



***Grants for Projects to Replace or Repower
Refuse Vehicles***





Agenda

- TxVEMP background
- Overview of requirements for projects to replace or repower refuse vehicles
- Determining your eligible grant amount
- Completing a project application
- Navigating the webpage and grant documents



Background

The U.S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) determined that Volkswagen (VW) and related entities installed devices on 2.0 and 3.0 liter diesel vehicles to emit nitrogen oxides (NO_x) above the federal standards in normal operation.



Funds Available to Texas

- VW entered into settlements with the EPA and CARB to resolve the violations.
- As part of the settlement agreements, VW must pay approximately \$2.9 billion into the Environmental Mitigation Trust Agreement for State Beneficiaries (Trust).
- Separately, VW was required to pay \$2 billion to fund a nationwide Zero Emission Vehicle (ZEV) Investment Plan.
- A minimum of \$209,319,163 is available to Texas from the Trust for projects that reduce NO_x.



TCEQ's Role

- The State of Texas is designated as the beneficiary under the Trust.
- Governor Abbott designated the TCEQ as the Lead Agency for Texas.
- The Lead Agency must administer the funds, submit funding requests, track and monitor the use of the funds, and submit semi-annual reports to the Trustee.



Funding Allocation by Area

Area	Pro-Rata Allocation (% of VW vehicles)	Base Funding for Nonattainment Areas	Strategic Allocation	Total
Dallas-Fort Worth	\$22,919,202	\$10,465,958	—	\$33,385,160
Houston-Galveston-Brazoria	\$21,360,321	\$10,465,958	—	\$31,826,279
San Antonio	\$8,619,558	\$10,465,958	\$42,500,000	\$61,585,516
Austin	\$11,547,602	—	\$4,750,000	\$16,297,602
El Paso County	\$2,064,031	—	\$14,750,000	\$16,814,031
Bell County	\$1,757,741	—	\$325,324	\$2,083,065
Beaumont-Port Arthur	\$806,869	—	\$6,750,000	\$7,556,869
Total	\$69,075,324	\$31,397,874	\$69,075,324	\$169,548,522 ¹

¹Total does not include \$31.4 million in funding for statewide electric infrastructure projects.



Percentage of Cost Limits

Government-Owned¹	
Replacements, Repowers, and Shore Power	80%
Non-Government-Owned	
Replacements- Electric	50%
Replacements, Drayage Trucks - Diesel or Alternative Fuel	50%
Replacements, Non-Drayage - Diesel or Alternative Fuel	25%
Repowers- Electric	50%
Repowers- Diesel or Alternative Fuel	40%
Shore Power	25%
ZEV Supply	
Electric Chargers	50%
Hydrogen Supply (250 kg/day)	33%
Hydrogen Supply (100 kg/day)	25%

¹ "Government" shall mean a state or local government agency (including school district, municipality, city, county, special district, joint powers authority, or port authority owning fleets purchased with government funds), and a tribal government or native village.



Eligible Mitigation Actions

Replacements and Repowers

- Class 4 – 7 Local Freight Trucks
- Class 8 Local Freight Trucks and Port Drayage Trucks
- Class 7 – 8 Refuse Vehicles
- School Buses
- Transit and Shuttle Buses
- Forklifts and Port Cargo Handling Equipment (Electric)
- Airport Ground Support Equipment (Electric)

Other

- Ocean-Going Vessel Shore Power



ZEV Supply Equipment

- Statewide funding for electric charging infrastructure for light-duty plug-in electric vehicles and hydrogen for fueling a vehicle powered by a hydrogen fuel cell
- Up to 15% of the funds, or approximately \$31.4 million
- Includes funding for infrastructure at public, workplace, and multi-unit residence sites
- May implement in phases with priorities established for each phase



Second Round Of Funding-Refuse Vehicles

More than \$41 million in funding is available for the replacement or repower of refuse vehicles

- Eligible refuse vehicles include Class 7-8 vehicles configured to collect and transport municipal solid waste. Vehicles may include: garbage trucks, recycling trucks, roll-off trucks, sweeper trucks, and chipper trucks.
- Eligible applicants include any person or entity who operates refuse vehicles with at least 51% of the vehicle's annual mileage in one of the Priority Areas.



Available Funding by Priority Area

Priority Area	Total Allocation	Funding by Priority Area
Dallas-Fort Worth	\$33,385,160	\$8,346,290
Houston-Galveston-Brazoria	\$31,826,279	\$7,558,741
San Antonio	\$61,585,516	\$15,396,379
Austin	\$16,297,602	\$4,074,401
El Paso	\$16,814,031	\$4,203,508
Beaumont-Port Arthur	\$7,556,869	\$1,794,756
Bell County	\$2,083,065	\$520,766
Total	\$169,548,522	\$41,894,841



Eligible Activities - Vehicles

Vehicles being replaced or repowered must:

- be configured to collect and transport municipal solid waste;
- have a gross vehicle weight rating greater than 26,001 lbs.;
- have a model year 1992-2009 diesel engine;
- have a NO_x emissions standard or family emissions limit (FEL) greater than 0.5 grams of NO_x per brake horsepower-hour (g/bhp-hr);



Eligible Activities - Vehicles

Vehicles being replaced or repowered must:

- been used in the routine operations of the applicant in Texas for the two years immediately preceding the application signature date;
- be considered capable of performing its primary function for the next five years;
- been continuously inspected and registered in Texas for the two years immediately preceding the application signature date; and
- been owned by the applicant for the two years immediately preceding the application signature date.



Eligible Activities - Vehicles

The replacement vehicle or engine must:

- be powered by electricity, diesel, or an alternative fuel (e.g., CNG, propane, hybrid);
- have an engine model year not more than one year older than the year the application is submitted;
- be certified by the EPA or CARB to a NO_x emissions standard or FEL of 0.2 g/bhp-hr or lower; and
- be of the same type, weight category, and body and axle configuration as the vehicle being replaced.



Eligible Activities - Infrastructure

- Infrastructure must be associated with charging or providing hydrogen to the replacement or repowered vehicle(s) included in the application.
- The number of charging and fueling units may not exceed the number of grant-funded vehicles.
- If electric charging infrastructure is needed along a vehicle route, at least one of the vehicles being replaced or repowered under the grant must be operated on that route.
- The applicant is encouraged to own the infrastructure equipment purchased with grant funds for at least the five-year Activity Life. The applicant may, but is not required to, own the property where the infrastructure will be installed.



Eligible Costs

- **Replacement Activities:** The amount of eligible costs that may be reimbursed for each replacement activity is subject to the maximum funding amounts established by the TCEQ for that type of activity. Final reimbursement amounts are then subject to maximum percentage of cost limits applied to the actual invoice cost.
- **Repower Activities:** The percentage of eligible costs that may be reimbursed for each repower activity is subject to the maximum percentage of cost limits, not to exceed the maximum funding amounts established by the TCEQ for that type of activity.
- **Infrastructure Activities:** The percentage of eligible costs that may be reimbursed for each infrastructure activity is subject to the maximum percentage of cost limits, not to exceed the maximum funding amounts established by the TCEQ for that type of activity.



Application Review and Selection

- Eligible projects will be processed for approval on a first-come, first-served basis.
- Applicants may apply for the replacement or repower of no more than 20 vehicles, either in one application or multiple applications, every three months.
- A project application may only include activities involving one vehicle class (Class 7 or 8), fuel type, and Priority Area. Projects involving different vehicle classes, fuel types, or Priority Areas should be applied for on separate applications.
- Applicants selected for award must commit to:
 - rendering the vehicle or engine being replaced under the grant inoperable; and
 - using the grant-funded vehicle at least 51% of the vehicle's annual miles of operation in a priority area for an Activity Life of five years.



What happens next if my project is selected for award?

- Contracting
 - A contract will be sent to the applicant to sign and return.
- Disposition of Old Vehicles and Equipment
 - Old vehicles and engines must be destroyed.
 - Disposition of the vehicle or engine must be completed prior to requesting reimbursement.
 - Guidance for destroying the old vehicle and equipment is included in the contract.



What happens next if my project is selected for award?

- Reimbursement

- Payments will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient.
- Grant recipients may assign the grant payment to a dealer or financing entity.
- The TCEQ will reimburse the grant recipient for no more than the predetermined maximum funding amounts established by the TCEQ for that type of activity. This amount may be adjusted downward in accordance with the maximum percentage of cost limits.
- Reimbursement will be disbursed via check issued by Wilmington Trust, N.A., the Trustee of the Volkswagen Settlement Trust, as directed by TCEQ.



What happens next if my project is selected for award?

- Percentage of Use Commitment
 - The grantee must operate the grant-funded vehicle at least 51% of the vehicle's annual miles of operation in the listed Priority Area as designated in the application and contract.
- Monitoring and Reporting
 - The grant recipient must monitor the use of grant-funded vehicles and equipment for the five-year Activity Life.
 - Annual reports on the use of the grant-funded vehicles and equipment will not be required. However, the grant recipient must agree to provide information on the use of the vehicles and equipment upon request by the TCEQ.



Contact

- Visit www.TexasVWFund.org to view and download copies of the plan
- Questions may be submitted to vwsettle@tceq.Texas.gov
- For information, call TCEQ's TxVEMP staff at (833) 215-TXVM (8989)