

# Request for Grant Applications (RFGA)

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

Texas Commission on Environmental Quality (TCEQ)

Texas Emissions Reduction Plan (TERP)

Solicitation No. 582-26-85000-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.



Key Events	Date
Program Opening Date	October 13, 2025
Application Submission Deadline*	March 6, 2026

\*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.

### Contact Information

TCEQ  
Air Grants Division, MC-204 (LDPLIP)  
P.O. Box 13087  
Austin, Texas 78711-3087  
800-919-TERP (8377)  
[terpgrants.org](http://terpgrants.org)

Unless the acceptance of applications is suspended by TCEQ prior to the application deadline, applications will only be accepted for consideration during this grant period 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**. Refer to Section 4.0 for detailed instructions for submission.

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), as well as posted on the TERP website at [terpgrants.org](http://terpgrants.org).

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), 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, provides TCEQ the general authority to award grants and enter into contracts.

## **2.0 Program Requirements**

### ***2.1 Eligible Applicants***

All applicants must meet the eligibility requirements listed in this section at the time of application submittal to be considered for a grant.

- a) Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations, or any other legal entities.
- b) Applicants who purchase or lease an eligible new light-duty motor vehicle on or after September 1, 2025, and who applied for or acquired title and registration of the vehicle in Texas are eligible to apply for a grant.
- c) Applicants must commit to operating and registering the vehicle in Texas for at least one calendar year (12 months) from the date of purchase or lease.
- d) 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.
- 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 Ineligible Applicants***

- a) Applicants who have a debt to the state of Texas based on an outstanding warrant hold at the time of application are not eligible to receive a grant under this program.
- b) Applicants who have an outstanding invoice to TCEQ at the time of application are not eligible to receive a grant under this program.
- c) Current TCEQ employees are not eligible to receive a grant under this program.
- d) TCEQ may make a determination of ineligibility due to risks associated with the applicant and/or project and is not obligated to fund any project for any reason.

## **2.3 Eligible Grant Amounts**

### a) Compressed Natural Gas and Liquefied Petroleum Gas Vehicles

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 (100%)  |
| • 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%) |

### b) Hydrogen Fuel Cell or Other Electric Drive Vehicles

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 (100%)   |
| • 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%) |

## **2.4 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 [terpgrants.org](http://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, 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.

### **2.4.1 Vehicles powered by CNG or LPG 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 CNG or LPG;
- 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.

#### **2.4.2 Vehicles powered by Electric drive 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
  - is capable of being recharged from an external source of electricity (plug-in or plug-in hybrid).

#### **2.5 Manufacturer's Report & Eligible Vehicle List**

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 with 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 at [terpgrants.org](http://terpgrants.org). Information about the list may also be obtained by calling the TERP toll-free number at 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 or visiting the [LDPLIP Manufacturers](#) webpage.

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 should ensure that the specifications of the vehicle, including any conversion system and fuel system installed on the vehicle, meet the eligibility criteria.

#### **2.6 Additional Considerations**

- 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) The applicant must agree to register and operate the vehicle in Texas for not less than one calendar year (12 months) from the purchase or lease date.
- e) Leases must have a term of at least 12 months.
- f) 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.
- g) A vehicle is only eligible for one TERP incentive grant. Funding for the same vehicle under another TERP incentive program will not be awarded.

- h) 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.
- i) Applications for grants must use TCEQ's online application and must include verification of the purchase or lease by the dealer or leasing company, including valid and executed purchase or lease documents.
- j) Under Section 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.

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

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 [terpgrants.org](http://terpgrants.org) and through an addendum on the ESBD.

### **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 at [terpgrants.org](http://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).

For more information, contact TERP staff toll-free number at 800-919-TERP (8377).

## 4.0 Application Process

- a) **Application Submission.** To apply for a grant, applicants must complete and submit an application and all required documents through 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 TERP website at [terpgrants.org](http://terpgrants.org).
- b) **Required Documents – All Applicants.** The documents below must be uploaded and submitted with the SUNSS application. Documents should be clearly labeled before being uploaded to the SUNSS application.
- A completed and signed IRS Form W-9.
  - One of the following:
    - Title Application Receipt or Web Dealer Original Title;
    - Application for Texas Title and Registration (Form 130-U); or
    - Both your Vehicle Title and Registration.
  - A completed and executed purchase or lease agreement signed by the applicant and seller (invoice, bill of sale, purchase order, lease document, etc.).
    - In lieu of a completed and executed purchase or lease agreement, TCEQ may accept the following documents: a Buyer's Order (all pages) signed by the applicant and dealer, **plus one of the following:**
      - Canceled check (front and back) or a bank statement showing payment in full;
      - A finance agreement with a financial institution (VIN and loan amount must be on agreement); or
      - A retail installment contract signed by the applicant and financial institution.
- c) **Required Documents – Individual or Sole Proprietors.** A photocopy of a state or federal identification card must be uploaded and submitted with the application (i.e., driver's license).
- d) **Additional Requirements for CNG or LPG vehicle conversion systems:**
- A conversion invoice;
  - Proof of payment for the conversion system; and
  - Photo of engine plate or EPA certification sticker.
- e) If an application is found to be incomplete, TCEQ will notify the applicant in writing and provide details about what is missing from the application. Applicants will be provided a deadline to submit the missing information to TCEQ. Failure to provide the missing information to TCEQ by the deadline may result in the application being ineligible.
- f) **Deadline for Submission.** Grant applications will be accepted and considered on a first-come, first-served basis during the grant period.
- g) 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 electronically via SUNSS no later than 5:00 p.m., Central Time, on the application submission deadline listed on the cover page of this RFGA.
- h) **Additional Program Information.** For further information, contact TERP staff at 800-919-TERP (8377) or email at [TERP@tceq.texas.gov](mailto:TERP@tceq.texas.gov).
- i) **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 automatically date-stamped as they are received electronically via SUNSS. Properly completed and eligible applications will be processed for approval on a first-come, first-served basis.

## 6.0 Contracting

- a) **Assurances and Certifications.** By signing the grant application, the applicant agrees to the certifications listed in the online application and certifies that the information provided in the application and accompanying documents is true and correct.
- b) **Contract Execution.** By signing and submitting the application, the applicant is making a contract offer that includes agreeing to the terms and conditions and information included in the application. Upon review and approval of the grant application and subject to the availability of funds, the authorized TCEQ representative will accept the application and sign and execute the contract. Once signed by TCEQ, a digital copy of the contract will be emailed to the applicant as confirmation of contract formation and notice that the grant payment is being processed.
- c) **Contract Period.** The contract will be effective on the date it is signed by TCEQ. The contract will expire one year (12 months) after the 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 not less than one year.

## 7.0 Payment

- a) Once a contract is formed by TCEQ's signature on the documents, TCEQ will issue payment to the grant recipient.
- 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.