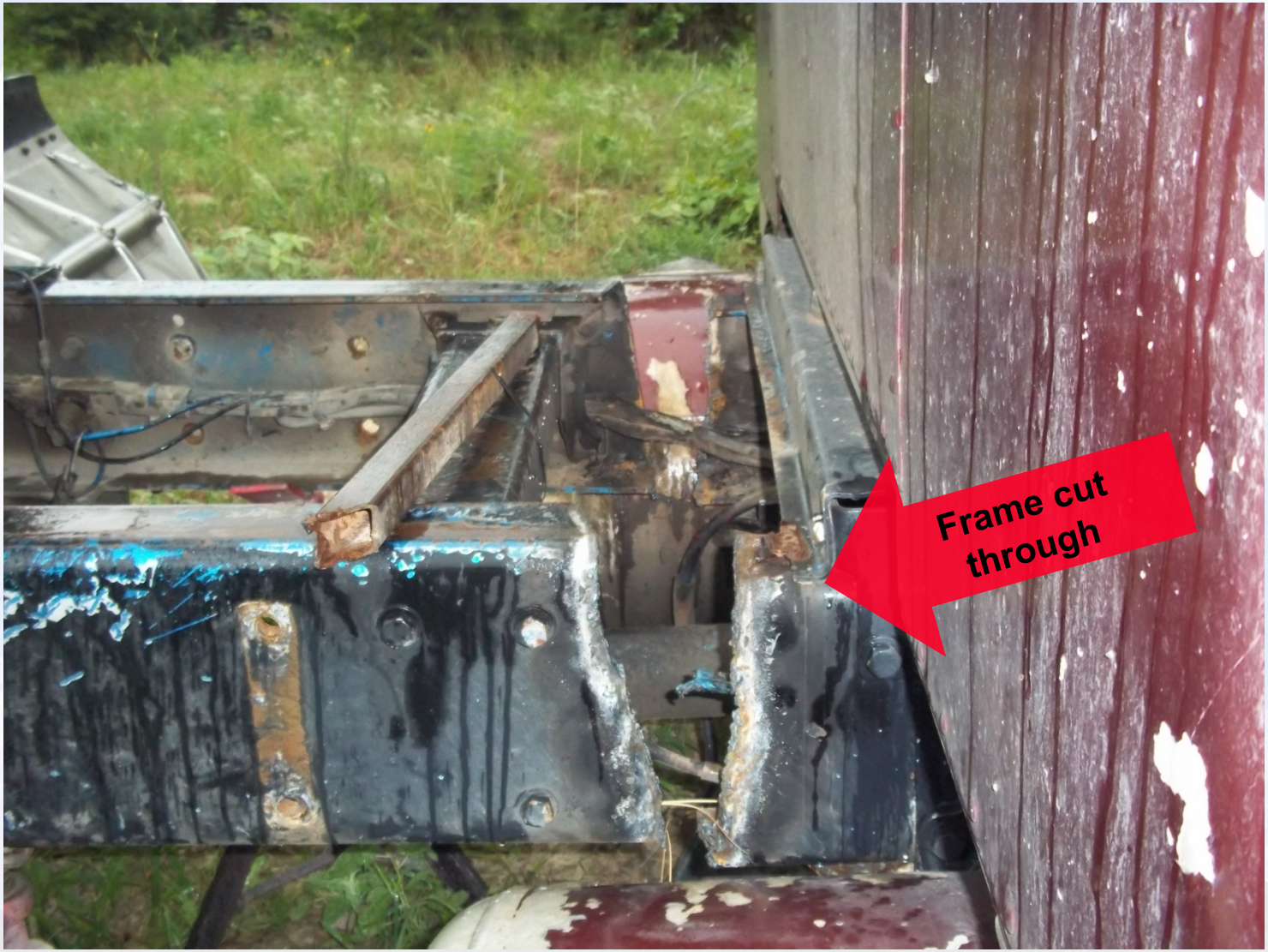
Disposition

- The grantee must **destroy the old equipment** by:
  - crushing vehicle and engine; or
  - cutting a hole in the engine block on both sides and both frame rails in half.
- The grantee must submit a Non-Repairable Vehicle Title for each vehicle destroyed.
- Disposition must occur within 90 days of receiving payment from TCEQ or the grant funds may be rescinded.
- Every destruction is verified by TERP staff through photos, documents, and site visits (as needed).

Sample Disposition Photo



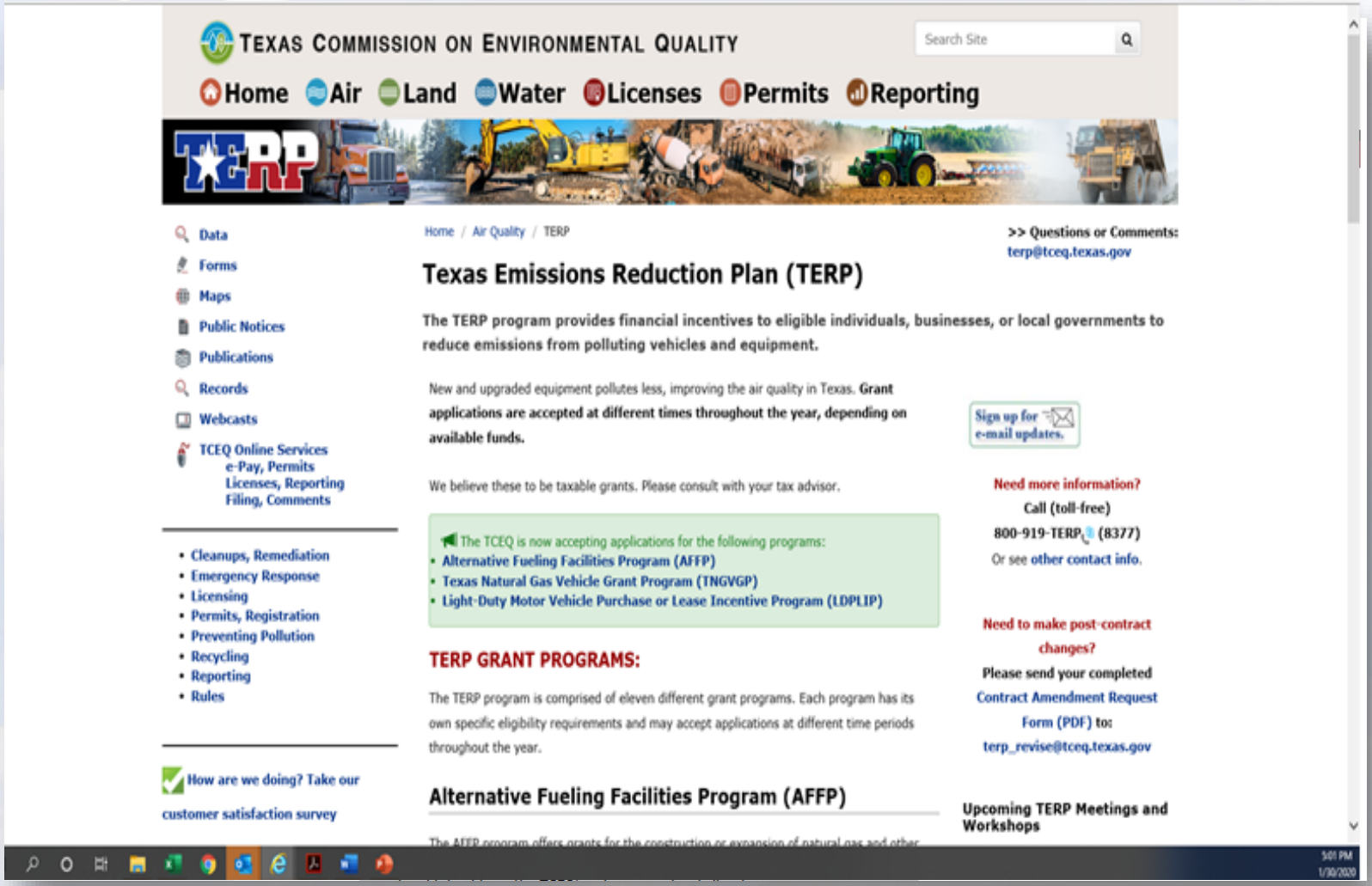
Sample Disposition Photo (cont.)



Use of Consultants

- TCEQ has no business relationship with private consultants.
- It is the applicant's choice to work with a consultant or not.
- Consultant fees may not be paid with grant funds, nor can the cost basis for determining the total costs include consultant fees, even if those fees are to be paid by the dealer.

Sign up for Updates!



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!