

New Technology Implementation Grant (NTIG) Program

Workshop Presentation

**Air Grants Division
July 21, 2020**





Workshop Agenda

- TERP Overview
- NTIG Goals & Objective
- Types of NTIG Projects
 - Eligibility
 - Scoring Criteria
- Funding
- Budget Requirements
- Eligible & Ineligible Expenses
- Application Process
- Getting Started
- Grant Phases
- Reimbursement
- Contact Information



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

CLEAN AIR



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.

NO_x + VOC + Sunlight = 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).



TERP Grant Programs

New Technology Implementation Grant (NTIG) Program

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)**

Port Authorities Studies & Pilot Program (PASPP)

Governmental Alternative Fuel Fleets (GAFF) Program



About NTIG

- The NTIG program aims to help maintain the quality of air in Texas in order to meet standards established under the Federal Clean Air Act.
- NTIG achieves this through grants for the implementation of new technologies that reduce emissions of pollutants from ***facilities and other stationary sources*** including electricity storage projects in Texas.



Eligible Applicants

Owners or operators of **stationary sources** in Texas that emit pollutants, or of **electricity storage projects** related to renewable energy, may apply for a grant.



Types of Eligible Projects

1. Electricity Storage Projects for Renewable Energy
2. Advanced Clean Energy Projects for New or Modified Sources
3. New Technology Projects to Reduce Emissions from Stationary Sources
4. New Technology Projects to Reduce Emissions from Upstream and Midstream Oil and Gas Industry Activities

An activity is not eligible if it is required by state or federal law, rule, regulation, memorandum of agreement, or other binding document unless approved by the TCEQ.



Electricity Storage Projects



Electricity Storage Projects for Renewable Energy

Eligible Electricity Storage Projects must:

- propose the storage of power from renewable energy to be released back into the grid;
- clearly demonstrate how the electricity storage project is related to renewable energy; and
- propose an electricity storage project with rated power of one (1) megawatt (MW) or greater.



Electricity Storage Projects for Renewable Energy

Scoring Criteria:

- 25 points – Program Alignment
- 20 points – Energy Storage Capacity (MWh)
- 10 points – Technology Lifetime
- 10 points – Storage System Rated Power
- 10 points – Cycle Efficiency
- 10 points – Storage Response Time
- 10 points – Cost Per 1 kWh Stored
- 5 points – Applicant Qualifications



Advanced Clean Energy Projects



Advanced Clean Energy

Eligible activities implement **new technologies to reduce emissions from stationary sources**, including:

- The generation of electricity using at least one of the following fuels:
 - coal
 - biomass
 - natural gas
 - petroleum coke
 - solid waste
 - fuel cells that use derived hydrogen
- The creation of liquid fuel outside of the existing fuel production infrastructure while co-generating electricity.



Advanced Clean Energy

Minimum program requirements:

- TCEQ must have received an application for a permit, or for an authorization to use a standard permit, on or after **January 1, 2008** and before **January 1, 2020**, for the facility in this application.
- Applicant must use the program-designated baseline example for all emission reduction calculations if a new facility.
- Projects must meet the minimum emission reduction requirements in the RFGA, including ***at least 50% carbon capture and sequestration.***



Advanced Clean Energy

Scoring Criteria:

- 30 points – Program Alignment
- 20 points – Emission Reduction Capability
- 15 points – Cost-Effectiveness & Energy Efficiency
- 10 points – Carbon Dioxide Capture & Sequestration
- 10 points – Project Location
- 10 points – Testing Protocol
- 5 points – Applicant Qualifications



New Technology Projects to Reduce Emissions from Stationary Sources



New Technology—Stationary Sources

Minimum program requirements:

- Reduce ***regulated pollutants*** from ***stationary sources***:
 - criteria pollutants;
 - hazardous air pollutants (HAP);
 - any other pollutants regulated under the Federal Clean Air Act; and
 - any other pollutants subject to requirements under TCEQ rules, regulations, permits, orders of the commission, or court orders.



New Technology—Stationary Sources

- Applicants must demonstrate an achieved reduction from the baseline emissions adopted by the TCEQ for the relevant source.
 - ***Existing facilities***
 - Projected emissions will be compared to the historical emissions of that particular facility.
 - ***New facilities***
 - Projected emissions shall be compared to the baseline adopted by the TCEQ.



New Technology—Stationary Sources

Scoring Criteria:

- 30 points – Program Alignment
- 20 points – Emission Reduction Capability
- 15 points – Cost-Effectiveness
- 10 points – Regulated Pollutants
- 10 points – Project Location
- 10 points – Testing Protocol
- 5 points – Applicant Qualifications



ACE and New Technology Priority Areas

Nonattainment Areas and Affected Counties



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Austin Area:
Bastrop
Caldwell
Hays
Travis
Williamson

Beaumont-Port Arthur:
Hardin
Jefferson
Orange

Corpus Christi Area:
Nueces
San Patricio

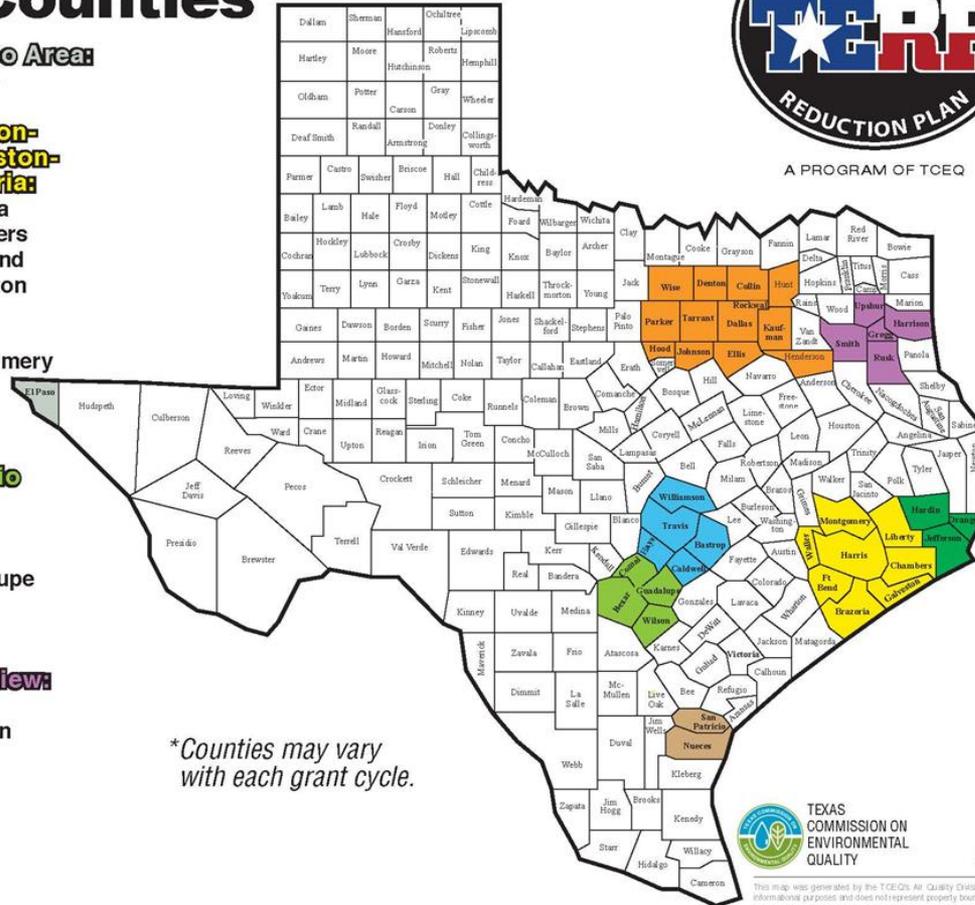
Dallas-Fort Worth:
Collin
Dallas
Denton
Ellis
Henderson
Hood
Hunt
Johnson
Kaufman
Parker
Rockwall
Tarrant
Wise

El Paso Area:
El Paso

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

San Antonio Area:
Bexar
Comal
Guadalupe
Wilson

Tyler-Longview:
Gregg
Harrison
Rusk
Smith
Upshur



**Counties may vary with each grant cycle.*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

July 2019

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



New Technology to Reduce Emissions from Oil and Gas Industry Activities



New Technology—Oil and Gas (O&G) Projects

- New technology projects that reduce emissions from upstream and midstream O&G production, completions, gathering, storage, processing, and transmission activities through:
 - replacement, repower, or retrofit of **stationary compressor engines;**
 - installation of systems to reduce or eliminate **loss of gas, flaring of gas, or burning of gas** using other combustion control devices or installation;
 - systems to reduce flaring and other site emissions by **capturing waste heat to generate electricity solely** for on-site service.



New Technology—Oil and Gas (O&G) Projects

Minimum program requirements:

- **Stationary Compressor Engines**

- Equipment must have been owned by the applicant and used in Texas for previous 2 years.
- Equipment must be in good operating condition and capable of being used in routine operations.

- **All O&G Projects**

- Must demonstrate an achieved reduction of regulated pollutants from the baseline emissions adopted by the TCEQ for the relevant source.
 - ✓ Existing facilities: emissions compared to historical emissions
 - ✓ New facilities: emissions compared to TCEQ baseline



New Technology—Oil and Gas (O&G) Projects

Scoring Criteria:

- 30 points – Program Alignment
- 20 points – Emission Reduction Capability
- 15 points – Cost-Effectiveness
- 10 points – Regulated Pollutants
- 10 points – Project Location
- 10 points – Testing Protocol
- 5 points – Applicant Qualifications

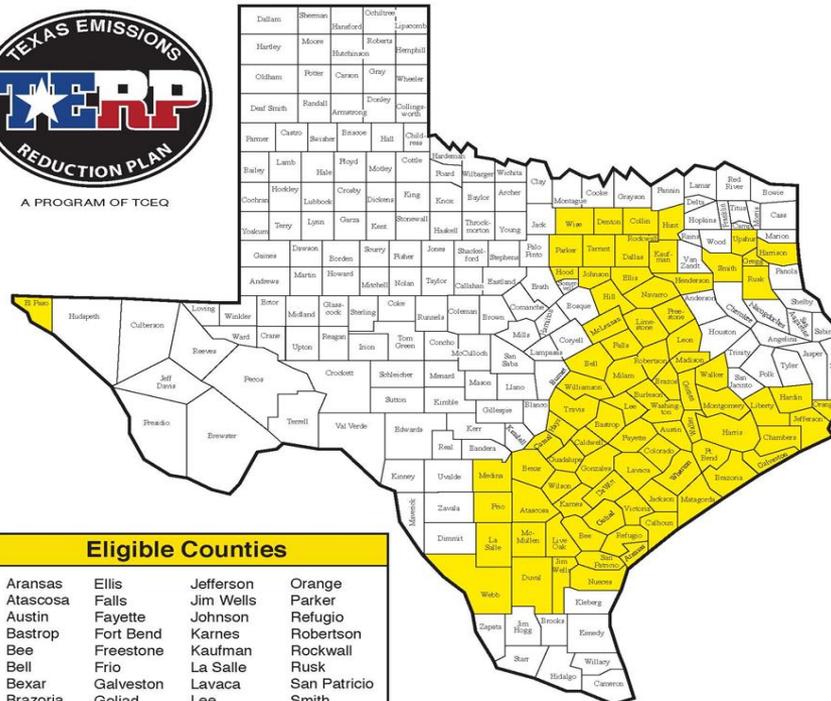


New Technology—Oil and Gas (O&G) Priority Areas

Clean Transportation Zone



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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Nov 2019

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NTIG Funding

- A total of **\$4.6M** is available!
- At least **\$1M** is reserved for **Electricity Storage Projects** related to renewable energy.
- Grant amounts **may not exceed 50%** of project cost.
- Grantees are required to match awarded grant amount.
- All funds awarded must be expended before end of the Purchase Expiration Date indicated in the contract.



NTIG Budget Requirements

- Include **TOTAL** Project Costs
- Identify and distinguish between:
 - expenses eligible for reimbursement; and
 - expenses that are part of the project and will be matching costs.



NTIG Eligible Costs

Eligible Budget Categories:

- Equipment
- Supplies and Materials
- Construction
- Contractual Services
- Other Expenses
- Salaries and Fringe Benefits
- Travel



NTIG Ineligible Costs

Ineligible Costs include:

- costs incurred prior to opening of grant round (July 7, 2020);
- escalation, inflation, indeterminates, and contingencies;
- facility improvements and equipment *not directly associated* with the project;
- costs related to the operation and maintenance of the grant-funded technology;
- purchase of testing equipment;
- fees for TCEQ-issued permits; and
- administrative costs.



NTIG Application Process

An illustration showing a pair of hands holding a pen and writing on a document. The document has some text and a signature area. The background is a light blue sky with white clouds.

STEP 1: Review the Request for Grant Applications (RFGA), Guidelines, and example contract.

STEP 2: Download the application form, W-9 form, and applicable Project Application Instructions and Proposal.

STEP 3: Complete the application and proposal.

STEP 4: Mail or e-mail the application forms and supporting documents.



NTIG Application Process

Strong Applications:

- provide technical support for all claims;
- identify key tasks in implementation plan and timeline;
- provide full and complete answers to all questions in the Project Application Instructions and Proposal;
- provide a feasible implementation plan; and
- provide information about any partnerships that will be established for the project's implementation.



NTIG Application Process

Provide clear and extensive details about:

- Emissions Reductions Capability
- Testing Protocols (if applicable)
- Activities Planned
- Technical Merits of Technology
- Implementation Plan



Confidential Information

- Any proprietary or business confidential information the applicant wishes to protect from public disclosure **MUST** be clearly marked **“Confidential/Proprietary: inform applicant & seek AG opinion before releasing”** on *every* page.
- You must agree that you waive any claim of confidentiality you may have in any information submitted within any part of the application forms, budget, and implementation plan even if you have marked it confidential.



Submitting an Application



Applications may be submitted via electronic mail to **TERP@tceq.texas.gov** or via express mail, regular mail:

Regular Post Delivery

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

Express Mail

Texas Commission on Environmental
Quality
Air Grants Division
NTIG, MC-204
12100 Park 35 Circle
Building F, 1st Floor, Room 1301
Austin, Texas 78753

Hand delivery of applications will not be accepted until further notice.



What Happens Next?

- If selected, you will receive an executed contract;
- Provide TCEQ proof of insurance and property rights;
- Receive Notice to Proceed (NTP) from TCEQ
 - Limited NTP
 - Final NTP;
- Begin project and submit requests for reimbursement.



NTIG Grant Phases

- **Implementation Phase**
 - Construction
 - Reimbursement
 - Reimbursable costs must be incurred and paid on or before the end of the Purchase Expiration Date indicated in the contract.
 - Quarterly Status Reports required
 - Completion of Implementation = Final Status Report
- **Five-Year Operational Phase**
 - Facility must remain operational for **five years** from project completion
 - Annual Status Reports required



Implementation

Implementation Plan should include:

- Detailed information about the technology or technologies to be implemented;
- Demonstration of applicant's ability to operate/maintain technology beyond contract;
- Demonstration of Cost-effectiveness;
- Timelines;
- Partnership documentation (If Applicable).



Operational Requirements

- Ownership/control required
- Facility maintained in good operating condition
- Annual reports
- Compliance



Reimbursement

Help us reimburse you faster!

- **Submit supporting documentation with your reimbursement requests:**
 - cancelled checks (front and back)
 - credit card or bank statements
 - itemized invoices
 - connect the dots



Reimbursement

- Request reimbursement after the costs have been incurred and paid.
- Status reports may be required.
- Reimbursement forms will be provided.



Program Contact Information



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WWW.TERPGRANTS.ORG

We are here to help!