

# Request for Grant Applications (RFGA)

## Emissions Reduction Incentive Grants Program (ERIG)

Texas Commission on Environmental Quality (TCEQ)  
Texas Emissions Reduction Plan (TERP)  
Solicitation No. 582-26-85005-ER

Este documento es la Aplicación para Solicitud de Subvenciones (RFGA por sus siglas en inglés) para el Programa de Subvenciones de Incentivos para la Reducción de Emisiones (ERIG por sus siglas en inglés). La información de este documento lo ayudará a determinar si califica para una subvención. Comuníquese al 800 919 TERP (8377) para obtener ayuda con esta información.



Key Events	Date
Program Opening Date	April 29, 2026
Application Submission Deadline	September 4, 2026
Request for Reimbursement Deadline	April 30, 2029

### Contact Information

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Applications will only be accepted for consideration during this grant period if received **no later than 5:00 p.m. Central Time on the application submission deadline listed on the cover page of this RFGA**. Refer to TERP's ERIG webpage for detailed instructions for submission at <https://www.tceq.texas.gov/airquality/terp/erig.html>.

The award of a grant is dependent in part upon the availability of funding. Any changes to this solicitation will be made through an addendum in the Electronic State Business Daily (ESBD) as well as posted on TERP's ERIG webpage.

There will not be a pre-proposal conference. An informational webinar was held on April 17, 2026, and can be viewed on TERP's ERIG webpage.

# Table of Contents

Request for Grant Applications (RFGA).....	i
Contact Information .....	i
1.0 Purpose .....	1
2.0 Program Requirements .....	1
2.1 Eligible Applicants.....	1
2.2 Eligible Project Categories .....	1
2.3 Non-Road or Stationary Equipment (old equipment) .....	1
2.4 Marine Vessels (old equipment).....	2
2.5 Locomotives (old equipment) .....	3
2.6 Non-Road or Stationary Equipment Replacement Qualifications (new equipment) .....	3
2.7 Non-Road or Stationary Equipment Repower Qualifications .....	3
2.8 Marine Vessel Replacement Qualifications (new equipment) .....	4
2.9 Marine Vessel Repower Qualifications .....	4
2.10 Locomotive Replacement Qualifications (new equipment) .....	5
2.11 Locomotive Repower Qualifications .....	5
2.12 Refueling Infrastructure.....	5
2.13 Operation of the Grant-Funded Equipment.....	6
2.14 Annual Usage Rates .....	6
2.15 Marketable Emissions Reductions Credits.....	7
3.0 Available Funding, Grant Amounts, and Costs.....	7
3.1 Available Funding .....	7
3.2 Determining Eligible Grant Amounts.....	8
3.3 Incremental Costs .....	8
3.4 Eligible Costs .....	9
3.5 Ineligible Costs.....	10
4.0 Grant Application and Administration.....	11
4.1 Application Forms .....	11
4.2 Application Process .....	12
4.3 Selection Process and Scoring Criteria .....	13
4.4 Additional Considerations .....	14
4.5 Grant Award and Contracting .....	15
4.6 Reimbursement of Expenses .....	15
4.7 Disposition.....	16
4.8 Annual Usage and Reporting .....	17
4.9 Performance Evaluation.....	18
Appendix A: Map of Nonattainment and Affected Counties .....	19
Appendix B: Waiver Requests .....	20
Appendix C: List of Equipment Types Not Eligible Under this Solicitation .....	22

## **1.0 Purpose**

The ERIG program provides financial incentives to repower or replace older non-road equipment, stationary equipment, locomotives and marine vessels in order to reduce nitrogen oxides (NO<sub>x</sub>) emissions in nonattainment areas and affected counties in Texas. The ERIG program is established under Texas Health and Safety Code (THSC), Chapter 386, Subchapter C, to implement a portion of TERP. Rules for the program have been adopted by TCEQ in [Title 30 Texas Administrative Code, Chapter 114 \(30 TAC 114\), Subchapter K, Division 3](#). TCEQ has also adopted the Texas Emissions Reduction Plan: [Guidelines for Emissions Reduction Incentive Grants \(ERIG Guidelines, August 2020\)](#), which contain more specific standards governing this program.

## **2.0 Program Requirements**

All applicants and activities must meet the eligibility requirements listed in this section at the time of application submittal to be considered for a grant. TCEQ may waive certain eligibility requirements based on a finding of good cause. Please refer to Appendix B for instructions on completing and submitting a waiver request. To be considered, waiver requests must be submitted with the application.

### **2.1 Eligible Applicants**

- a) Eligible applicants are individuals, state and local governments, corporations, or any other legal entity.
- b) All business entities such as corporations or partnerships must have an active registration with the Texas Secretary of State by the program opening date listed on the cover page of this RFGA. If awarded a contract, businesses must maintain an active registration throughout the contract period.
- c) Applicants must disclose any known apparent, potential, or actual conflicts of interest to TCEQ in writing at the time the application is submitted. Businesses or other entities may be prohibited from receiving a grant if a TCEQ employee, spouse, or family member of a TCEQ employee has a direct or indirect interest, financial or otherwise, depending upon the nature of the interest.

### **2.2 Eligible Project Categories**

- a) The following emissions-reducing project categories are eligible under this grant round:
  - 1) Replacement or repower of select non-road or stationary equipment;
  - 2) Replacement or repower of marine vessels; and
  - 3) Replacement or repower of locomotives.
- b) General information, definitions, and criteria for eligible activities are available in the ERIG Guidelines. This RFGA may contain additional requirements that apply to this application period. Potential applicants should review this RFGA, the ERIG Guidelines, the Technical Supplements, and the online application instructions.

### **2.3 Non-Road or Stationary Equipment (old equipment)**

Non-road equipment includes a piece of equipment, excluding a motor vehicle or on-road heavy-duty vehicle, powered by a non-road engine subject to the United States Environmental Protection Agency (EPA) emission standards for non-road engines. Non-road equipment types included in the 2026 Rebate Grants program are not eligible for funding under this ERIG grant round. See Appendix C for a list of these ineligible non-road equipment types.

Stationary equipment includes equipment used in non-mobile applications that converts fuel into mechanical motion, including turbines and other internal combustion devices. Stationary equipment is used either in a fixed application or in a portable (i.e., transportable) application in which it stays at a single site for at least a full year (12 consecutive months).

To be eligible for replacement or repower, the **old** non-road or stationary equipment must:

- a) be powered by an engine, turbine, or other internal combustion device that is 25 horsepower (hp) or greater;

**Note:** This requirement refers to the horsepower of the engine being replaced only and does not apply to the replacement engine or technology.

- b) be owned by the applicant at the time of application and have been continuously owned by the applicant for the two years immediately preceding the application date;

**Note:** At the time of application, the applicant must provide documentation listing the specific equipment and showing ownership for the previous two years. Additionally, ownership by an affiliate or subsidiary of the applicant does not meet these requirements.

- c) currently be used in its primary function in the routine operations of the applicant and have been used in its primary function in the routine operations of the applicant in Texas for the two years immediately preceding the application signature date; and
- d) be in operating condition with at least five years of useful life remaining.

## **2.4 Marine Vessels (old equipment)**

Marine vessels may have more than one propulsion or auxiliary engine, but to be eligible, must have at least one propulsion engine that is subject to the EPA emission standards for marine vessels. Marine vessels that are subject to the EPA recreational marine vessel standards or are otherwise used for sport purposes are not eligible.

To be eligible for replacement or repower, the **old** marine vessel must:

- a) be powered by one or more propulsion or auxiliary engines that is 25 hp or greater. Only engines that are 25 hp or greater will be considered in the calculation of projected emissions reductions and the eligible grant amount;

**Note:** This requirement refers to the horsepower of the engine being replaced and does not apply to the replacement engine or technology.

- b) be owned by the applicant at the time of application and have been continuously owned by the applicant for at least the two years immediately preceding the application signature date;

**Note:** At the time of application, the applicant must provide documentation listing the specific equipment and showing ownership for the previous two years. Additionally, ownership by an affiliate or subsidiary of the applicant does not meet these requirements.

- c) currently be used in its primary function in the routine operations of the applicant and have been used in its primary function in the routine operations of the applicant in Texas for the two years immediately preceding the application signature date;
- d) be in operating condition with at least five years of useful life remaining;
- e) currently be registered in the applicant's name for operation in Texas, where required under Texas boating regulations; and
- f) have United States Coast Guard (USCG) registration of the vessel (if applicable) in the applicant's name.

## **2.5 Locomotives (old equipment)**

Locomotives include linehaul or switcher locomotives that are subject to the EPA emission standards for locomotives.

To be eligible for replacement or repower, the **old** locomotive must:

- a) be owned by the applicant at the time of application and have been continuously owned by the applicant for at least the two years immediately preceding the application signature date;  
**Note:** At the time of application, the applicant must provide documentation listing the specific equipment and showing ownership for the previous two years. Additionally, ownership by an affiliate or subsidiary of the applicant does not meet these requirements.
- b) currently be used in its primary function in the routine operations of the applicant and have been used in its primary function in the routine operations of the applicant in Texas for the two years immediately preceding the application signature date; and
- c) be in operating condition with at least five years of useful life remaining.

## **2.6 Non-Road or Stationary Equipment Replacement Qualifications (new equipment)**

This category is for the replacement of non-road or stationary equipment with newer models.

- a) The engine on the replacement equipment must be certified or verified to the EPA emissions standards for non-road engines or is otherwise authorized by applicable rule or air permit.
- b) The engine on the replacement equipment must be certified to emit at least 25% less NO<sub>x</sub> (in other words, no more than 75% as much NO<sub>x</sub>) compared with the engine being replaced. TCEQ requires "Certification" by either the EPA, the California Air Resources Board (CARB), or another entity that has been deemed acceptable by TCEQ.
- c) The engine on the replacement equipment must have an engine manufacture year no more than three years older than the calendar year in which it was purchased.
- d) The replacement equipment must be of the same type and intended for use in the same manner or vocation as the equipment being replaced. On a case-by-case basis, TCEQ may accept equipment of a different type to account for the latest technology or equipment type used for a specific vocation. In addition, TCEQ may allow a different number of engines on the replacement equipment compared to the old equipment if the new equipment will have the same use as the equipment being replaced and the emissions reductions can be adequately documented.

## **2.7 Non-Road or Stationary Equipment Repower Qualifications**

This category is for the replacement of an existing engine on a piece of non-road or stationary equipment with a new, used, rebuilt, or remanufactured engine, or electric motors, drives, or fuel cells.

- a) Repower projects may also include the:
  - 1) retrofit (or add-on of emissions reduction technology) of an existing engine on a piece of non-road or stationary equipment; or
  - 2) upgrade of an existing engine on a piece of non-road or stationary equipment with an emissions upgrade kit certified by the EPA or CARB.
- b) The replacement engine must be certified or verified to the EPA emissions standards for non-road engines or otherwise authorized by applicable rule or air permit.

- c) Rebuilt or remanufactured engines must use only components from the original engine manufacturer (OEM) and be purchased from the OEM or its authorized reseller unless otherwise approved by TCEQ on a case-by-case-basis.
- d) The replacement engine or upgrade kit must be certified to emit at least 25% less NO<sub>x</sub> than the engine being replaced or upgraded. TCEQ requires "Certification" by either the EPA, the CARB, or another entity that has been deemed acceptable by TCEQ.
- e) The retrofit (or add-on of emissions reduction technology) must be verified to emit at least 25% less NO<sub>x</sub> than the engine prior to the retrofit or add-on. "Verification" means approval by the EPA, the CARB, or another entity that has been deemed acceptable by TCEQ.
- f) The new, rebuilt, or remanufactured engine must have an engine manufacture year no more than three years older than the calendar year in which the engine was purchased.

## **2.8 Marine Vessel Replacement Qualifications (new equipment)**

Replacement projects include the replacement of a marine vessel with a new or newer marine vessel.

- a) The combined NO<sub>x</sub> emissions of the engines on the replacement vessel must be certified to be at least 25% less than the combined NO<sub>x</sub> emissions of the engines on the vessel being replaced, based on the emissions standard for those engines. TCEQ requires "Certification" by either the EPA, the CARB, or another entity that has been deemed acceptable by TCEQ.
- b) The replacement vessel must be of the same type and intended for use in the same application or vocation (for example, tug, fireboat, pusher) as the vessel being replaced. TCEQ may accept a vessel of a different type to account for the latest technology or vessel type used for a specific vocation. In addition, TCEQ may allow a different number of engines on the replacement vessel compared to the old vessel if the new vessel will have the same use as the vessel being replaced and the emissions reductions can be adequately documented.
- c) The engine(s) in the replacement vessel must have an engine manufacture year no more than three years older than the calendar year in which it was purchased.

## **2.9 Marine Vessel Repower Qualifications**

Repower projects include the replacement of an existing engine on a marine vessel with a new, used, rebuilt, or remanufactured engine, or electric motors, drives, or fuel cells.

- a) Repower projects may also include:
  - 1) the retrofit (or add-on of emissions reduction technology) of an existing engine on a marine vessel;
  - 2) the upgrade of an existing engine on a marine vessel with an emissions upgrade kit certified by the EPA or CARB; or
  - 3) a marine engine low NO<sub>x</sub> rebuild kit that results in a new engine family code or test group number being assigned by the EPA and a new emissions information label being affixed to the rebuilt engine, subject to TCEQ approval.
- b) Rebuilt or remanufactured engines must use only components from the OEM and be purchased from the OEM or its authorized reseller unless otherwise approved by TCEQ on a case-by-case-basis.
- c) The replacement engine or upgrade kit must be certified to emit at least 25% less NO<sub>x</sub> than the engine being replaced or upgraded. TCEQ requires "Certification" by either the EPA, the CARB, or another entity that has been deemed acceptable by TCEQ.

- d) The retrofit (or add-on of emissions reduction technology) must be verified to emit at least 25% less NO<sub>x</sub> than the engine prior to the retrofit or add-on. "Verification" means approval by the EPA, the CARB, or another entity that has been deemed acceptable by TCEQ.

### **2.10 Locomotive Replacement Qualifications (new equipment)**

This category is for the replacement of a locomotive with a new or newer locomotive. Replacement projects may also include replacing the engine of the original locomotive and other components, but maintaining the frame rails and wheels.

- a) The engine on the replacement locomotive must be certified to emit at least 25% less NO<sub>x</sub> compared with the engine being replaced. TCEQ requires "Certification" by either the EPA, the CARB, or another entity that has been deemed acceptable by TCEQ.
- b) The replacement locomotive must be of the same locomotive type and be intended for the same or similar purpose as the locomotive being replaced. On a case-by-case basis, TCEQ may accept locomotives of a different type to account for the latest technology used for a specific vocation. In addition, TCEQ may allow a different number of engines on the replacement locomotive compared to the old locomotive if the new locomotive will have the same use as the locomotive being replaced and the emissions reductions can be adequately documented.
- c) Replacement of a locomotive over 1,005 hp with a locomotive 1,005 or less hp may be considered by TCEQ on a case-by-case basis, if it is shown that the design of the lower horsepower locomotive allows it to perform the same switcher functions that the higher horsepower locomotive was performing.
- d) The engine in the replacement locomotive must have an engine manufacture year that is no more than three years older than the calendar year in which the locomotive is purchased.

### **2.11 Locomotive Repower Qualifications**

This category is for the replacement of an existing engine on a locomotive with a new, rebuilt, or remanufactured engine, or one or more electric motors, drives, or fuel cells. Repower projects include only the replacement of the engine and all necessary associated drivetrain components.

- a) Repower projects may also include:
  - 1) the retrofit (or add-on of emissions reduction technology) of an existing engine on a locomotive; or
  - 2) the upgrade of an existing engine on a locomotive with an emissions upgrade kit certified by the EPA or CARB.
- b) Rebuilt or remanufactured engines must use only components from the OEM and be purchased from the OEM or its authorized dealers and distributors.
- c) The replacement engine or upgrade kit must be certified to emit at least 25% less NO<sub>x</sub> than the engine being replaced or upgraded. TCEQ requires "Certification" by either the EPA, the CARB, or another entity that has been deemed acceptable by TCEQ.
- d) The retrofit (or add-on of emissions reduction technology) must be verified to emit at least 25% less NO<sub>x</sub> than the engine prior to the retrofit or add-on. "Verification" means approval by the EPA, the CARB, or another entity that has been deemed acceptable by TCEQ.

### **2.12 Refueling Infrastructure**

Applicants purchasing an eligible non-road or stationary piece of equipment, marine vessel, or locomotive powered by an alternative fuel may request additional funding for on-site refueling infrastructure.

- a) Alternative fuels include electricity, hydrogen, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), and methanol.
- b) The refueling infrastructure must provide, at a minimum, refueling capacity to the non-road or stationary equipment, marine vessel, or locomotive replaced or repowered through this grant program.
- c) Applicants may expand existing onsite refueling infrastructure to accommodate the grant-funded non-road or stationary equipment, marine vessel, or locomotive in lieu of installing new service.
- d) Applicants are required to be the owner of the site where the refueling infrastructure equipment will be installed unless the applicant establishes permission to install and operate the grant-funded equipment at the site for the duration of the contract period.
- e) The refueling infrastructure must be installed in a nonattainment or affected county.
- f) Applicants may only include one refueling infrastructure project site and one type of alternative fuel per application.
- g) Applicants are required to be the owner of the refueling infrastructure equipment.

### **2.13 Operation of the Grant-Funded Equipment**

- a) At least 55% of the grant-funded equipment's operation must occur in one or more of the nonattainment areas and affected counties (see Appendix A).
  - 1) At the time of application, applicants may elect to increase this commitment up to a maximum of 95% of their operation in these same areas.
  - 2) Higher percent of operation commitments may increase the competitiveness of a project and will increase the maximum amount of grant funds that can be requested.
  - 3) Percent of operation is a binding commitment in any grant award. TCEQ may require a return of grant funds if the grantee's percentage of total usage in the nonattainment areas and affected counties falls below their percentage of total usage commitment.
- b) For marine vessels, eligible operation must occur within eligible counties or within the coastal county lines of eligible counties which is approximately 3 leagues (10.35 miles) offshore. Marine vessels may operate in the intercoastal waterways or bays adjacent to a nonattainment area or affected county in Texas. Operation in these intercoastal waterways or bays outside of eligible counties may be used to meet the percentage of operation requirement but will not be considered in any emissions reduction calculations for scoring purposes.
- c) Annual operation may be measured through miles traveled, hours of engine operation, or fuel consumed. For determining the total annual operation, only one type of measurement (e.g., miles traveled) can be used. Applicants receiving a grant must be prepared to keep and maintain records of their annual operation in the unit of measurement they choose on their application.
- d) Refueling infrastructure must be owned, operated, and maintained for the duration of its annual usage reporting requirement as defined in Section 4.8 of this RFGA.

### **2.14 Annual Usage Rates**

Applicants must list an annual usage rate for each activity in hours or fuel use, depending on the equipment type. Annual usage rates are used by TCEQ to calculate the NO<sub>x</sub> emissions reductions that are achieved by each activity. Annual usage rates are applied to each activity for the duration of the activity life. The ERIG Guidelines allow TCEQ to set default usage rates for determining emissions reductions (referred to as Standard Usage). TCEQ may also consider and approve higher non-standard

usage rates proposed by applicants for determining emissions reductions (referred to as Non-Standard Usage).

a) Standard Usage

- 1) Under Standard Usage, the applicant should list the default usage rate, established by TCEQ, for the equipment being replaced or repowered. The default usage rate can be found in the applicable Technical Supplement.
- 2) The default usage rate will be used for emissions reduction calculations only. The grant recipient will not be required to use the equipment for the exact number of annual hours or fuel use listed as the default usage rate. However, the applicant must commit to using the grant-funded equipment in the eligible counties for the required percent of operation.
- 3) Please note that Standard Usage is only available for the types of equipment for which a default usage rate is provided in the applicable Technical Supplement.

b) Non-Standard Usage

- 1) Under Non-Standard Usage, a usage rate is proposed by the applicant. Non-Standard Usage applies to projects where a default usage rate is not available in a Technical Supplement or where an applicant feels that the default usage rates are too low based on the applicant's historical annual usage. An applicant proposing Non-Standard Usage will be required to provide an explanation and documentation to verify that the proposed usage rate is valid. TCEQ will consider Non-Standard Usage on a case-by-case basis. Refer to Supplemental Form 2 – Non-Standard Usage Request for more information and to apply under this option.
- 2) Please note that Non-Standard Usage is not available for locomotive projects, which may be applied for only using Standard Usage.

## **2.15 Marketable Emissions Reductions 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:

- a) 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 386.055; and
- b) the reductions are permanently retired.

## **3.0 Available Funding, Grant Amounts, and Costs**

### **3.1 Available Funding**

- a) The total amount to be awarded under this RFGA will depend upon the amount of revenue received in the TERP Trust Fund but is initially anticipated to be \$62 million.
- b) Depending on demand and the requested grant amounts of eligible ERIG applications received, TCEQ may redistribute funds to best meet the purposes of ERIG and other TERP programs. This may include, but is not limited to, moving funds to another TERP grant program, or allocating additional funds to ERIG.

## **3.2 Determining Eligible Grant Amounts**

### **3.2.1 Replacement and Repower Projects**

- a) For replacement and repower projects, grant recipients may be eligible for reimbursement of up to 80% of the incremental cost associated with the purchase or lease of the replacement equipment, not to exceed an incentive amount that results in a cost per ton (CPT) of NO<sub>x</sub> reduced as specified below:
  - 1) Non-Road or Stationary Equipment Projects: \$35,000 CPT
  - 2) Marine Projects: \$20,000 CPT
  - 3) Locomotive Projects: \$20,000 CPT
- b) Grant recipients will receive the lesser of:
  - 1) the grant amount requested in the application;
  - 2) the grant amount at the CPT limit; or
  - 3) 80% of the incremental cost.
- c) Individual activities submitted in a project application may exceed the cost per ton limits so long as the cost per ton of the overall project remains at or under the established cost per ton limitations associated with each project category.

### **3.2.2 Refueling Infrastructure Projects**

- a) Applicants may apply for refueling infrastructure associated with replacement or repower projects powered by an alternative fuel. Applicants may be eligible for reimbursement up to 50% of the incremental cost of the refueling infrastructure project, not to exceed an incentive amount that results in an overall project CPT of NO<sub>x</sub> reduced as specified below:
  - 1) Non-Road or Stationary Equipment Projects with Infrastructure: \$35,000 CPT
  - 2) Marine Projects with Infrastructure: \$20,000 CPT
  - 3) Locomotive Projects with Infrastructure: \$20,000 CPT
- b) Grant recipients will receive the lesser of:
  - 1) the grant amount requested in the application;
  - 2) the grant amount at the CPT limit; or
  - 3) 50% of the incremental cost.
- c) For the purposes of determining if a project including refueling infrastructure meets these limits, the requested grant amount for the refueling infrastructure will be added to any other requested grant amounts in an application with no additional NO<sub>x</sub> emissions reductions. The overall CPT of the project cannot exceed the CPT limit.

## **3.3 Incremental Costs**

The incremental cost of any proposed project must be reduced by the value of any existing financial incentive that directly reduces the cost of the proposed project, including tax credits or deductions, other grants, or any other public financial assistance.

### **a) Replacement Projects for Non-Road Equipment**

The incremental cost is the eligible cost to purchase the replacement equipment minus the scrap value of the equipment being replaced. TERP uses a default scrap value of \$1,000.

### **b) Repower Projects for Non-Road Equipment**

The incremental cost is the eligible cost to purchase and install the replacement engine and associated equipment, minus the scrap value of the old engine. TERP uses a default scrap value of \$250.

c) Replacement Projects for Stationary Equipment, Marine Vessels, and Locomotives

The incremental cost is the eligible cost to purchase the replacement equipment minus the scrap value of the equipment being replaced. Applicants must submit documentation with the application to show the scrap value of the equipment being replaced.

d) Repower Projects for Stationary Equipment, Marine Vessels, and Locomotives

The incremental cost is the eligible cost to purchase and install the replacement engine and associated equipment minus the scrap value of the engine being replaced. Applicants must submit documentation with the application to show the scrap value of the engine being replaced.

e) Refueling Infrastructure Associated with Grant-Funded Equipment

The incremental cost is the eligible cost to purchase and install the refueling infrastructure and associated equipment.

### **3.4 Eligible Costs**

a) Eligible costs must be paid after the program opening date as listed on the cover page of this RFGA to be considered for funding.

b) Eligible costs for replacement projects include:

1) cost(s) of the grant-funded equipment, i.e.:

- Invoice purchase price,
- Capital lease cost basis, or
- Sum of operating lease payments over the contract's activity life;

2) taxes and government fees;

3) protective in-transit insurance;

4) delivery and shipping fees;

5) factory and/or extended warranties;

6) maintenance and service contracts;

7) mechanic and safety inspections;

8) cooperative fees; and

9) manufacturer or dealer processing fees not related to financing.

c) Eligible costs for repower projects include:

1) cost of the new engine or upgrade, including sales tax, protective in-transit insurance, and delivery charges;

2) cost(s) of additional equipment that must be installed with the new engine or upgrade;

3) associated supplies directly related to the installation of the engine or system;

4) the cost to remove and dispose of the old engine, if applicable;

5) installation costs;

- 6) reengineering costs, if the equipment must be modified for the new engine to fit (including technical design, testing, and other engineering services required as part of the installation); and
  - 7) other ancillary costs, including shipping costs, factory and/or extended warranties, mechanic and safety inspections, cooperative fees, service and maintenance contracts, and dealer or manufacturer fees.
- d) Eligible costs for refueling infrastructure projects include:
- 1) **Equipment.** Equipment is items of tangible personal property having a unit acquisition cost of \$10,000 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 \$10,000 or more. TCEQ will require an itemized invoice and proof of payment for reimbursement of all equipment costs.
    - Eligible equipment costs for alternative fuel dispensing equipment include fuel storage tanks, compressors, electrical infrastructure, and other equipment at the facility directly needed to store and dispense eligible alternative fuels.
    - Costs related to equipment installation, but that are not equipment itself, should go under other categories as appropriate.
  - 2) **Supplies and Materials.** These are non-construction related costs for goods and materials having a unit acquisition cost (including sales tax and delivery) of less than \$10,000 per unit. An itemized invoice and proof of payment will be required for reimbursement of all supplies and materials costs.
  - 3) **Construction.** The reasonable 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.
  - 4) **Contractual.** 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.

### **3.5 Ineligible Costs**

Ineligible costs include, but are not limited to:

- a) any costs paid prior to the opening of the grant date on the cover page of this RFGA;
- b) insurance premiums;
- c) finance fees and charges;
- d) salaries and travel expenses for employees of the grantee;
- e) expenses of any lobbyist registered in Texas;
- f) costs associated with the preparation and submission of the grant application;
- g) administrative costs of the grantee, including overhead and indirect costs (e.g., office supplies, rent, marketing, and advertising);
- h) food and drink; and

- i) costs that do not involve an arm's-length transaction, such as the use of existing inventory without a proof of purchase, equipment manufactured by the grantee, or a transaction between affiliated companies.

**Note:** Transactions between related businesses (subsidiary, sister, or parent businesses, or any businesses with common ownership and/or management) are not considered arm's-length transactions and indicate a potential conflict of interest. TCEQ will consider costs between business affiliates ineligible unless sufficient documentation is provided demonstrating that procedures were in place to mitigate any conflict of interest. Grantees should seek approval from TCEQ prior to incurring and paying expenses of this nature.

Grant funds must be spent consistent with all applicable cost principles from 30 TAC 14.10 and the Texas Grant Management Standards (TxGMS), found at <https://comptroller.texas.gov/purchasing/grant-management/>.

## **4.0 Grant Application and Administration**

### **4.1 Application Forms**

- a) The online application and this RFGA may be found on the TERP website at [terpgrants.org](http://terpgrants.org).
- b) All applications for funding must be complete and must be submitted online by the application deadline. The online application will not progress to the electronic signature and submission stage if the application is not complete. A complete application must include:
  - 1) all completed sections of the online application;
  - 2) all required attachments; and
  - 3) all the information necessary for TCEQ to score and rank the project according to the scoring criteria listed in this RFGA.
- c) TCEQ will notify the applicant in writing and provide details if anything is missing from the application. Applicants will be provided a deadline to submit the missing information to TCEQ. Failing to provide the information by the deadline may result in the application being considered ineligible.
- d) Applicants may not submit more than 10 activities in a single application. If an applicant has more than 10 activities, additional applications may be submitted. Marine replacement or repower projects may not include activities for more than one vessel in a single application.
- e) A project application may only include activities involving one type of emission source, project category, and activity life. Projects involving different emission sources, project categories, or activity lives must be applied for on separate applications.
- f) Applicants will be required to submit documentation and photographs with the application to demonstrate the eligibility of the equipment being replaced or repowered, including:
  - 1) color photographs of the equipment and its associated engine(s);
  - 2) documentation showing ownership for the previous two years, which may include a copy of the bill of sale, evidence of insurance coverage, maintenance records, or in some cases a title. The documentation must list the specific equipment and be dated at least 24 months prior to the application signature date; and
  - 3) for marine projects only, a copy of the vessel's United States Coast Guard (USCG) Certificate of Documentation. Texas Parks & Wildlife Department registration may be accepted in lieu of USCG documentation for vessels without a USCG Certificate of Documentation.

- g) Applicants with projects that include refueling infrastructure must provide documentation that includes:
- 1) a site plan (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 the proposed facility (not just an arrow on a map). The site plan must:
    - demonstrate how the locomotive, marine vessel, or equipment may access the proposed facility; and
    - provide the location of the facility within the property and include any easements, set back requirements, and property boundaries.
  - 2) a demonstration of their ability to install, operate, and maintain the refueling infrastructure at the proposed site, such as property ownership records, lease agreements, or other legal agreements, that can show the following:
    - the ability to complete any required construction on the proposed site; and
    - the ability to operate on the proposed property for a length of time equal to the activity life of the grant-funded equipment.

## **4.2 Application Process**

- a) Applications will be accepted for consideration during this grant period only if received by TCEQ no later than 5:00 p.m. Central Time on the application submission deadline listed on the cover page of this RFGA. Applications received prior to the opening of the program will not be accepted.
- b) Applications must be submitted using the TERP Online Single-Use Non-CROMERR Submission System (SUNSS). The SUNSS application link as well as the online application instructions are available on the [ERIG webpage](#).
- c) **Consultants & Third-Party Preparers.** Applicants may enlist private consultants to assist with completing and submitting an application. 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. As noted under the requirements of Section 3.5, any fees charged by a consultant are the responsibility of the applicant and may not be charged to the grant, either directly or as an addition to the cost basis of the grant-funded equipment.

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 preparer must also sign the application and certify that the information provided in the application is true and correct 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.

Consultants and third-party preparers who knowingly submit inaccurate or fraudulent information to the agency are considered "high risk." Applications prepared by these individuals will not be awarded. Applicants can call TERP at 800-919-TERP (8377) for more information.

- d) **Application Certifications.** By signing and submitting the application, the applicant is certifying its understanding and compliance with the General Certifications and Program Certifications sections of the application, as applicable. The applicant also certifies compliance 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 change

between submittal of the application and award of a contract, the applicant must notify TCEQ within three business days of becoming aware of the change. Failure to notify TCEQ of any changes to your certifications may make the application ineligible and may make any resulting contracts voidable.

- e) **Sample Contract.** A Portable Document Format (PDF) version of the draft contract may be viewed and downloaded from the [ERIG webpage](#). The draft contract is for reference only and contains terms and conditions that are standard provisions for grants awarded under this program. Any requested changes to the draft contract must be submitted to TCEQ in writing at the time the application is submitted. However, by signing and submitting the application, the applicant understands that TCEQ will not normally change the contract language in response to individual requests from grant recipients and is under no obligation to do so. Requesting to negotiate contract terms may also result in a delay in receiving an award and may result in TCEQ rescinding an award if the parties are not able to come to a mutual agreement. 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 [ERIG webpage](#) and the ESBD.
- f) TCEQ reserves the right to limit the award of more than \$10 million to a single applicant per program. For the purposes of this limitation, an "applicant" includes an individual or business and all of its associated legal affiliates. At the sole discretion of TCEQ, this may include reducing the requested grant amount of one or more applications from an applicant.
- g) 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.
- h) Individuals are entitled to request and review their personal information the agency gathers on its forms. They may also have any errors in their information corrected. To review such information, contact TERP staff at 800-919-TERP (8377) or [TERP@tceq.texas.gov](mailto:TERP@tceq.texas.gov).

### **4.3 Selection Process and Scoring Criteria**

TCEQ provides no assurances that a project will be awarded a grant. See Section 4.4 for additional factors that could affect selection consideration. Any purchases made prior to the execution of a contract are at the applicant's own risk.

Project scores and ranking will be based upon the representations made in the application at the time of application submission.

Eligible projects will be scored, ranked, and selected competitively based upon the following scoring criteria:

a) **Cost per ton of NO<sub>x</sub> projected to be reduced (up to 50 points).**

Projects with the lowest CPT of NO<sub>x</sub> reduced, as compared to all other projects, will receive the most points. The CPT is determined by dividing the requested grant amount by the projected tons of reduction in NO<sub>x</sub> emissions to be achieved over the life of the project. Projects that include infrastructure will have the requested infrastructure grant amount included in the CPT.

b) **Total projected NO<sub>x</sub> reductions (up to 50 points).**

Projects with the highest projected NO<sub>x</sub> reductions (tons of NO<sub>x</sub>), as compared to all other projects, will receive the most points. Projected NO<sub>x</sub> reductions will be determined by using the methodology described in the Technical Supplement for the submitted project type, found in Step 3 on the [ERIG webpage](#).

Applicants are not required to compute the CPT of NO<sub>x</sub> reduced or the total projected NO<sub>x</sub> reductions as these values will be determined by TERP staff. For those wishing to perform their

own calculations, instructions are provided in the Technical Supplements. Grant Estimators are also provided in Step 3 on the [ERIG webpage](#).

#### **4.4 Additional Considerations**

In addition to the selection criteria explained above, and regardless of the scores and ranking assigned to a project, TCEQ may consider the following factors when reviewing applications for grant funding.

- a) If an applicant is applying for the same project under this RFGA and an RFGA under a separate TERP or Texas Volkswagen Environmental Mitigation Plan (TxVEMP) grant program, funding will only be awarded under the first program that awards a grant for the submitted project.
- b) TCEQ is not obligated to fund any project for any reason or may offer to fund less than the eligible grant amounts for any reason.
- c) TCEQ is not obligated to fund projects from applicants:
  - 1) with an outstanding invoice from TCEQ or who are not in compliance with existing or prior TERP grants;
  - 2) where the proposed activities are required by any state or federal law, rule or regulation, memorandum of agreement, or other legally binding contract (this restriction does not apply to the purchase of equipment that is required only by local law or regulation or by corporate or controlling board policy of a public or private entity);
  - 3) under federal, state, or local enforcement action for violation of environmental laws or permit conditions; or
  - 4) with an overall compliance history classification of Unsatisfactory (greater than 55.00), Under Review, or Suspended in TCEQ's Compliance History Database for applicants that are subject to the rating.
- d) TCEQ may also:
  - 1) require additional terms and conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and other program elements;
  - 2) make a determination of risks associated with the applicant, the third-party preparer, and/or project, which may result in non-selection of award or the inclusion of additional terms and conditions in the contract to address the identified risks;
  - 3) determine minimum acceptable scores under each scoring category or factor;
  - 4) limit or prioritize the number of grants awarded for projects in a specific area based on the scores assigned to the projects; or
  - 5) hold applications to be funded at a later date.
- e) TCEQ will not consider activities that were included in a project previously awarded a TERP or TxVEMP grant and subsequently canceled by the grant recipient after the date of issuance of this RFGA.
- f) TCEQ may conduct site visits at any point of the application review process or after award of the grant. Applicants must cooperate with TCEQ, the State of Texas, the State Auditor's Office, and any of their authorized representatives to allow access to all equipment, marine vessels, and locomotives being replaced and all grant-funded equipment, marine vessels, and locomotives for the purpose of on-site inspections and/or audit. Failure to respond to or cooperate with any authorized review, inspection, or audit of the grant activities will result in

application ineligibility, make any resulting contract voidable and require the return of all or a pro-rated share of the grant funds awarded.

#### **4.5 Grant Award and Contracting**

Successful applicants will be notified of their selection and the amount of grant funds that may be awarded. Applicants selected to receive grant funding will be required to sign a contract with TCEQ. The approved activities outlined in the application will be represented in the contract's Scope of Work. Upon the applicant's signature and final execution of the contract by TCEQ, a copy of the signed contract will be returned to the applicant, at which time the grant will be considered awarded and executed.

Grant recipients commit to taking all actions necessary to ensure the successful completion of their project within the contract's time frames and funding limitations. Contract changes may only be approved if the resulting project(s) continues to meet all program eligibility requirements and the changes would not significantly reduce the overall project score, all subject to TCEQ's sole determination. Changes that affect the quality or quantity of scored components in the application will be rejected by TCEQ if the modified project would no longer have been competitively selected. TCEQ may terminate the contract in such cases. Alternatively, if such changes would reduce the total project cost per ton of the original application, TCEQ reserves the right to reduce the grant amount to maintain the contracted cost per ton, which may result in the reduction of grant funds.

Grant recipients also commit to taking all actions necessary to ensure the successful operation of the grant-funded equipment within the contract's time frames and funding limitations. TCEQ will enforce the terms and conditions of the contract and may seek the return of funds for non-compliance, as well as civil or criminal penalties for misuse of grant funds or fraud.

#### **4.6 Reimbursement of Expenses**

- a) All grants are paid on a reimbursement basis for eligible costs paid in full by the grantee minus the scrappage value and any incentives, as referenced in Section 3.3. To receive grant funds, all grant-funded equipment and eligible costs directly related to the use of the grant equipment must have been paid for, received/performed, and in operation on or before the Request for Reimbursement Deadline indicated in the contract. All final requests for reimbursement (RFR) must be received by TCEQ by this deadline. The RFR form is available on the TERP website [terpgrants.org](http://terpgrants.org) or by calling TERP at 800-919-TERP (8377). Grantees will be required to provide documentation in accordance with the contract to show that grant-funded equipment has been received and costs have been paid in full before reimbursement will be provided by TCEQ unless otherwise approved.
- b) TCEQ may advance funds to grant recipients who are governmental entities on a case-by-case basis. These grant recipients must agree to any special terms or conditions that may be required by TCEQ. If TCEQ advances funds to the grant recipient, TCEQ will reconcile the advanced funds with the actual documented, eligible, final project costs to ensure the grant recipient only received sufficient funds to reimburse those costs.
- c) Grantees experiencing project delays may submit a written extension request to TCEQ via electronic mail at [terp\\_revise@tceq.texas.gov](mailto:terp_revise@tceq.texas.gov). Unless otherwise approved by TCEQ, an extension request must be submitted no later than 60 days prior to the RFR deadline. TCEQ's decision to grant or deny an extension request will be provided in writing to the grantee.
- d) If the grantee finances the grant equipment, the reimbursement will be assigned to the company that provided the financing. To be paid directly, the grantee must show that the grantee paid eligible expenses that are equal to, or greater than, the reimbursement amount with cash on hand (non-borrowed funds).

- e) If the grant equipment is leased, the lease must have a term sufficient to extend to the end of the activity life or a binding commitment to purchase at the end of the term. For lease purchase arrangements, an option to buy at the end of a lease term without a binding commitment is not sufficient.

#### **4.7 Disposition**

- a) If awarded a grant, the grantee must dispose of the equipment and engines being replaced or repowered by complete destruction or otherwise rendering the equipment permanently inoperable or, for locomotive projects only, permanently removing the equipment from operation in Texas. The contract will include specific provisions for the disposition of the equipment and engine(s) being replaced and for submitting disposition verification to TCEQ.
- b) **Standard Disposition.** Standard disposition requires making a 3-inch or larger diameter hole on both sides of the engine block and cutting both frame rails **or** by completely crushing the equipment, including the engine. The structural damage to the equipment must be such that repairs are not possible.
- c) **Alternative Disposition.** TCEQ may consider alternative methods of rendering the equipment and engines permanently inoperable in lieu of the standard method of disposition.

The applicant must provide a detailed explanation of the alternative method of disposition in the application. If approved, TCEQ will include the alternative disposition method in the Special Terms and Conditions of the contract. If TCEQ does not approve the alternative method, the grantee must follow the Standard Disposition requirements as outlined above.

- d) **Permanent Removal for Locomotive Projects.** TCEQ may consider proposals for the permanent removal of the locomotive being replaced in lieu of the standard method of disposition or an alternative method. Applicants must indicate their intent to permanently remove locomotive(s) from Texas in lieu of destruction in the application.

The applicant must provide a detailed explanation of the plan to permanently remove the locomotive from the state of Texas in the application. If approved, TCEQ will include requirements for permanent removal in the Special Terms and Conditions of the contract. If TCEQ does not approve permanent removal, the grantee must follow the Standard Disposition requirements as outlined above in Section 4.7b).

Documentation of export and the transfer of ownership of the locomotive(s) outside of the state of Texas must be submitted to TCEQ within 90 days of TCEQ issuing the reimbursement payment.

- e) **Timing.** Within 90 days of TCEQ issuing the reimbursement payment, the grantee must complete the disposition of the equipment and engines being replaced and submit disposition documentation to TCEQ.
- f) **Documentation.** The destruction of the equipment and engines being replaced must be documented on TCEQ's disposition form with supporting documentation. Supporting documentation includes before and after photographs of the equipment being destroyed or rendered inoperable.
- g) TCEQ must approve the forms and supporting documentation submitted by the grantee to meet the disposition requirement. Such approval is at the sole discretion of TCEQ. The grantee shall provide TCEQ with any clarification and additional documentation as requested by TCEQ to approve disposition.
- h) The grantee must maintain records of the disposition, including copies of forms, documentation, and photos submitted to TCEQ. The grantee is responsible for maintaining

access to the disposed equipment and engine, keeping records regarding who completed the disposition, the dates the disposition was completed, and any chain-of-custody tracking the disposed equipment from the grantee to the final disposition site until disposition has been approved by TCEQ.

- i) It is a material breach of the contract if the grantee fails to complete disposition and submit completed disposition documentation to TCEQ within the 90-day timeframe. TCEQ will take action to enforce the terms of the contract and may require the return of grant funds.
- j) This section does not apply to refueling infrastructure projects.

#### **4.8 Annual Usage and Reporting**

The grantee must agree to operate and monitor the use of the grant-funded equipment for the duration of the activity life.

- a) The time period used to determine the emissions reductions for each activity is referred to as the activity life. The activity life will start on the date TCEQ approves disposition of an activity. When disposition is approved, TCEQ will notify the grantee to start keeping records beginning on the specified activity life start date.
  - 1) For non-road and stationary equipment projects, an applicant may select an activity life of five to seven years, including the operation of any associated infrastructure.
  - 2) For marine or locomotive projects, an applicant may select an activity life of five to 10 years, including the operation of any associated infrastructure.
- b) For the duration of the activity life, a grantee must:
  - 1) own or lease the grant-funded equipment (exception: refueling infrastructure must be purchased and not leased);
  - 2) operate the grant-funded equipment in Texas, with at least 55% of the equipment's total annual operation occurring in the eligible areas (refer to Appendix A), unless a different percent of operation commitment was made in the application;
  - 3) maintain records regarding the operation of the grant equipment, documents, amendments, and other reasonable information pertinent to the grant equipment, and maintain these records for four (4) years after the termination of the contract;
  - 4) maintain the grant-funded equipment in proper operating condition and make any necessary repairs to keep it in proper operating condition;
  - 5) obtain sufficient commercial insurance for each piece of grant equipment to protect against loss, damage, or liability (proof of self-insurance will be sufficient only for governmental entities);
  - 6) provide notice to TCEQ and request approval for any changes to the use or ownership of the grant equipment, and return any funds as required by contract for circumstances including, but not limited to:
    - the termination of use,
    - the change in use,
    - the intentional destruction of grant-funded equipment, or
    - the sale of grant-funded equipment. 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; and

- 7) provide written notice to TCEQ via email at [TERP-Monitoring@tceq.texas.gov](mailto:TERP-Monitoring@tceq.texas.gov) within ten (10) calendar days of the occurrence of loss, theft, or irreparable damage of the grant funded equipment. The grantee will replace the lost, stolen, or damaged grant equipment with similar equipment that achieves the same performance or better. The grantee must replace the grant equipment no later than ninety (90) consecutive days from the occurrence of loss, theft, or damage, unless TCEQ expressly agrees to a longer period.
- c) During the activity life, grantees will submit annual usage reports provided by TCEQ. The usage reports are used to ensure compliance with the annual usage requirements identified in the contract Scope of Work and to identify any issues preventing performance.
- d) Failure to meet the requirements of Section 4.8 or other contract terms regarding disposition and ownership may invoke the contract's remedies, including termination of the contract and the return of all or a prorated share of the grant funds. The prorated share of grant funds to be returned will be based on the degree of completion of obligations material to achieving emissions reductions which may include percentage of total usage within eligible counties, activity life, and annual usage.
- e) If requested by TCEQ, grant recipients must place a TCEQ-provided identifying mark or label on the grant-funded equipment to aid both TCEQ and the grant recipient in the tracking and identification of that equipment.
- f) [Appendix A](#) is a map of Texas highlighting counties designated as nonattainment areas and affected counties. These counties are also known as "eligible counties" where grant-funded equipment must operate a certain amount of time. Eligible counties are grouped into the following eligible areas: **Austin Area** (Bastrop, Caldwell, Hays, Travis, and Williamson Counties); **Beaumont-Port Arthur Area** (Hardin, Jefferson, and Orange Counties); **Corpus Christi Area** (Nueces and San Patricio Counties); **Dallas-Fort Worth Area** (Collin, Dallas, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties); **El Paso Area** (El Paso County); **Houston-Galveston-Brazoria Area** (Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties); **San Antonio Area** (Bexar, Comal, Guadalupe, and Wilson Counties); **Tyler-Longview Area** (Gregg, Harrison, Rusk, Smith, and Upshur Counties); and **Other Area** (Anderson, Freestone, Howard, Hutchinson, Navarro, and Titus Counties).

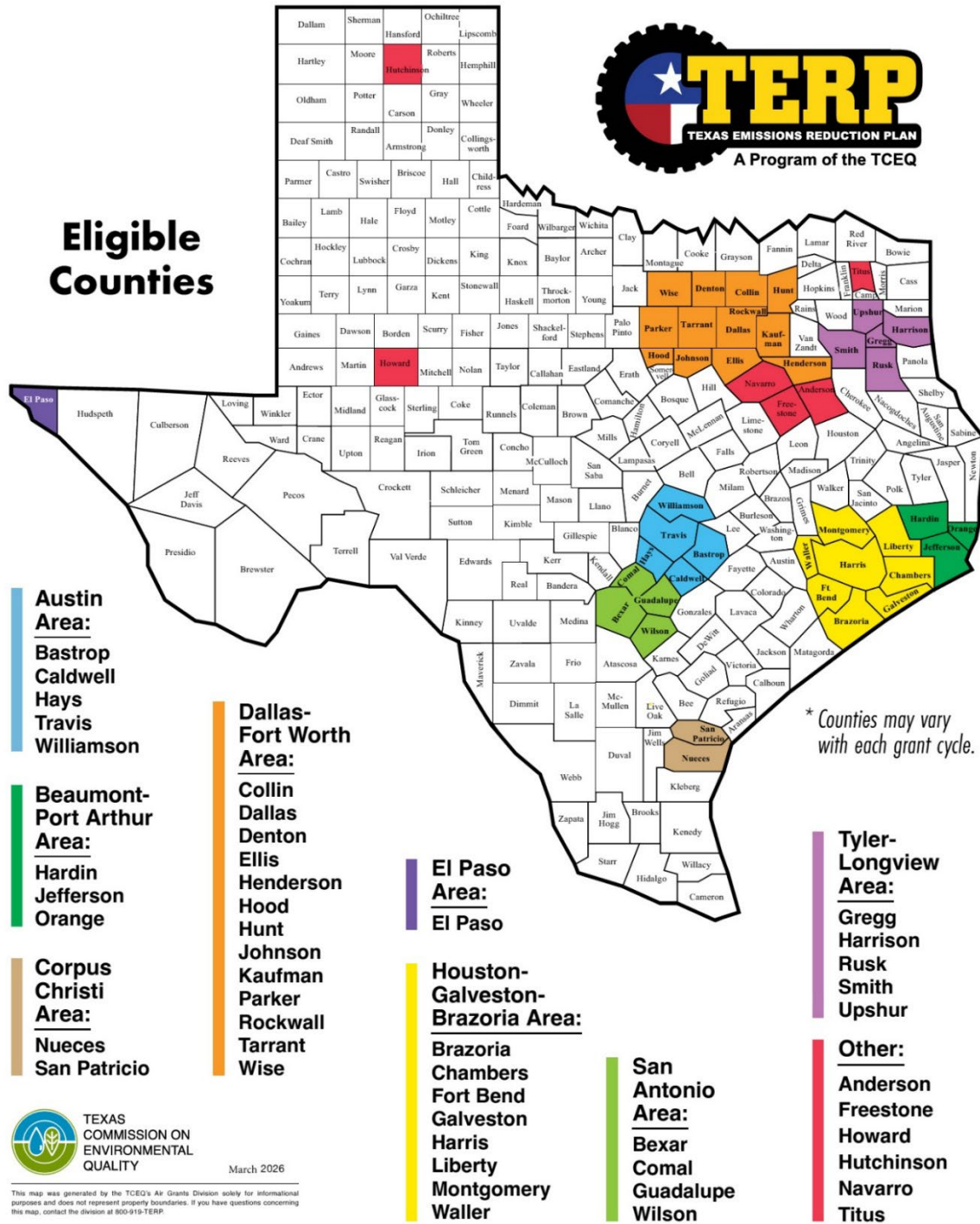
#### **4.9 Performance Evaluation**

TCEQ monitors grantee compliance with usage and reporting, disposition, ownership, and other contract terms. Failing to comply with these may invoke the contract's remedies, including termination of the contract and the return of all or a prorated share of the grant funds. The prorated share of grant funds to be returned will be based on the degree of completion of obligations material to achieving emissions reductions, which may include percentage of total usage within eligible counties, activity life, and annual usage.

TCEQ may prepare written performance evaluations for grantees upon the completion of the activity life, or as needed. Evaluations may be based upon the grantee's compliance with contract terms and providing timely, complete, and accurate requests for reimbursement, disposition, and annual usage documentation. A grantee's past performance evaluation may be considered when applying for future TCEQ grant programs. 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 grantee and any parties involved will be barred from receiving other grants; grantees and any parties involved may also be subject to criminal or civil penalties.

# Appendix A: Map of Nonattainment and Affected Counties

## Diesel Emissions Reduction Incentive (DERI) Program



## **Appendix B: Waiver Requests**

This appendix explains what TCEQ will consider when reviewing a waiver request as referenced in Section 2.0, and what an applicant must submit to request a waiver of one or more of the ownership and use requirements.

### ***Appx. B-1. Good Cause Waiver of Ownership and Use Requirements***

Sections 2.3, 2.4, and 2.5 of this RFGA require that equipment included under the ERIG program must have been owned and operated by the applicant in Texas for at least the two years immediately preceding the application signature date. Under Texas Health and Safety Code (THSC), Section 386.104(j), TCEQ may consider a request to waive one or more of these requirements based on a finding of good cause, which may include short lapses of operation due to economic conditions, seasonal work, or other circumstances. The burden is on the applicant to demonstrate why there is good cause to grant the waiver request.

### ***Appx. B-2. Good Cause Waiver for Ownership –Third-Party Equipment***

Applicants who can demonstrate good cause may submit a waiver request to purchase equipment from another entity (third-party) for the purpose of replacing or repowering that equipment under the ERIG program.

Applicants applying to replace or repower third-party equipment must:

- a) demonstrate that a replacement activity will result in the projected nitrogen oxides (NO<sub>x</sub>) emissions reductions;
- b) demonstrate that, absent the grant, the equipment being replaced would have continued to be operated in Texas for the duration of the contract period;
- c) provide the requested information for the equipment in the Activity Section of the online application;
- d) attach to the application the documentation required in Section 4.1(f) of this RFGA for the third-party equipment;
- e) certify that the third-party equipment meets the requirements of Sections 2.3, 2.4, or 2.5 of this RFGA and will be replaced or repowered in accordance with Sections 2.6, 2.8, or 2.10 of this RFGA; and
- f) certify that the third-party equipment will be disposed of in accordance with Section 4.7 of this RFGA.

Applicants that do not currently own the third-party equipment must establish permission from the owner to include the equipment in the application.

If awarded a grant, a grantee must demonstrate ownership of the third-party equipment before being reimbursed by TCEQ.

### ***Appx. B-3. Submitting a Waiver Request***

Applicants requesting a waiver must complete and submit Supplemental Form 1: Program Waiver Request with the application. Applicants requesting a Good Cause Waiver for Ownership –Third-Party Equipment must complete Sections A and B of the form.

Waivers will not be considered if submitted after an application has been received by TCEQ.

#### ***Appx. B-4. TCEQ's Consideration of Waivers***

All waiver requests will be considered by TCEQ on a case-by-case basis, with no assurance that a waiver will be granted.

#### ***Appx. B-5. Approval of Waiver Requests***

If a grant is awarded and a waiver request is approved, the conditions under which the waiver was granted may be included in the grant contract.

By signing the contract, the applicant attests to the validity of the conditions under which the waiver was granted.

## **Appendix C: List of Equipment Types Not Eligible Under this Solicitation**

- Agricultural Tractors
- Airport Support Equipment
- Combines
- Crawler Tractors
- Excavators
- Forklifts
- Graders
- Landfill Compactors
- Rollers
- Rough Terrain Forklifts
- Rubber Tire Loaders
- Skid Steer Loaders
- Sprayers
- Swathers
- Telehandlers
- Terminal Tractors (Non-Road and On-Road)
- Tractor Backhoe Loaders