



**Texas Commission on Environmental Quality (TCEQ)
Texas Emissions Reduction Plan (TERP)
Texas Natural Gas Vehicle Grant Program (TNGVGP)
Summary**

1. Purpose

- To encourage entities who currently operate on-road heavy-duty or medium-duty vehicles in Texas to replace the vehicles with natural gas vehicles or repower the vehicles with natural gas engines.

2. Eligible Applicants

- An entity operating a heavy-duty or medium-duty vehicle in the State of Texas may apply for a grant through a Participating Dealer.
- Eligible entities may include individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations or any other legal entity.

3. Vehicles Eligible for Replacement or Repower must:

- be powered by a diesel or gasoline engine;
- have a gross vehicle weight rating (GVWR) greater than 8,500 lbs.;
- be in good operating condition with at least two years of remaining useful life; and
- have been owned, leased, or commercially financed and registered and operated (at least 75% of the annual mileage) by the Applicant in Texas for at least the two years immediately preceding the submission of a grant application.

4. Natural Gas Vehicles Eligible for Purchase must be:

- a new natural gas vehicle;
- of the same category, description, and weight range or classification as the old vehicle;
- powered by an engine certified by the EPA to the applicable federal emissions standard (heavy duty engine standard of 0.2 grams per brake-horsepower-hour of NO_x or lower, or EPA's Bin 5 or lower standard for light-duty vehicles);
- powered by an engine certified by the EPA to emit at least 25% less nitrogen oxides (NO_x) than the vehicle being replaced; and
- powered by an engine that receives not less than 75% of its power from compressed or liquefied natural gas.

5. Natural Gas Engines Eligible for Purchase must:

- be certified by the EPA to the applicable federal emissions standard (heavy duty engine standard of 0.2 grams per brake-horsepower-hour of NO_x or lower, or EPA's Bin 5 or lower standard for light-duty vehicles);
- be certified by the EPA to emit at least 25% less NO_x than the vehicle being replaced; and
- receive 75% or more of its power from compressed or liquefied natural gas.

6. Eligible Grant Amounts

- Grant awards will provide reimbursement up to 90% of the incremental cost for the replacement or repowering of an existing diesel or gasoline vehicle or engine with a natural gas vehicle or engine.

- Predetermined grant amounts are based on the size of the fuel system of the new or repowered natural gas vehicle and the historical usage of the vehicle being replaced.

7. Vehicle Disposition

Vehicles replaced under this program must be permanently removed from operation in Texas. Unless otherwise approved by the TCEQ, a grant applicant must agree to dispose of vehicles and engines replaced under this program by complete destruction or otherwise rendering permanently inoperable by crushing the vehicle and engine, or drilling a 3-inch or larger hole in the engine block on both sides and cutting both frame rails in half or other preapproved alternative.

8. Usage Commitment

- Applicants must commit to operate the grant-funded vehicles in the eligible counties for at least 75% of the annual mileage for the duration of the activity life.
- The activity life for grant Activities will be the earlier of the fourth anniversary of the date of reimbursement or until the date the vehicle has been in operation for 400,000 miles after the date of reimbursement for that vehicle.
- Annual reports on the use of the grant-funded vehicle or engine will be required during the activity life, using forms to be provided by the TCEQ.

9. Prioritization for Funding

Grants will be awarded on a first-come, first-served basis.

For more information, visit www.terpgrants.org or call the toll-free TERP hotline at 800-919-TERP (8377).