

**Texas Commission on Environmental Quality (TCEQ)
Texas Emissions Reduction Plan (TERP)**

**ALTERNATIVE FUELING FACILITIES PROGRAM (AFFP)
Request for Grant Applications (RFGA)
Fiscal Year 2022-2023**

**Grants for Projects to
Improve Texas Air Quality**

AFFP Solicitation No. 582-22-32121-AF

Esta es la Solicitud de Aplicaciones de Subvenciones para el Programa de Instalaciones de Combustibles Alternativos (AFFP por sus sigla en Inglés). La información en este documento le ayudará a determinar si califica para una subvención. Comuníquese al 800-919-TERP (8377) para obtener ayuda con esta información.



**May 10, 2022
Texas Commission on Environmental Quality (TCEQ)
Air Grants Division
AFFP, MC- 204
P.O. Box 13087
Austin, Texas 78711-3087
1-800-919-TERP (8377)**

Applications will be accepted for consideration during this grant period only if received by TCEQ via electronic mail at TERPapply@tceq.texas.gov or via mail at TCEQ's physical address, *no later than 5:00 p.m. Central Time on **July 11, 2022***. Only one application may be submitted per electronic mail at a maximum file size of 25MB. If your application is larger than 25 MB, please submit via TCEQ's file transfer protocol secure (FTPS) to TERPapply@tceq.texas.gov. ([Read how to use the TCEQ's FTPS site](#)). Please use the following naming convention for your application file and in the subject line of the email: 'FY22 AFFP and your legal name'.

The award of an AFFP grant is dependent upon the availability of funding. Any changes to this solicitation will be made through an addendum in the Electronic System Business Daily (ESBD).

There will be no pre-proposal conference.

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**ALTERNATIVE FUELING FACILITIES PROGRAM (AFFP)
Request for Grant Applications (RFGA)
Fiscal Year 2022-2023**

1.0 INVITATION

The Texas Commission on Environmental Quality (TCEQ) invites applications for the Alternative Fueling Facilities Program (AFFP). The AFFP funds natural gas and alternative fueling facility projects in the 83 Texas counties that make up the Clean Transportation Zone (CTZ).

1.1 PURPOSE

The purpose of this Request for Grant Applications (RFGA) is to solicit applications for projects to be funded under the AFFP in Fiscal Years (FYs) 2022 and 2023.

The AFFP is established under Texas Health & Safety Code (THSC) Chapter 393, authorizing TCEQ to provide grants for eligible alternative fuel fueling facility projects in the CTZ. Further authority is contained in Texas Water Code, Chapter 5, Subchapter D, Section 5.124 (authority to award grants).

1.2 PROGRAM GOALS

The statutory goal of the AFFP is to ensure that alternative fuel vehicles have access to fuel and to build the foundation for a self-sustaining market for alternative fuels in Texas.

1.3 FUNDING

The total amount to be awarded under this grant program will depend upon the amount of revenue received into the TERP Trust Fund. TCEQ is not obligated to select project proposals to cover the full amount of expected or available funding.

1.3.1 Funding Categories

Funding will initially be allocated based on the following project selection preferences. Depending on demand and the requested grant amounts of eligible applications received, TCEQ may redistribute these allocations to best meet the purposes of the AFFP program.

- \$6 million for compressed natural gas (CNG) and/or liquified natural gas (LNG) projects, divided as follows:
 - \$2 million for small business natural gas projects
 - \$4 million for all other natural gas projects
- \$6 million for all other fuel types, divided as follows:

- \$2 million for small business projects (all alternative fuel types, including Level II and DC Fast Charging)
- \$4 million for all project types (except Level II unless a small business)

1.3.2 Small Business Qualification

To qualify for funding under the AFFP Small Business allocation, the Small Business entity must be actively registered or certified as one or more of the following no later than May 10, 2022, 5:00 p.m. CST:

- a. A small business corporation under Subchapter S of the Internal Revenue Code;
- b. A Historically Underutilized Business (HUB) with the Texas Comptroller's Statewide HUB Program;
- c. An 8(a) Small Business by the U.S. Small Business Administration (SBA);
- d. Woman Owned Small Business (WOSB) by the U.S. Small Business Administration;
- e. HUBZone Program by the U.S. Small Business Administration;
- f. Veteran-Owned Small Business (VOSB) or Service-Disabled Veteran-Owned Small Business through the Department of Veterans Affairs;
- g. A Disadvantaged Business Enterprise (DBE) by the Texas Department of Transportation (TxDOT) or entities that are part of the Texas Unified Certification Program; or
- h. Any other entity certified as a small business enterprise by the state of Texas or Texas local government, regional certification agency, or the U.S. Small Business Administration.

1.3.3 Maximum Award Amounts

Grant amounts may not exceed:

- \$400,000 for an CNG or LNG project;
- \$600,000 for a combined CNG and LNG project; or
- the lesser of 50% of the total eligible project costs or \$600,000, for fuels other than natural gas.

Except for applications that include a combined CNG and LNG project, an applicant may only include one alternative fuel type per application submission.

Projects that will be adding a new alternative fueling facility to an existing facility will need to apply for the *new* alternative fueling facility. For example, an existing CNG

facility that will be adding an LNG facility would apply as an LNG project with a maximum award amount of \$400,000.

1.4 AFFP ELIGIBILITY REQUIREMENTS

Applicants and/or projects that do not meet the AFFP eligibility requirements listed below at the time of application submittal will not be considered for a grant.

1.4.1 Eligible Applicants

- a. Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations, or other legal entities.
- b. All business entities such as corporations or partnerships must have an active registration with the Texas Secretary of State by no later than May 10, 2022, 5:00 p.m. CST. Businesses must maintain an active registration for the contract period.
- c. Applicants must certify at the time the application is submitted that they comply with Federal and State laws, rules, guidelines, and requirements applicable to taxation of fuel provided by the applicant at each fueling facility owned or operated by the applicant.
- d. The applicant must be the entity that will purchase and own the grant-funded equipment during the contract period, subject to the following:
 - An entity that purchases the equipment and leases it to another entity may establish eligibility provided that the grantee maintains ownership of the grant-funded equipment during the contract period.
 - Any sale of the grant-funded equipment during the contract period will be subject to approval and consent to assignment by TCEQ in accordance with the contract terms.
- e. Applicants are required to be the owner of the site where the equipment is installed unless the applicant establishes permission from the site owner to install and operate the grant-funded equipment at the site during the contract period by completing Section 5 of the AFFP application. Section 5 must be signed by both the applicant and the site owner.
- f. Applicants may only include one project site and one alternative fuel type per application submission. A combined CNG and LNG project may be submitted in one application.
- g. If a business, including legal affiliates of a business, was awarded two or more grants under the FY 2022 Texas Volkswagen Environmental Mitigation Program (TxVEMP) Light-Duty Zero Emission Vehicle Supply Equipment: Direct Current Fast Charging and Hydrogen Fueling Equipment solicitation, it will not be considered for a grant under the FY 2022-2023 AFFP grant round.

- h. An applicant is not eligible for funding at a project site that has previously been awarded a grant under the AFFP or the TxVEMP grant rounds for Level 2 electric chargers, direct current fast chargers, and hydrogen dispensing equipment, unless the project qualifies as a reconstruction project as defined in Section 1.4.2(c).
- i. Businesses or other entities in which a TCEQ employee, spouse, or family member of a TCEQ employee has a direct or indirect interest, financial or otherwise, may be prohibited from receiving a grant, depending upon the nature of the interest. Applicants must disclose known apparent, potential, or actual conflicts of interest to TERP staff at the time the application is submitted.

1.4.2 Eligible Projects

- a. Projects must be in one of the 83 counties that make up the CTZ. A map and list of counties in the CTZ are provided in Appendix A.
- b. Eligible alternative fuel types for projects include: CNG, LNG, CNG and LNG, hydrogen, biodiesel, propane, electricity, and methanol (at least 85% by volume).

Biodiesel and biodiesel blends must meet the following criteria: (1) biodiesel must meet the definition for biodiesel as specified in Title 34, Texas Administrative Code (34 TAC), §3.443; and (2) biodiesel blends, as defined in 34 TAC §3.443, must be comprised of at least 20% biodiesel by volume (B20). B20 biodiesel blends must meet the American Society for Testing and Materials D7467 standards.

- c. Eligible projects must include the construction or reconstruction of an alternative fueling facility. Reconstruction is defined as the expansion of a site to provide a new and different alternative fuel that does not exist at the site.
- d. Projects that are open to the public will be considered for funding before private facilities.
 - TCEQ considers a facility to be private if the general public's right to access the facility is restricted in some manner. For example, the parking lot of a commercial business that requires a parking permit during business hours would not be considered a public facility.
 - A public facility must be open and accessible to the public for a minimum of eight hours per day, between the hours of 8:00 a.m. and 6:00 p.m., for at least five days a week.

1.5 ELIGIBLE AND INELIGIBLE PROJECT COSTS

1.5.1 Eligible Project Costs

Eligible project costs are those that are directly related to the implementation of the project. AFFP grants are provided to offset a portion of eligible project costs. The final contract budget will identify eligible expenses that may be reimbursed.

Eligible project costs include:

- **Equipment** includes tangible personal property having a unit acquisition cost of \$5,000 or more (including sales tax and delivery) with an estimated useful life of over one year. Equipment purchased with grant funds should be budgeted as equipment if the sum of the separate component parts (including tax and delivery) has an original value of \$5,000 or more. TCEQ will require an itemized invoice and proof of payment for reimbursement of all equipment costs. Eligible equipment costs for natural gas and alternative fuel dispensing equipment include natural gas and alternative fuel storage tanks, compressors, electrical infrastructure, and other equipment at the facility directly needed to store and dispense eligible alternative fuels.

Eligible equipment-related costs include contractual costs and supplies and non-capital items necessary for the installation of the equipment.

- **Supplies and Materials** includes non-construction related costs for goods and materials having a unit acquisition cost (including sales tax and delivery) of less than \$5,000 per unit. An itemized invoice and proof of payment will be required for reimbursement of all supplies and materials costs.
- **Construction** includes the costs for the enhancement or building of permanent facilities. Construction costs include:
 - planning, designing, and engineering;
 - materials and labor;
 - subcontracts for services in connection with the construction; and
 - facility improvements, such as paving, foundations, and covers.
- **Contractual** includes non-construction related costs for subcontracted or hired-out professional services or tasks provided by a firm or individual who is not employed by the applicant. List each subcontractor/consultant separately.

1.5.2 Ineligible Project Costs

Ineligible project costs include:

- salaries and travel expenses for employees of the grantee;
- expenses of any lobbyist registered in Texas;
- facility improvements and equipment not directly associated with the equipment to store, compress, or dispense the natural gas or alternative fuel;
- purchase of an existing natural gas or alternative fuel fueling facility;
- facility, land, or an interest in land;

- costs for TCEQ-issued permits;
- other administrative costs of the grantee, including overhead and indirect costs (e.g., office supplies, rent, marketing, and advertising);
- costs that do not involve an arms-length transaction, such as the use of existing inventory without a proof of purchase; and
- food and drink.

Any cost incurred *prior to May 10, 2022* will not be eligible for funding, including the cost of preparing the application. TCEQ provides no assurances that a project will be awarded a grant, and an applicant builds at its own risk prior to the execution of a contract.

Grant funds must be spent consistent with all applicable cost principles from 30 TAC 14.10 and the Texas Grant Management Standards (TxGMS). TCEQ encourages applicants to review the TxGMS when developing application budgets. TxGMS documents are available at: <https://comptroller.texas.gov/purchasing/grant-management/>.

1.6 FACILITY IMPLEMENTATION AND OPERATION REQUIREMENTS

- a. Grantees must proceed in good faith and take all necessary actions to ensure the on-time implementation of its project and subsequent operation of the grant-funded facility for a period of at least three years.
- b. Grantees must meet the ownership, operational and maintenance, permitting, and insurance requirements specified by TCEQ in the contract during the contract period. Failure to do so may invoke the contract's remedies, including termination of the contract and the return of grant funds.
- c. To monitor the grantee's progress during the contract period, TCEQ will require biannual reports during the Implementation Period of the project and annual reports during the Operation Period of the project.
 - The ***Implementation Period*** is the period during which grant equipment is purchased and placed into service. The Implementation Period will end upon the later of either the payment of the final request for reimbursement and release of claims or TCEQ's written approval of the final implementation report.
 - The ***Operation Period*** will begin once the grantee completes the Implementation Period. The Operation Period is the three-year period during which the grantee must ensure the operation of the grant-funded facility and the maintenance of the grant-funded equipment. Grantees will report on the amount of natural gas and/or other alternative fuels dispensed.

If during either period, the AFFP grantee fails to submit reports or fails to demonstrate reasonable progress toward project completion or continued operation, TCEQ may invoke the contract's remedies, including termination of the contract and the return of grant funds.

2.0 APPLICATION PROCESS

- a. All applications for funding must be substantially complete and must be submitted within the required deadline. Submission of a grant application that is not substantially complete will disqualify the applicant from receiving a grant under this RFGA. A substantially complete application must include:
 - all pages of the application;
 - all required attachments;
 - applicant contact information;
 - all required signatures; and
 - all the information for TCEQ to score and rank the project according to the scoring criteria listed in this RFGA.
- b. Subject to staff resources, TCEQ may conduct a courtesy review of applications submitted within the first 30 days of the solicitation period to check for application completeness. This review is limited and does not ensure your application meets all eligibility requirements, nor is it a guarantee of award. TCEQ staff will notify applicants via email of any issues of application completeness, and it will be the responsibility of the applicant to submit a substantially complete application within the required application deadline.
- c. The application and this RFGA may be viewed and downloaded from the TCEQ web site at www.terpgrants.org, or by contacting TERP staff via email at TERP@tceq.texas.gov or by phone at 800-919-TERP (8377).
- d. A PDF of the draft contract may be viewed and downloaded from the TERP website at www.terpgrants.org. The draft contract is for reference only and contains terms and conditions which are standard provisions for grants awarded under this program. Any requested changes to the draft contract must be received by TCEQ no later than the date of the submission of this application. However, the applicant further understands that the TCEQ will not normally change the contract language in response to individual requests from grant recipients and is under no obligation to do so. TCEQ reserves the right to modify the draft contract terms as necessary due to statutory, rule, or policy changes. Modifications will be posted to the TERP website at www.terpgrants.org and the ESBD.
- e. To apply for funding, applicants must complete and submit a grant application. Applicants are encouraged to submit applications via e-mail to

TERPapply@tceq.texas.gov. Applications may also be submitted to one of the addresses listed below.

Standard Mail:

Texas Commission on Environmental Quality
Air Grants Division
Program Design and Coordination Section (AFFP), MC-204
P.O. Box 13087
Austin, TX 78711-3087

Express Mail:

Texas Commission on Environmental Quality
Air Grants Division
Program Design and Coordination Section (AFFP)
12100 Park 35 Circle, Building F, 1st Floor, Suite 1301
Austin, TX 78753

- f. Applicants must include a site plan with the application (including a scaled map which could be a photograph, satellite map, drawing, or similar graphic of the proposed site) that shows the planning and design of its proposed facility. The site plan must:
- demonstrate how the public may access the facility, including driveways and facility access points from public roads; and
 - provide the location of the facility within the property and include any easements, set-back requirements, and property boundaries.
- g. Private consultants may be available to assist an applicant to complete and submit an application. The TCEQ neither encourages nor discourages the use of a consultant to assist with the application process. Consultants do not represent TCEQ, and TCEQ has no agreements where applications submitted by a particular consultant will receive more favorable treatment than other applications.
- h. The applicant must indicate in the application if the application was prepared by a third party (someone other than the applicant or an employee of an applicant). If a third party prepares the application, the third party must also sign the application. The signature certifies that the information provided in the application is true and correct and as represented to the third party by the applicant. A third party's failure to sign the application or signing it with a false statement may make the application ineligible, may make any resulting contracts voidable, and may subject the third-party preparer to criminal or civil penalties.
- i. By signing the application, the applicant is certifying its understanding and compliance with the statements listed in Sections 4 and 5 of the application, as well as with any state statutes, regulations, policies, guidelines, and requirements as they relate to the application, acceptance, and use of funds for the project. If any of these certifications materially change after submittal of the

application, the applicant must provide prompt written notification to the TCEQ within three (3) business days of becoming aware of the change. Failure to notify TCEQ and/or any changes to an applicant's certifications may make the application ineligible and may make any resulting contracts voidable

- j. Applications will be accepted for consideration during this grant period only if received by TCEQ via electronic mail at TERPapply@tceq.texas.gov or via mail at TCEQ's physical address, *no later than 5:00 p.m. Central Time on **July 11, 2022.*** Only one application may be submitted per electronic mail at a maximum file size of 25MB. If your application is larger than 25 MB, please submit via TCEQ's file transfer protocol secure (FTPS) to TERPapply@tceq.texas.gov. ([Read how to use the TCEQ's FTPS site](#)). Please use the following naming convention for your application file and in the subject line of the email 'FY22 AFFP and your legal name.'
- k. Upon submission, all proposals become the property of the State of Texas and as such become subject to public disclosure under the Texas Public Information Act (PIA), Texas Government Code, Chapter 552.

3.0 SELECTION & SCORING CRITERIA

Applications for eligible projects will be evaluated, scored, and ranked according to the scoring criteria provided below.

Project scores and ranking will be based upon the representations made in the application at the time of application submission. Once selected for a grant, any changes made to the representations in the application that reduce the total project score will make any resulting contracts voidable.

3.1 Scoring Criteria – Natural Gas – Proposed Facility Location and Service Capacity (up to 150 points)

Applicants will be scored based upon the location of the proposed project and its ability to close the existing infrastructure gaps along the interstate highways that make up the CTZ and throughout the 83 eligible counties. This category is limited to projects that dispense CNG, LNG, and/or propane. TCEQ will assign scores based on the following factors:

- a. **Proximity of the facility to existing facilities (maximum of 30 points):** Proposed facilities that are located the furthest away from existing alternative fueling facilities of the same fuel type when compared to all other proposed facilities, will receive the most points. Proposed facilities will be grouped by and compared with facilities of similar fuel capabilities and fuel type. Existing alternative fueling facilities will be determined using data from the U.S. Department of Energy.
- b. **Average traffic count from the nearest highway traffic nodes (maximum of 30 points):** Facilities nearest the most heavily traveled traffic nodes, when compared to all other proposed facilities, will receive the most points. The density of traffic along segments of the interstate, U.S., and state highways in Texas will be determined by using the most recently available data collected by the Texas Department of Transportation.

- c. Distance from an interstate highway, U.S. highway, or state highway (maximum of 30 points):** The closer a proposed facility is to an existing interstate highway, U.S. highway, or state highway, the higher the score will be, as shown below. If a facility is near multiple highways, TCEQ will use the highest eligible score. Distances will be determined by a direct line starting at the edge of an eligible highway and ending at the proposed facility.
- i. **Interstate** - 30 points within 1/4 mile, 15 points within 1/2 mile, and 10 points within 1 mile.
 - ii. **U.S. highway, state highway** - 15 points for 1/4 mile, 10 points within 1/2 mile.
- d. Location within the following priority areas (maximum of 10 points)**
- i. facilities located in the area in and between the Houston, San Antonio, and Dallas-Fort Worth areas; or
 - ii. facilities located in the area in and between the Corpus Christi, Laredo, and San Antonio areas.
- e. Number of available fueling ports (maximum of 10 points):** The higher the number of available natural gas fueling ports at a proposed facility, the higher the score. Applicants will receive 1 point per available natural gas fueling port up to a maximum of 10 points even if there are more than 10 available natural gas fueling ports. Applicants that are small businesses will receive 2 points per available fueling port, up to 10 points. The number of fueling ports will be determined by the number of vehicles that can be simultaneously served. If, for example, a proposed facility has multiple nozzles to distribute different fuels but only one can be used at a time, it will count as a single fueling port.
- f. Facilities providing multiple fuels (maximum of 20 points):** Proposed facilities that will provide both Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) will receive 20 points.
- g. Existing local amenities nearby or statement of future construction of one (10 points):** Proposed facilities that will provide amenities or have amenities within ¼ mile of the proposed facility will receive 5 points. Those that have amenities available onsite will receive 10 points. Amenities must include at least one of the following: restaurants, grocery stores, retail shopping, entertainment, parks, municipal, state, or federal buildings, or restrooms.
- h. Hours of operation preference (10 points):** Proposed facilities that commit to remaining open to the public 24 hours per day, 7 days a week, will receive 10 points for this category.

3.2 Scoring Criteria – Fuel Types Other Than Natural Gas – Proposed Facility Location and Service Capacity (up to 150 points)

Applicants will be scored based upon the location of the proposed project and its ability to close the existing infrastructure gaps along the interstate highways that make up the CTZ and throughout the 83 eligible counties. TCEQ will assign scores based on the following factors:

- a. **Proximity of the facility to existing facilities (maximum of 40 points):**
Proposed facilities which are located the furthest away from existing alternative fueling facilities, when compared to all other proposed facilities, will receive the most points. Proposed facilities will be grouped by and compared with facilities of similar fuel capabilities and fuel type. Existing alternative fueling facilities will be determined using data from the U.S. Department of Energy.
- b. **Average traffic count from the nearest highway traffic nodes (maximum of 40 points):** Facilities nearest the most heavily traveled traffic nodes, when compared to all other proposed facilities, will receive the most points. The density of traffic along segments of the interstate, U.S., and state highways in Texas will be determined by using the most recently available data collected by the Texas Department of Transportation.
- c. **Distance from an interstate highway, U.S. highway, or state highway (maximum of 40 points):** The closer a proposed facility is to an existing interstate highway, U.S. highway, or state highway, the higher the score will be, as shown below. If a facility is near multiple highways, TCEQ will use the highest eligible score. Distances will be determined by a direct line starting at the edge of an eligible highway and ending at the proposed facility.
 - i. **Interstate** – 40 points within 1/8 mile, 20 points within 1/4 mile, and 10 points within 1/2 mile.
 - ii. **U.S. highway, state highway** – 20 points for 1/4 mile, 10 points within 1/2 mile
- d. **Number of available fueling or charging ports (maximum of 10 points):** The higher the number of available alternative fueling or charging ports at a proposed facility, the higher the score. Applicants will receive 1 point per available alternative fueling or charging port up to a maximum of 10 points (even if there are more than 10 available fueling or charging ports). Applicants that are small businesses will receive 2 points per available fueling or charging port, up to 10 points. For proposed facilities that are providing electric recharging infrastructure, the number of charging ports to receive points will be considered as EVSE ports as defined by the [Department of Energy's Alternative Fuel Data Center](#). For proposed facilities that are dispensing other fuels, the number of fueling ports will be determined by the number of vehicles that can be simultaneously served. If, for example, a service facility has multiple nozzles to distribute different fuels but only one can be used at a time, it will count as a single fueling port.

- e. **Existing local amenities nearby or statement of future construction of one (10 points):** Proposed facilities that will provide amenities or have amenities within $\frac{1}{4}$ mile of the proposed facility will receive 5 points. Those that have amenities available onsite will receive 10 points. Amenities must include at least one of the following: restaurants, grocery stores, retail shopping, entertainment, parks, municipal, state, or federal buildings, or restrooms.
- f. **Hours of operation preference (10 points):** Proposed facilities that commit to remaining open to the public 24 hours per day, 7 days a week, will receive 10 points for this category.

3.3 ADDITIONAL SCORING CRITERIA

Tie-breaking provisions. In the event of a tied score, the following will be used as tiebreakers in no order of preference:

- a. Applicant is owned by a service-disabled veteran who is a Texas resident. (Tex. Gov. Code 2155.444).
- b. Applicant is a Texas bidder meaning it is incorporated in this state; has its principal place of business in this state; or has established a physical presence in this state. (Tex. Gov. Code 2155.444).
- c. Applicant will use USA-produced supplies, materials, or equipment in fulfilling its grant obligations. (Tex. Gov. Code 2155.444).
- d. Applicant is a Historically Underutilized Business (Tex. Gov. Code 2155.505).
- e. Applicant is a Woman Owned Small Business as defined by the of the United States Small Business Administration.
- f. Applicant is a Veterans-Owned Small Business or Service-Disabled Veteran-Owned Small Business that is not owned by a Texas Resident.
- g. Applicant is a Disadvantaged Business Enterprise (DBE).
- h. Applicant is a Small Business Concern as defined by the regulations of the United States Small Business Administration in 13 C.F.R. Section 121.201. (Tex. Gov. Code 2155.505).
- i. Applicant will use products made of recycled, remanufactured, or environmentally sensitive materials in fulfilling its grant obligations. (Tex. Gov. Code 2155.445).
- j. Applicant will purchase and use energy efficient products in fulfilling its grant obligations. (Tex. Gov. Code 2155.442).
- k. Applicant will purchase and use products made by persons with disabilities in fulfilling its grant obligations. (Tex. Gov. Code 2155.441).

- l. Facility will be located on formerly contaminated property. (Tex. Gov. Code 2155.450).
- m. Facility will be in an economically depressed or blighted area. (Tex. Gov. Code 2155.449, 2306.004).

3.4 MISCELLANEOUS PROVISIONS

- a. TCEQ is not obligated to fund any particular project for any reason or may offer to fund less than the eligible grant amounts for any reason.
- b. TCEQ is not obligated to fund projects from applicants:
 - with an outstanding invoice from TCEQ or who are in non-compliance with existing or prior TERP grants;
 - under federal, state, or local enforcement action for violation of environmental laws or permit conditions; or
 - with an overall compliance history classification of *Unsatisfactory* (greater than 55.00) on TCEQ's Compliance History Database for applicants that are subject to the rating.
- c. TCEQ may also:
 - require additional conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and other program elements;
 - make a determination of risks associated with the applicant and/or project and may include additional conditions to the contract to address the identified risks;
 - determine minimum acceptable scores under each scoring category or factor;
 - limit or prioritize the number of grants awarded for fueling facilities in a specific area based on the scores assigned to the projects; or
 - hold applications to be funded at a later date.

4.0 GRANT ADMINISTRATION AND REIMBURSEMENT OF EXPENSES

4.1 GRANT AWARD AND CONTRACTING

Entities selected to receive grant funding will be required to sign a contract with TCEQ. The activities outlined in the entity's application will be represented in the Contract's Scope of Work. Grant recipients commit to taking all actions necessary to ensure the successful completion of its project and subsequent operation of the grant funded equipment within the Contract's time frames and funding limitations.

4.2 NOTICE TO PROCEED

Signing the contract will not be the final commitment required by TCEQ to provide the funds. The grantee must provide the required documentation identified in Section 4.3 below before a “Notice to Proceed” may be issued by the TCEQ. The “Notice to Proceed” provides the grantee with approval to begin grant activities. Eligible expenses incurred prior to receipt of this notice will be at the grantee’s own risk.

4.3 REQUIRED DOCUMENTATION

Unless agreed to in writing by the TCEQ, the following documentation must be provided to TCEQ within one year of contract execution.

- a. Proof of Insurance.** The grantee will be required to purchase commercial insurance for the grant-funded equipment to protect against loss or damage, and to carry liability damage to protect persons and property. Insurance must be maintained during the contract period. Documentation of required insurance coverage must be submitted to the TCEQ in accordance with the contract. Governmental entities may provide proof of self-insurance in lieu of purchasing commercial insurance.
- b. Site-Host Agreement or Site Ownership Documentation.** The grantee must be able to adequately demonstrate through agreements or other legal documentation that it can construct the proposed facility at the location designated in its application.
- c. Agreement or arrangement to have fuel/electricity provided to the site.** The grantee must demonstrate that agreements or arrangements have been made to provide the proposed fuel or electricity to the site. Examples of this documentation include contractual agreements with a fuel or electrical provider, letters of guarantee that demonstrate the infrastructure could be installed at that site, or other documentation that guarantees the delivery of the fuel or electricity is possible to the proposed site.

4.4 REIMBURSEMENT OF EXPENSES

- a. Payments will be made on a reimbursement basis for eligible expenses incurred and paid in full by the grantee.
- b. Requests for reimbursement may be submitted to TCEQ no more frequently than monthly. Grantees will be required to provide documentation to show that equipment or services have been received and costs have been paid in full before reimbursement is provided by TCEQ. The contract will specify requirements for documenting costs incurred, including providing an itemized invoice and proof of payment documents.
- c. A grantee must identify in the request for reimbursement the total cost of the project and any financial incentive received for the project, such as tax credits or deductions, other grants, or any other public financial assistance. The grant

reimbursement amount plus the financial incentive amount cannot exceed 100% of the total cost of the project.

- d. Activities funded under this RFGA must be completed, all costs must be incurred, and final requests for reimbursement must be submitted to the TCEQ by April 30, 2024. Grantees experiencing project delays may submit a written extension request to the TCEQ. TCEQ's approval of extension requests will be provided in writing to the grantee and will depend on the availability of grant funds.
- e. Unless otherwise approved by TCEQ, TCEQ will withhold 10% of the total grant amount until the facility goes into operation. This amount will be released upon submission of the final Implementation Period report and the request for reimbursement. TCEQ may, at its discretion, consider reimbursement of the total grant amount prior to the facility being in operation, if the grantee demonstrates that the project will be completed.
- f. TCEQ will provide written approval once all Implementation Period activities have been completed prior to payment of the final request for reimbursement.

5.0 MARKETABLE EMISSIONS REDUCTION CREDITS

A project that would otherwise generate marketable credits under state or federal emissions reduction credit averaging, banking, or trading programs is not eligible for funding under this program unless:

- the project includes the transfer of the reductions that would otherwise be marketable credits to the state implementation plan, or to the project owner or operator as provided by THSC Section 386.056; and
- the reductions are permanently retired.

6.0 PERFORMANCE EVALUATION

TCEQ may prepare written evaluations of the performance of the grant recipient. Performance evaluations are prepared upon completion of all reimbursements, upon the completion of the Operation Period, or as needed. The performance rating on grantee evaluations for a past grant may be considered. A rating of marginal or unsatisfactory performance may be used as a basis to lower or otherwise change the priority and ranking of a future application. Any misuse of the grant funds will be reported as unsatisfactory performance and the grant recipient and contractors will be barred from receiving any other grants and may subject you to criminal or civil penalties.

7.0 CONSIDERATION OF APPLICATION IN FUTURE GRANT ROUNDS

TCEQ may, at its discretion, retain applications not selected for funding under this RFGA for consideration if additional funding becomes available. Applicants will be notified by TCEQ if its application is retained for consideration and will be given the option of withdrawing its application from consideration.

Appendix A: Alternative Fueling Facilities Program (AFFP) Eligible Counties Map

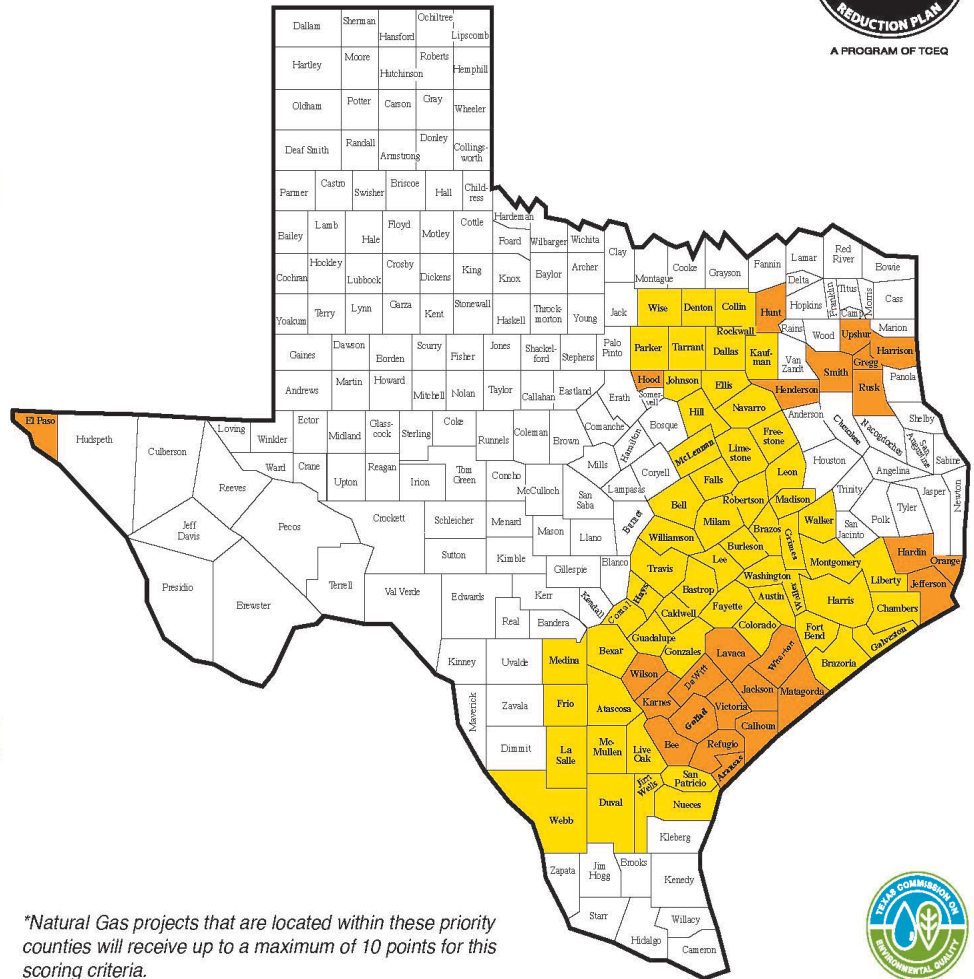
Projects eligible for funding under the AFFP must be located in the Clean Transportation Zone.

Clean Transportation Zone

revised (3/22)



Eligible Counties		
Priority Counties for Natural Gas Projects*		
<i>(highlighted-yellow)</i>		
Atascosa	Freestone	McMullen
Austin	Frio	Medina
Bastrop	Galveston	Milam
Bell	Gonzales	Montgomery
Bexar	Grimes	Navarro
Brazoria	Guadalupe	Nueces
Brazos	Harris	Parker
Burleson	Hays	Robertson
Caldwell	Hill	Rockwall
Chambers	Johnson	San Patricio
Collin	Jim Wells	Tarrant
Colorado	Kaufman	Travis
Comal	La Salle	Walker
Dallas	Lee	Waller
Denton	Leon	Washington
Duval	Liberty	Webb
Ellis	Limestone	Williamson
Falls	Live Oak	Wise
Fayette	Madison	
Fort Bend	McLennan	
Other Counties		
<i>(highlighted-orange)</i>		
Aransas	Henderson	Refugio
Bee	Hood	Rusk
Calhoun	Hunt	Smith
DeWitt	Jackson	Upshur
El Paso	Jefferson	Victoria
Goliad	Karnes	Wharton
Gregg	Lavaca	Wilson
Hardin	Matagorda	
Harrison	Orange	



*Natural Gas projects that are located within these priority counties will receive up to a maximum of 10 points for this scoring criteria.

