Texas Commission on Environmental Quality
Emissions Reduction Incentive Grant (ERIG) Program
Rail Relocation and Improvement

TCEQ – 10430h

Complete this form if relocation of rail lines that will improve crossings and intersections resulting in reduction of locomotives engine idling.

Activities under this category must be submitted under individual applications and may not be combined with several activities, either in this category or other categories.

The information requested in this document should be prepared and attached to a completed Project Application Form you are applying for.

Application Deadline:
This application form is only valid for the application period engine August 15, 2018, or subsequent end date if the application period is extended.

Regular Postal Delivery
Texas Commission on Environmental Quality
Air Quality Division MC-204
Implementation Grants Section (ERIG)
P.O. Box 13087
Austin, TX 78701-3087

Express Mail or Hand Delivery
Texas Commission on Environmental Quality
Air Quality Division MC-204
Implementation Grants Section (ERIG)
12100 Park 35 Circle
Austin, TX 78753

www.terpgrants.org

Refer to the Replacement Application Instructions available with the application forms on the TERP website www.terpgrants.org

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GENERAL INSTRUCTIONS

The application forms for the Rail Relocation and Improvement project category are different from the forms used for other types of projects. Instead of providing a structured Supplemental Activity Application Form to complete and attached to the Project Application Form you are submitting, the activity information to be provided by the applicant must be prepared in a narrative proposal format in accordance with the instructions provided in this document.

Applicants for this category must prepare the requested information and submit it with a completed Project Application Form. Only one Rail Relocation and Improvement activity may be included in a single application and may not be combined with other activities under that application. Multiple applications for separate activities may be submitted.

Refer to the TERP Guidelines for Emissions Reduction Incentive Grants (Guidelines) for the complete eligibility criteria, and to the Request for Grant Applications (RFGA) document for specific eligibility criteria for this grant round.

ELIGIBLE ACTIVITIES

An eligible activity may include the relocation of rail lines to reduce the number of grade crossings, improvements at rail intersections, and other improvements that will directly result in the reduction of locomotive and/or vehicle engine idling at rail intersections. Eligible rail intersections may include the intersection of two rail lines or an intersection of a highway or roadway and a rail line, commonly referred to as a highway-rail grade crossing. The grant recipient must own or otherwise control the rail line, right-of-way, or the facility being improved.

The TCEQ may consider various types of projects. The funding decisions may be based on the likelihood that the emissions reductions are verifiable and enforceable under the grant contract.

Improvements not directly associated with congestion at the rail intersection identified in the application are not eligible.

The project may not exceed $12.500 per ton of NO_X emissions reduced in the eligible counties.

In general, the TCEQ will not accept a rail relocation and improvement activity for funding that was completed earlier than 12 months prior to the deadline for submission of a grant application.

An activity is not eligible if it is required by any state or federal law, rule, regulation, memorandum of agreement, memorandum of understanding, or other legally binding document.

ELIGIBLE APPLICANTS

Applicants must own or otherwise control the rail line, right-of-way, or facility being improved.

PROJECT PROPOSAL

To apply for a grant under the Rail Relocation and Improvement category, an applicant must complete and sign a Project Application Form and attach a detailed project proposal to that form. Project proposals must be in the format and provide the information requested in these instructions.

Incomplete applications, including proposals that do not contain all of the requested information or are not in the required format, may be rejected.

Format

Project proposals should be completed on regular 8 1/2 by 11 inch paper using a standard word processing font and font size. Oversized materials, maps, drawings, reports, and other documents should be provided as an attachment to the main proposal. Proposals should include the section numbers and headings requested in these instructions.

Cover Page

The proposal should include a cover page that lists the name of the applicant, location of the facility, and a statement that the proposal is submitted as a Supplemental Activity Application Proposal (TCEQ-10430h) for a Rail Relocation and Improvement category grant. This information is needed to ensure that the proposal can be matched to the Project Application Form if the documents are separated.

Section 1. Project Description and Summary

This section should include a brief overview description and summary of the proposed project. Include basic details about the project. A more detailed scope of work will need to be provided in a later section.

Section 2. Project Area

Provide location information for the project.

1. List the physical address, including street, city, county, and zip, or otherwise provide information on the location of the project.
2. List the site name, if applicable.
3. List the location and name or identifying information of the rail intersection associated with the project.
4. Indicate in which of the following areas/counties the site is located:

- ***Austin (AUS)*** – Bastrop, Caldwell, Hays, Travis, Williamson

- ***Beaumont-Port Arthur (BPA)*** – Hardin, Jefferson, Orange
- ***Corpus Christi (CC)*** – Nueces and San Patricio
- ***Dallas-Fort Worth (DFW)*** – Collin, Dallas, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant, Wise
- ***El Paso (ELP)*** – El Paso
- ***Houston-Galveston-Brazoria (HGB)*** – Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Waller
- ***San Antonio (SAT)*** – Bexar, Comal, Guadalupe, Wilson
- ***Tyler-Longview (TYL)*** – Gregg, Harrison, Rusk, Smith, Upshur
- ***Victoria (VIC)*** - Victoria

The reduction in NO_X emissions attributable to the project must occur in one or more of these counties.

Section 3. Ownership and Control

The rail line or facility being improved must be owned or under the direct control of the applicant. Explain the ownership and control of the rail lines or facility to be improved. Be sure to list any joint or partnership arrangements and provide other information to clearly show that the applicant has the ability and legal authority to make the improvements.

Also include information on the ownership and control of the locomotives that will be impacted by the project.

Section 4. Detailed Budget

The proposal must include a proposed project budget listing the eligible costs and requested reimbursement amounts using the categories explained in this section. It is understood that some costs may be preliminary, pending the bidding process. Provide as detailed a budget as possible with the cost estimates available. Note that if the grant is approved, the grant amount in the contract will be the maximum reimbursement allowed, regardless of whether final costs are higher than originally estimated.

Refer to the RFGA and the Guidelines for detailed information regarding eligible costs. In general, a grant recipient may be eligible for reimbursement of the costs of the rail relocation and improvements, up to the cost per ton limit for locomotive projects of $12.500 per ton of NO_X reduced. Eligible costs are subject to approval by the TCEQ and may include:

1. **Capital Costs – Equipment and Installation**
    - Invoice cost of equipment required for the rail relocation and improvement activity, including taxes, duty, protective in-transit insurance, and freight charges.
    - Installation costs, including any technical design, testing, and other engineering services required in order to install the equipment.
2. **Supplies.** Invoice cost of equipment and materials not included as a part of the infrastructure equipment with an acquisition cost of less than $10,000 that are necessary for the installation of the equipment.

3. **Construction**. Construction costs not included as part of the installation of the equipment, including design, engineering, fees, permits, and site improvements.
4. **Contractual.** Other contractual costs not included under the construction or equipment installation categories.
5. **Other**. Other costs necessary for the completion of the project, subject to approval of the TCEQ.

The budget included in the proposal must provide a detailed and itemized list of the eligible costs under each of these categories to be reimbursed from the grant. Include the total grant amount requested for the project.

Do not include in the budget costs that will be covered by other funding sources, including other forms of public financial assistance, such as tax credits or deductions, other grants, or any other public financial assistance.

Note that the cost of land and an interest in land is not eligible for funding. General studies and plans not directly related to implementation of the rail relocation and improvement project are not eligible. As explained in more detail in the RFGA, administrative costs of the applicant are not eligible for reimbursement.

Section 5. Total Project Costs

List the total cost of the project, including other costs that will not be covered by the grant. Explain the additional costs in general and identify the funding sources.

Note that the TCEQ must determine that if a grant is awarded, the grant recipient has the resources available to cover any additional costs. Include information on whether the other funding has been finalized and, if not, what steps will need to be taken and by when in order to secure the additional funds.

Section 6. Procurement

The TCEQ must ensure that purchases and procurement of services under the grant will result in reasonable and necessary charges. Applicants should refer to the requirements of the Uniform Grant Management Standards (UGMS) for competitive procurement requirements. The UGMS document is located on the internet at the following URL:

http://www.governor.state.tx.us/divisions/stategrants/guidelines/files/UGMS062004.doc

In general, governmental entities must use the procurement processes required by state and local laws applicable to that entity. Non-governmental entities should normally use competitive bidding practices to ensure that costs are reasonable.

In this section, explain the processes that will be used to procure equipment and services for the project.

Section 7. Scope of Work

Include a detailed scope of work for completion of the project. The scope of work should list major tasks and milestones leading to completion of the project. Provide information on the responsible parties for each task.

The scope of work included in the application will be considered a preliminary proposal. If the project is selected for funding, the TCEQ may require additional or more detailed information to prepare the final scope of work to include in a grant contract.

Section 8. Schedule of Deliverables

Grant contracts may extend no more than 21 months after the end of the fiscal year in which the grant contract is executed. The state fiscal year extends from September 1 to August 31. All work must be completed and costs incurred within this timeframe to be eligible for reimbursement from the grant.

Include a detailed schedule of deliverables for each a major work task and milestone. The schedule may be based on actual dates or a time line based on the date on which the grant is awarded. The schedule of deliverables must include the estimated completion date of the project.

Section 9. Activity Life

In exchange for the grant funds, a grant recipient must commit to track and report on the effectiveness of the project in reducing emissions for a designated time period (Activity Life). The Activity Life must be at least five years and may extend for up to 20 years.

In this section, the applicant must identify an Activity Life (in years) representing the applicant's commitment for tracking and reporting on the effectiveness of the project in reducing locomotive and/or vehicle engine idling and achieving reductions in NO_x emissions.

This section should also include an estimate of the life of the rail improvement, structure, and/or equipment. The Activity Life may not be longer than the life of the improvements or equipment.

Section 10. Projected NO_x Emissions Reductions

The reductions in NO_x emissions attributable to the project must be based on the number of locomotive and/or vehicle engine idling operating hours reduced as a result of the rail relocation or improvements. Other factors, such as reduction in locomotive fuel use may be considered by the TCEQ, with sufficient proof that the usage is occurring and will be reduced as a result of the improvements.

Acceptance of all or a part of the emissions reductions will be on a case-by-case basis, subject to a determination by the TCEQ that the emissions reductions are verifiable and will be enforceable under the grant contract.

It is the responsibility of the applicant to verify the types of locomotives and the number of locomotive engine idling hours and other usage factors, as well as any vehicle engine idling hours, that will be reduced annually as a result of the rail line relocation or improvements. All studies and reports to show the projected reduction in locomotive engine idling, other usage factors, and vehicle engine idling must be completed before an application is made and those studies and reports must be submitted with the grant application.

This section should include a detailed summary of the types of locomotives and/or vehicles involved, the usage factors involved, and the projected reductions in those usage factors as a result of the improvements. If the NO_x

emissions reductions have been calculated, provide those projections. The proposal must include a detailed explanation of how the reductions in NO_X emissions were or should be determined, including the emission rates and factors proposed for use and the proposed calculation methodology. The proposal should include, as applicable, information on the number of locomotives and/or vehicles, idle operating hours, locomotive category and type of use (long-haul, short-haul, switcher), model and model year, horsepower, certified emissions tier level and emissions rate of the engines, and other information about the locomotives and/or vehicles that will be impacted by the project.

Default emission rates for quantifying switcher locomotive idling emissions are available in the U.S. Environmental Protection Agency's Guidance for Quantifying and Using Long Duration Switch Yard Locomotive Idling Emission Reductions in State Implementation Plans (EPA420-B-04-002, January 2004). This document provides default long-duration idling emission rates for two-stroke and four-stroke locomotive engines used in switch yard applications.

Attach to the application all studies and reports used to make projections. It is recommended that interested applicants meet with TCEQ staff before submitting an application to discuss the information that will be used to verify the reductions in engine idling.

Section 11. Monitoring

This section must include a narrative discussion on how the effectiveness of the project in reducing locomotive and/or vehicle engine idle hours and/or other usage factors will be monitored to verify that the emissions reduction occur. Note that semi-annual monitoring reports must be submitted for the Activity Life to help verify that the reductions in NO_X emissions occur.

For example, one approach for monitoring would be to provide information on a six-month basis showing the number of locomotives using the rail improvements, an estimate of the number of hours of locomotive idling that occurs at the location, and a comparison of those hours with the baseline number of hours of idling that would have occurred without the improvements.

Section 12. Ancillary Benefits

In this section the applicant may provide information on the ancillary benefits of the project. These benefits may include economic benefits, noise abatement, and other factors that should be considered in evaluating the project. Attach any studies or reports to support this information.

Section 13. Other documents and Information

Provide a list of other documents and information attached to the proposal. Additional materials that should be attached include:

1. Written quotes and cost estimates used to determine the budget
2. Technical information on the equipment and technologies to be installed
3. Traffic studies, rail use studies, market studies, test data, plans and reports, and other information used to prepare the estimates of the reductions in NO_X emissions

4. Maps, drawings, schematics, and other documents showing the work to be completed in detail (note, the TCEQ may require submission of all final engineering plans and drawings prior to proceeding with the work)
5. Copies of any other documents, agreements, or materials that will provide information helpful in determining the efficacy of the project and to confirm the NO_X emissions reductions