

**Request for Grant Applications (RFGA)  
Fiscal Year 2024**

**Light-Duty Motor Vehicle Purchase or Lease Incentive Program  
(LDPLIP)**

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

**Solicitation No. 582-24-50576-LD**



Esta es la Solicitud de Aplicaciones de Subvenciones para el Programa de Incentivos de Compra o Arrendamiento de Vehículos Motorizados Ligeros (LDPLIP por sus siglas en Inglés). La información en este documento lo ayudará a determinar si califica para una subvención. Comuníquese al 800-919-TERP (8377) para obtener ayuda con esta información.

<b>Key Events</b>	<b>Date</b>
Program Opening Date	October 23, 2023
Application Submission Deadline*	March 22, 2024

\*Acceptance of applications may be suspended through an addendum in the Electronic State Business Daily (ESBD) when the statutory limit for each fuel type has been reached. TCEQ may award no more than 1,000 grants for a combination of CNG and LPG vehicles and 2,000 grants for hydrogen fuel cell or other electric drive (plug-in or plug-in hybrid) vehicles during this grant period.

**Texas Commission on Environmental Quality (TCEQ)**

**Air Grants Division**

**LDPLIP, MC - 204**

**P.O. Box 13087**

**Austin, Texas 78711-3087**

**1-800-919-TERP (8377)**

**[www.terpgrants.org](http://www.terpgrants.org)**

Unless the acceptance of applications is suspended by TCEQ prior to the application deadline, applications will be accepted for consideration during this grant period only if received by TCEQ via electronic mail (email) at [LDPLIP-Apply@tceq.texas.gov](mailto:LDPLIP-Apply@tceq.texas.gov), via TCEQ's File Transfer Protocol Secure site, or via mail no later than 5:00 p.m., Central Time, on the application submission deadline listed on the cover page of this RFGA. Refer to Section 4.0 for detailed instructions for submitting an application.

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

There will not be a pre-proposal conference.

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**1.0 Purpose**

TCEQ invites applications for the purchase or lease of an eligible new light-duty motor vehicle powered by compressed natural gas (CNG), liquefied petroleum gas (LPG or propane), or hydrogen fuel cell or other electric drive (plug-in or plug-in hybrid).

The Light-Duty Motor Vehicle Purchase or Lease Incentive Program (LDPLIP) is intended to incentivize the use of vehicles powered by electricity or an alternative fuel. The increased use of electricity or alternative fuels for transportation is intended to improve air quality in the state.

The LDPLIP is established under Texas Health and Safety Code (THSC) Chapter 386, Subchapter D. TCEQ has adopted rules to implement this program under 30 Texas Administrative Code (TAC) Chapter 114, Subchapter K, Division 2. Texas Water Code, Sections 5.124 and 5.229, provide TCEQ general authority to enter into grants and contracts.

**2.0 Program Requirements**

**2.1 Eligible Applicants**

Eligibility requirements are listed below.

- a. Persons who purchase or lease an eligible new light-duty motor vehicle on or after September 1, 2023, and who applied for or acquired title and registration of the vehicle in Texas are eligible to apply for a grant.
- b. Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations, or any other legal entity.
- c. If the vehicle has been purchased and then converted to operate on an eligible fuel, the conversion must occur before the vehicle reaches 500 miles of operation after first sale.
- d. The applicant must commit to operating and registering the vehicle in Texas for at least one calendar year (12 months) from the contract effective date. An applicant leasing a vehicle with a term of 12 months will still be required to meet this 12-month operating standard from contract effective date or be required to return a pro-rated portion of grant funds.
- e. If the vehicle is purchased for the purpose of leasing the vehicle to another person, the applicant must be the lessee and not the purchaser.

**2.2 Eligible Grant Amounts**

The eligible grant amounts for the purchase or lease of a new light-duty motor vehicle powered by CNG or LPG are below.

- Purchase or Lease (three-year or longer term): \$5,000
- Lease (two-year to less than three-year term): \$3,330 (66.6%)
- Lease (one-year to less than two-year term): \$1,665 (33.3%)

The eligible grant amounts for the purchase or lease of a new light-duty motor vehicle powered by hydrogen fuel cell or other electric drive (plug-in or plug-in hybrid) are below.

- Purchase or Lease (three-year or longer term): \$2,500
- Lease (two-year to less than three-year term): \$1,665 (66.6%)
- Lease (one-year to less than two-year term): \$832.50 (33.3%)

## 2.3 Eligible Motor Vehicles

To be eligible for a grant, a new light-duty motor vehicle must be included on the eligible vehicle list posted on the TERP website at [www.terpgrants.org](http://www.terpgrants.org), and must meet the vehicle eligibility criteria outlined below.

A new light-duty motor vehicle is eligible if it has a gross vehicle weight rating (GVWR) of 10,000 pounds or less and is powered by CNG, LPG, or hydrogen fuel cell or other electric drive (plug-in or plug-in hybrid). Additionally, vehicles classified by the EPA as a "Medium-Duty Passenger Vehicle" or a "Class 2b Heavy-Duty Vehicle" with a GVWR up to and including 10,000 pounds and operating on an eligible fuel are included in this definition.

### **If the vehicle is powered by CNG or LPG it must:**

- a. have four wheels;
- b. be originally manufactured to comply with and have been certified by an original equipment manufacturer or intermediate or final state vehicle manufacturer as complying with, or have been altered to comply with, federal motor vehicle safety standards, state emissions regulations, and any additional state regulations applicable to vehicles powered by compressed natural gas or liquefied petroleum gas;
- c. have been manufactured for use primarily on public streets, roads, and highways;
- d. have a dedicated or bi-fuel CNG or LPG fuel system installed prior to first sale or installed in Texas within 500 miles of operation of the vehicle following first sale, and with a range of at least 125 miles as estimated, published, and updated by the United States Environmental Protection Agency; and
- e. have, as applicable, a:
  - CNG fuel system that complies with the 2013 (or newer) NFPA 52 Vehicular Gaseous Fuel Systems Code and American National Standard for Basic Requirements for CNG Vehicle Fuel Containers, commonly cited as "ANSI/CSA NGV2"; or
  - LPG fuel system that complies with the 2011 (or newer) NFPA 58 Liquefied Petroleum Gas Code and Section VII of the 2013 (or newer) ASME Boiler and Pressure Vessel Code.

### **If the vehicle is powered by an electric motor, it must:**

- a. have four wheels;
- b. have been manufactured for use primarily on public streets, roads, and highways;
- c. not have been modified from the original manufacturer's specifications;
- d. have a maximum speed of at least 55 miles per hour; and
- e. be propelled to a significant extent by an electric motor that draws electricity from a hydrogen fuel cell or from a battery that has a capacity of at least four kilowatt hours; and
- f. is capable of being recharged from an external source of electricity (plug-in or plug-in hybrid).

## **2.4 Manufacturers Report & List of Eligible Vehicles**

Manufacturers of eligible new light-duty motor vehicles, intermediate or final state vehicle manufacturers, and manufacturers of CNG or LPG conversion systems are required to provide TCEQ a list of vehicle models and conversion systems that meet the eligibility requirements. TCEQ will review this information and will include eligible vehicle models and conversion systems on the Eligible Vehicle List published on the TERP website [www.terpgrants.org](http://www.terpgrants.org). Information about the list may also be obtained by calling the TERP toll-free number at 1-800-919-TERP (8377). The Eligible Vehicle List is not a final determinant of eligibility, and all eligibility criteria apply regardless of inclusion on the list.

If a manufacturer, an applicant, or vehicle dealer believes that a vehicle or conversion system that is eligible is not included on the list, the manufacturer, applicant, or dealer should contact TCEQ at the toll-free number above to discuss the process used by TCEQ to place a vehicle or conversion system on the list. The guidelines and reporting forms for use by manufacturers to provide information to TCEQ regarding vehicle models and conversion systems that meet the eligibility requirements are available by calling the toll-free number above.

TCEQ will make every effort to ensure that the vehicle models and conversion systems included on the list below meet the eligibility criteria. However, eligibility of a particular vehicle model may depend on factors outside TCEQ's control, such as various options available on that model or the fuel conversion system installed. Therefore, the applicant and dealer or leasing agent should ensure that the specifications of the vehicle, including any conversion system and fuel system installed on the vehicle, meet the eligibility criteria.

## **2.5 Additional Criteria**

- a. Vehicles purchased directly from or through an out-of-state franchised dealer are not eligible for this grant.
- b. Purchases or leases must be based on sound business practices and arms-length bargaining without actual or apparent conflicts-of-interest.
- c. The vehicle must be new and may not have been subject to a first sale or lease prior to the grant applicant's purchase or lease of the vehicle. If a vehicle and/or engine must be converted to operate on an eligible fuel, the conversion process must take place as part of the original sale or lease of the vehicle or installed in Texas within 500 miles of operation of the vehicle following first sale. Conversion may occur outside the state of Texas if the conversion occurs prior to first sale.
- d. Leases must have a lease term of at least 12 months.
- e. The vehicle purchase or lease must be final, the application for title and registration must have been submitted to the appropriate state authorities, and the applicant must have taken possession of the vehicle before the grant application is submitted.
- f. A vehicle is only eligible for one TERP incentive grant. Funding for the same vehicle under another TERP incentive program will not be awarded.
- g. A purchase or lease of the vehicle is not eligible for a grant if it is required by any state or federal law, rule or regulation, memorandum of agreement, or other legally binding document. This requirement does not apply:

- to an otherwise qualified purchase or lease, regardless of the fact that the state implementation plan assumes that the change in vehicles will occur, if on the date the grant is awarded the change is not required by any state or federal law, rule or regulation, memorandum of agreement, or other legally binding document; or
  - if the purchase or lease of the vehicle is required only by local law or regulation or by corporate or controlling board policy of a public or private entity.
- h. The applicant must agree to register and operate the vehicle in Texas for not less than one calendar year (12 months) after the contract effective date.
- i. Applications for grants must use TCEQ's application forms and must include verification of the purchase or lease by the dealer or leasing company, including valid and executed purchase or lease documents.
- j. If applying as an individual or sole proprietor, a photocopy of a state or federal identification card must be included in the application (i.e., driver's license).
- k. Under § 231.006, Texas Family Code, a child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25% is not eligible to receive a state-funded grant or loan. All business entities applying for a grant under this RFGA must include in the application the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25% of the business entity submitting the application. The certifying individual submitting the application must also certify in the application that the individual or business entity named in the application is not ineligible to receive state funding and acknowledges that the grant contract may be terminated, and payment may be withheld if the certification is inaccurate.

## **3.0 Funding Availability**

### **3.1 Funding Limits**

The total amount of funding available for grants under this program will depend on the amount of revenue received in the TERP account. TCEQ is not obligated to award grants up to the available funding amount and may adjust the available funding without amendment to this notice.

### **3.2 Limit on Number of Vehicles Funded**

Regardless of the amount of funding available, TCEQ may award no more than 1,000 grants for a combination of CNG and LPG vehicles and 2,000 grants for hydrogen fuel cell or other electric drive (plug-in or plug-in hybrid) vehicles under this grant program.

The available funds may not be enough to award the full number of grants for each vehicle fuel type.

TCEQ may, at its discretion, suspend the award of grants for CNG, LPG, and/or hydrogen fuel cell or other electric drive (plug-in or plug-in hybrid) vehicles prior to the application deadline. For any changes to this RFGA, TCEQ will provide notice on the TERP website at [www.terpgrants.org](http://www.terpgrants.org) and through an addendum on the ESBD.

After the maximum limits are reached for a vehicle category, applications for that vehicle category will no longer be accepted.

### **3.3 Information on Funding Availability**

To assist applicants and dealers in determining whether sufficient funds are available to cover their application, TCEQ will periodically post updates on the TERP website [www.terpgrants.org](http://www.terpgrants.org). This notice may also include information on the number of grants awarded under the vehicle categories, CNG, LPG, and/or hydrogen fuel cell or other electric drive (plug-in or plug-in hybrid).

Information will also be available by calling the TERP toll-free number at 1-800-919-TERP (8377).

### **3.4 Dealer and Leasing Company Reservation**

Vehicle dealers and leasing companies (but not individual applicants) may reserve a place in line for funding consideration for a specific purchase or lease of a vehicle that must be placed on order. Vehicle reservation forms can be downloaded from [www.terpgrants.org](http://www.terpgrants.org). The form must be completed and returned to TCEQ according to the instructions provided on the form.

A valid vehicle order document must be provided with the reservation form, including information about the vehicle make, model, and model year, and the buyer or lessee of the vehicle. The order document must also include the expected vehicle delivery date.

Upon receiving and accepting a reservation form, TCEQ will assign a reservation confirmation number verifying that the purchase or lease has a place in line for consideration under the first-come, first-served grant process. TCEQ will notify the dealer or leasing agent by phone or email of the reservation number and the expiration date of the reservation. The expiration date of the reservation will be determined by TCEQ based on the expected vehicle delivery date along with consideration of the application deadline.

An LDPLIP Application Form (TCEQ-20684) for the specific purchase or lease by the purchaser or lessee identified in the reservation request must be received before the



expiration date of the reservation in order for the assigned place in line to apply. If the application is received after the reservation expiration date, the application will be considered based on the date of receipt of the application, rather than the pre-assigned place in line.

Reservations will not be accepted after January 4, 2024. Applicants must have purchased and taken possession of the vehicle before the application deadline listed on the cover page of this RFGA.

This process is made available so that a dealer or leasing agent may request a place in line for a specific purchase or lease that is being ordered. This process is not available for dealers to reserve blocks of grants to be used to market vehicles to potential buyers or lessees.

TCEQ is not obligated to accept the reservation request and assign a reservation number. TCEQ may, at its discretion, provide a list of the current reservation numbers assigned on the TERP website. The dealer or leasing agent should not assume that a place in line is being held for that purchase or lease unless a reservation number is provided.

The assignment of a reservation number by TCEQ is not a guarantee of eligibility or that a grant will be awarded. Dealers and leasing agents should not imply to a purchaser or lessee that once a reservation number is assigned the award of a grant is assured.

Based on the availability of grants through notice provided on the website and the ESBD, TCEQ may suspend or cancel this reservation process at any time and without prior notice. TCEQ will use its best efforts to hold the place in line for any vehicle purchase or lease that is on the reservation list prior to that time.

TCEQ may establish a limit on the number of reservations that may be made by an individual dealer or leasing company or for an individual applicant, without amendment to this RFGA or other notice.

#### **4.0 Application Process**

- a. **Required Forms.** Application forms may be viewed and downloaded from the TERP website at [www.terpgrants.org](http://www.terpgrants.org). Copies of the forms may also be obtained by calling the TERP toll free number at 1-800-919-TERP (8377).
- b. **Application Submission.** To apply for a grant, applicants must complete and submit an application and all required accompanying forms and documents outlined in the instructions on the form electronically via [LDPLIP-Apply@tceq.texas.gov](mailto:LDPLIP-Apply@tceq.texas.gov), upload to TCEQ's File Transfer Protocol Secure (FTPS) site, or by regular mail.
  - 1. Submitting Applications via Email.** Applications may be submitted via email to [LDPLIP-Apply@tceq.texas.gov](mailto:LDPLIP-Apply@tceq.texas.gov). Please note: submitting your application by standard email is not secure. Use TCEQ's FTPS site to send it securely. Learn how to create an account and submit your application via FTPS ([FTPS: A Step-by-Step Video Guide](#)).
  - 2. Submitting Applications via TCEQ's FTPS site.** Applications may be submitted securely by uploading the file to our FTPS site and selecting the share file(s) button. Enter [LDPLIP-Apply@tceq.texas.gov](mailto:LDPLIP-Apply@tceq.texas.gov) as the email address. Detailed directions for using TCEQ's FTPS site can be found at <https://ftps.tceq.texas.gov/help/>. Please note: applications uploaded to the FTPS site without completing the share file(s) step will not be considered as submitted.

Here are the detailed instructions on [how to share files via TCEQ's FTPS site](#). Learn how to create an account and submit your application via FTPS ([FTPS: A Step-by-Step Video Guide](#)).

### **3. Submitting Applications via Regular or Express Mail.**

#### **Regular Mail:**

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

#### **Express Mail:**

Texas Commission on Environmental Quality  
Air Grants Division (LDPLIP), MC-204  
12100 Park 35 Circle  
Austin, TX 78753

- c. **Deadline for Submission.** Grant applications will be accepted and considered on a first-come, first-served basis during the grant period. Applications for which a prior reservation number was provided will be considered based on the date the completed reservation form was received as long as the application is received by the reservation expiration date. Applications received after the expiration of the assigned reservation number will be considered based on the date of receipt and acceptance of the application.
- d. TCEQ may suspend acceptance and/or processing of applications at any time during the application period with no obligation to continue processing an otherwise eligible application received within the deadline. Unless the acceptance of applications is suspended by TCEQ prior to the application deadline, applications must be received by electronic mail to [LDPLIP@tceq.texas.gov](mailto:LDPLIP@tceq.texas.gov), via [TCEQ's FTPS site](#), or via mail no later than 5:00 p.m., Central Time, on the application submission deadline listed on the cover page of this RFGA.
- e. **Additional Program Information.** For further information, contact TERP staff at 1-800-919-TERP (8377) or [TERP@tceq.texas.gov](mailto:TERP@tceq.texas.gov).
- f. **Public Information.** Upon submission, all grant applications become the property of the State of Texas and as such become subject to the Texas Open Records Act, Texas Government Code, Chapter 552.

## 5.0 Acceptance and Approval

Applications will be date stamped as they are received by TERP program staff. Properly completed and eligible projects will be processed for approval on a first-come, first-served basis. Applications with a valid reservation number will be considered based on the date the completed reservation form was received, if the application is received by the reservation expiration date. Incomplete or ineligible applications will be denied and may be returned to the applicant. Corrected or changed applications will be considered based on the date and time at which the corrected or changed versions are received by TERP program staff.

## 6.0 Contracting

- a. **Assurances and Certifications.** By signing the grant application, the applicant is agreeing to the certifications listed in the application forms and certifies that the information provided in the application and accompanying documents is true and correct.
- b. **Contract Execution.** Upon approval of the grant application and subject to the availability of funds, the authorized TCEQ representative will sign the application form. Once signed by both parties, the application form, terms and conditions, and certifications become the executed contract. A digital copy of the signed and executed contract will be emailed to the applicant as confirmation that the grant payment is being processed.
- c. **Contract Dates.** The contract will become effective on the date the last party signs the application/contract form. The contract period will extend for one calendar year (12 months) after the contract effective date.
- d. **Contract Obligations.** The grant recipient must adhere to the obligations agreed to in the contract documents, including registering and operating the vehicle in Texas for at least the contract period, which extends for one calendar year (12 months) from the contract effective date.

## 7.0 Payment

- a. By signing and submitting the grant application, the applicant is requesting payment of the grant amount upon approval and execution of the contract by TCEQ.
- b. By signing the forms, the applicant is also releasing TCEQ and the State of Texas of all claims associated with the grant upon receipt of the payment.
- c. TCEQ will strive to process payments within 30 days of the contract effective date. However, TCEQ and the Texas Comptroller of Public Accounts will not be obligated to process the request and make payment within that targeted time frame.