Texas Clean School Bus Program (TCSB)
Workshop Agenda

- TERP Overview
- Program Overview
- Project Criteria
- Submitting a Grant Application
- Questions and Answers
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 NOₓ 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.
Ground level ozone is created by chemical reactions of NO$_x$ and volatile organic compounds (VOC) in the presence of sunlight.

\[
\text{NO}_x + \text{VOC} + \text{Sunlight} = \text{OZONE}
\]

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 NOx 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

**Counties:**
- Brazoria
- Chambers
- Fort Bend
- Galveston
- Harris
- Liberty
- Montgomery
- Waller

**Emissions Sources:**
- **Mobile Source** 62%
- **Point Source** 28%
- **Area Source** 10%

Source: TCEQ Emissions Inventory
Updated: 8/15/2019
2017 San Antonio Area NO$_x$ Emissions

**Source:** TCEQ Emissions Inventory

**Updated:** 8/15/2019

**Counties:**
- Bexar
- Comal
- Guadalupe
- Wilson

**Emissions Breakdown:**
- **Mobile Source:** 57%
- **Point Source:** 34%
- **Area Source:** 9%
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
Texas Clean School Bus (TCSB)

The TCSB program provides grants to replace or retrofit school buses to help reduce children’s exposure to diesel exhaust in and around diesel-fueled school buses.
Overview of TCSB

- $6.2 million in funding is available statewide for school bus replacement or retrofit projects.
- Grants are awarded on a first-come, first-served basis.
- Grants may reimburse up to 100% of the cost to retrofit a school bus, and up to 80% of the cost to replace a school bus.
Eligible Applicants

Applicants must operate diesel-fueled school buses on a daily route to and from school in Texas during the regular school year, and may include:

- public school districts;
- charter schools; and
- transportation systems provided by countywide school districts.

*Note:* Private schools are not eligible to apply under this solicitation.
TCSB Eligible Areas

TCSB projects are available to eligible applicants statewide.
Replacement Projects

- Grant are available to replace pre-2007 diesel-fueled school buses that are currently owned by the applicant and operated on a regular daily route to and from school during the regular school year.

- For at least the two years immediately preceding the application signature date, the school bus being replaced must have been:
  - owned or commercially financed by the applicant;
  - continuously registered in Texas; and
  - continuously inspected for safety.
Eligible Replacement Buses

Replacement school buses must be:

- the same type as the school bus being replaced; and
- of the current or previous model year at the time the application is submitted.
Supporting Documentation

- Applicants must demonstrate a minimum of two years of ownership from the application signature date by providing a copy of the title, safety inspections, and registration renewal receipts for the school bus being replaced.

- The school bus being replaced must be inspected by a qualified mechanic and verified to be in good running condition and capable of performing its function for at least five more years.

- Applicants must submit color photographs of the engine and the front, back, and left and right sides of the school bus.
Replacement Projects
Grant Amount

- Available grant amounts are pre-determined by the TCEQ based on the year, fuel, and type of equipment.

- Grant amounts are listed in the Maximum Grant Amount Table in Appendix C of the RFGA, and will be made available on the TERP website at www.terpgrants.org.

- Grant amounts may not exceed 80% of cost of the replacement school bus, including the invoice cost of the new school bus, taxes, duty, protective in-transit insurance, and freight charges.

**Maximum Grant Amount Table (Example):**

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>TYPE A</td>
<td>$88,000</td>
<td>$87,200</td>
<td>$52,718</td>
<td>$54,500</td>
</tr>
<tr>
<td>TYPE B</td>
<td>$84,349</td>
<td>$106,400</td>
<td>$46,125</td>
<td>$66,500</td>
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<tr>
<td>TYPE C</td>
<td>$73,800</td>
<td>$129,000</td>
<td>$59,250</td>
<td>$80,625</td>
</tr>
<tr>
<td>TYPE D</td>
<td>$94,799</td>
<td>$129,000</td>
<td>$59,250</td>
<td>$80,625</td>
</tr>
</tbody>
</table>

Ignition Types are as follows: CI = Compression-Ignition (e.g., Diesel), SI = Spark-Ignition (e.g., LPG, CNG).
Retrofit Projects

Grants are available to retrofit school buses with the verified technologies listed below.

- **Closed Crankcase Filtration Systems (CCFS)**
  - CCFS reduce crankcase PM emissions and may be funded independently or in conjunction with another verified system.

- **Diesel Oxidation Catalysts (DOC)**
  - Eligible DOCs may be used to retrofit school buses manufactured before 1994.

- **Diesel Particulate Filters (DPF)**
  - Eligible DPFs may be used for diesel-fueled school buses built from 1994 to 1998.
  - DPFs require the use of ultra-low sulfur diesel (available in most counties in the state of Texas).
Retrofit Projects
Grant Amount

Grants are available to reimbursement up to 100% of the cost to purchase and install the retrofit device and associated equipment, including:

- **equipment cost**;
- **invoice cost of the retrofit equipment**, including taxes, duty, protective in-transit insurance, and freight charges; and
- **installation costs**, which may include costs to re-engineer the school bus for the retrofit system to fit, technical design, testing, and other engineering services required as part of the installation.
Application Review and Selection

- Applications will be awarded on a first-come, first-served basis.
- The TCEQ will review the applications and, to the extent possible, notify applicants of any needed changes or additional information.
You’ve Been Selected for a Grant!

• **Contracting**
  - Applicants selected for a grant will receive a grant contract to review, sign and return to the TCEQ.
  - The TCEQ will provide the applicant with a copy of the fully executed contract, which will include both the applicant’s and TCEQ’s signatures.

• **Reimbursement**
  - Payments will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient.
  - A cost may not be considered incurred until the grant-funded goods and services have been received and accepted by the grant recipient.
  - Grant recipients may assign the grant payment to a dealer or financing entity.
Dispose of the Old Bus

For Replacement Projects Only

- The grantee must complete the disposition process within 90 days of reimbursement.
- The grantee must choose one of the following options for disposition of the school bus being replaced:
  - Standard Destruction;
  - Alternative Destruction; or
  - Permanent Removal from North America
Standard Destruction

• Grantees must render the vehicle and engine permanently inoperable by:
  – crushing the vehicle and engine; or
  – cutting a 3-inch or larger hole in the engine block on both sides and cutting both frame rails in half or other preapproved alternative.

• For destroyed vehicles, grantees must submit a copy of a Texas Non-repairable Vehicle Title.

• Grantees must submit photos of the equipment showing before and after images of the destruction.
Standard Destruction (cont.)

- Engine Serial Plate
- Hole in the Engine Block
- Cut Frame
Alternative Destruction

- Grantees may request TCEQ approval of an alternative method for rendering the bus and engine permanently inoperable.

- If the alternative disposition method is not approved by the TCEQ, grantees must adhere to the standard destruction methods.

- If the alternative destruction method is approved, that approval will be included in the grant contract.
Removal of Buses from North America

Grantees may permanently remove buses from North America, in lieu of destruction.

- To qualify for permanent removal, grantees must:
  - export the buses to a destination outside of North America (United States, Canada, and United Mexican States);
  - submit a detailed plan for export and the transfer of ownership of the bus in writing to TCEQ; and
  - ensure that the exported bus may not return to North America.
Activity Life & Usage Commitment

• The **Activity Life** is the period of time used to determine the emissions reductions, as well as the time that the grantee commits to using the grant-funded equipment in the approved areas.

• The grant-funded equipment must be used on a regular daily route to and from a school during the regular school year for the duration of the Activity Life.

• Under the TCSB, the Activity Life for each grant is **five years**.

• All grant recipients must track and report on the use and location of all grant-funded school buses for the duration of the Activity Life.
Project Monitoring

- Grantees will submit annual usage reports for the grant funded equipment for five years after the grant is awarded.

- 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 grant recipient having to return a share or all of the grant funds.
• TERP staff are available to assist with the application process free of charge.

• TERP staff are available to answer questions by phone or appointment at the TCEQ offices in Austin.

• Applicants may enlist the assistance of consultants to assist with the application process.
  – The TCEQ has no business relationship with consultants.
  – It is the applicant’s choice to work with a consultant.
  – Consultant fees for the preparation of a grant application, either directly or as an addition to the cost basis of the grant-funded vehicle, equipment, or engine, are not eligible costs.
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
TCSB MC-204
P.O. Box 13087
Austin, TX 78711-3087

**Express Mail (or hand delivery):**
Texas Commission on Environmental Quality
Air Grants Division
TCSB MC-204
12100 Park 35 Circle, Bldg. F
Austin, TX 78753
Sign up for Updates

Texas Emissions Reduction Plan (TERP)

The TERP program provides financial incentives to eligible individuals, businesses, or local governments to reduce emissions from polluting vehicles and equipment.

New and upgraded equipment pollutes less, improving the air quality in Texas. Grant applications are accepted at different times throughout the year, depending on available funds.

We believe these to be taxable grants. Please consult with your tax advisor.

The TCEQ is now accepting applications under the Light-Duty Motor Vehicle Purchase or Lease Incentive Program (LDPLIP). Applications will be accepted and awarded on a first-come, first-served basis.

TERP GRANT PROGRAMS:

The TERP program is comprised of eleven different grant programs. Each program has its own specific eligibility requirements and may accept applications at different time periods throughout the year.

Alternative Fueling Facilities Program (AFFP)

The AFFP program offers grants for the construction or expansion of natural gas and other alternative fueling stations within the Clean Transportation Zone. Effective September 1, 2017, the Texas Health and Safety Code (THSC) Chapters 393 and 394 were amended to...
Contact Us

Website: www.terpgrants.org

E-mail: cleanbus@tceq.texas.gov

Toll Free: 800-919-TERP (8377)

We are here to help!