

Request for Grant Applications (RFGA)
New Technology Implementation Grant Program (NTIG)
Texas Commission on Environmental Quality (TCEQ)
Texas Emissions Reduction Plan (TERP)

Solicitation No. 582-25-70001-NG

Este documento es la Solicitud para Aplicaciones de Subvenciones para el Programa de Subvenciones para la Implementación de Nuevas Tecnologías (NTIG, 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.



Important Dates	Date
Program Open Date	Oct. 31, 2024
Application Submission Deadline	Jan. 7, 2025
Request for Reimbursement Deadline	April 30, 2027

Contact Information

TCEQ
Air Grants Division, MC-204 (NTIG)
P.O. Box 13087
Austin, Texas 78711-3087
1-800-919-TERP (8377)
www.terpgrants.org

Applications will be accepted for consideration during this grant period only 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 Section 4.0 for detailed instructions for submitting an application.

The award of an NTIG 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 [NTIG homepage](#).

There will be no pre-proposal conference.

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 Emissions Reductions	1
2.3 Electricity Storage Projects for Renewable Energy	2
2.4 New Technology Stationary Source Projects.....	3
2.5 New Technology Oil and Gas Projects.....	3
2.6 Eligible Project Considerations	5
3.0 Available Funding and Costs	6
3.1 Available Funding	6
3.2 Costs Eligible for Reimbursement.....	6
3.3 Non-Reimbursable Costs	8
4.0 Grant Application and Administration Process.....	9
4.1 Application Process	9
4.2 Application Forms	10
4.3 Project Implementation Plan	11
4.4 Public Information	11
4.5 Intellectual Property and Patents	12
5.0 Selection and Scoring.....	12
5.1 Scoring Criteria and Preferences	12
5.2 Additional Selection Criteria	18
6.0 Grant Award Process	18
6.1 Contract Execution	18
6.2 Required Documentation	19
6.3 Project Implementation	20
6.4 Reimbursement	20
6.5 Grantee Compliance and Reporting.....	21
6.6 Grantee Evaluation.....	21
7.0 Marketable Emission Reduction Credits.....	21
Appendix A: List of Texas Nonattainment Areas and Affected Counties.....	23
Appendix B: Clean Transportation Zone.....	24
Appendix C: Confidential Information Directions.....	25

1.0 Purpose

TCEQ invites applications for the NTIG program including Electricity Storage, New Technology, and Oil and Gas-related projects. The primary objective of the NTIG program is to offset the incremental cost of emissions reductions of pollutants from facilities and other stationary sources in Texas.

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. Applications will be reviewed and scored by TCEQ with awards made on a competitive basis.

2.1 Eligible Applicants

- a) Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations, or other legal entities.
- b) Business entities such as corporations or partnerships must have an active registration with the Texas Secretary of State by the date of the grant round opening. Businesses must maintain an active registration during the contract period if awarded a grant.
- c) Applicants must be the owner or operator of a stationary source located in the state of Texas that emits pollutants (i.e., a "facility"). Applicants who are not owners of the facility must provide evidence of operational control for the duration of the contract.
 - 1) Proof of owner or operator status includes ownership records, lease agreements, or any other legal document that shows the applicant's ownership or the ability to complete construction and operate on that property for the duration of the contract if the applicant is not the owner of the property.
- d) Businesses or other entities in which a TCEQ employee, spouse, or family member of a TCEQ employee has a direct or indirect interest, financial or otherwise, may be prohibited from receiving a grant, depending upon the nature of the interest. Applicants must disclose known apparent, potential, or actual conflicts of interest to TERP staff at the time the application is submitted.

2.2 Emissions Reductions

- a) All project categories included under this NTIG solicitation require that the applicant demonstrate reasonable evidence that the proposed technology is capable of providing a significant reduction in emissions. In performing emissions reductions calculations or emissions calculations in general, NTIG applicants may refer to the United States Environmental Protection Agency's (EPA) [AP-42](#), *Compilation of Air Pollutant Emissions Factors from Stationary Sources*, for guidance. TCEQ acknowledges that each grant proposal may be unique, so the applicant may select the best available and most accurate methodology to provide calculations. TCEQ's Office of Air, Air Permits Division will review all emissions data provided by the applicant and will assess the accuracy of the data and whether the applicant used an appropriate methodology.

- 1) For emissions reductions capability, applicants must also address the processes used by the facility, the fuel or feedstock used, and other attributes of the project that enhance this capability.
 - 2) Any claims of emissions reductions must be supported by the information provided in the application. All calculations should be thoroughly documented in the application.
- b) An applicant must demonstrate a net reduction of actual emissions for regulated pollutants affected by the project. Regulated pollutants are those subject to federal regulation under new-source review, including any pollutant for which a national ambient air quality standard (NAAQS) has been promulgated and any constituents or precursors for such a pollutant that have been identified by the EPA, or other pollutants based on the standards of the federal Clean Air Act, Title 42, United States Code, Sections 7401, 7408, 7411, and 7412 (FCAA). These are:
- 1) Criteria pollutants;
 - 2) Hazardous air pollutants (HAPs);
 - 3) Any other pollutants regulated under the FCAA; and
 - 4) Any other pollutants subject to requirements under TCEQ rules, regulations, permits, orders of the commission, or court orders.
- c) Emissions reductions must be calculated for each regulated pollutant impacted by the project where these reductions are the difference between the baseline emissions for that pollutant less the projected emissions (defined below). In cases where emissions reductions are contingent upon collateral increases in other emissions (e.g., decreasing NO_x while increasing CO, NH₃ slip), those increases must be identified and provided as part of the application. In order for the application to be eligible, those increases must be shown to be good engineering practice and protective of the NAAQS, public health and welfare, and physical property.
- 1) Baseline emissions are the average emissions in tons per year from a facility for at least 2 calendar years out of the past 10 consecutive years prior to the date of application. If the facility has not been in existence for at least 2 years, an applicant may substitute the missing data with emissions data from same or similar facilities, engineering calculations, or stack sampling data. On a case-by-case basis, TCEQ may consider other data sources provided by the applicant.
 - 2) All baseline emissions must not exceed any applicable local, state, or federal requirements for that facility as it is currently authorized.
 - 3) Projected emissions are the average expected emissions in tons per year to be emitted from the facility after the project is completed.
 - 4) All projected emissions must not exceed any applicable local, state, or federal requirements for that facility. This includes any requirements that may apply after the proposed project is completed (e.g., New Source Performance Standards).

2.3 Electricity Storage Projects for Renewable Energy

- a) Activities eligible for funding under this category must propose an electricity storage project with rated power of one (1) megawatt (MW) or greater, and clearly demonstrate that it is related to renewable energy in Texas.
- b) These projects may include storage of electricity generated from resources that are naturally replenished, such as wind, sunlight, rain, tides, or geothermal heat that

provides an efficient means of making stored energy available during periods of peak energy use.

- c) Electricity storage projects using renewable energy source(s) must be owned by the applicant or leased at the time of application submittal and be documented as part of the application.
- d) The renewable energy must be generated from the project itself and cannot be purchased from the grid. Electricity-storage projects related to renewable energy, may include:
 - 1) Lithium-ion batteries;
 - 2) Energy-retaining flywheels;
 - 3) Compressed-air energy storage;
 - 4) Pumped hydropower or other gravity batteries; and
 - 5) Sodium-sulfur storage batteries.

2.4 New Technology Stationary Source Projects

Project must reduce emissions of regulated pollutants from stationary sources.

2.5 New Technology Oil and Gas Projects

- a) TCEQ will consider applications for new technology projects that reduce emissions from upstream, midstream, and downstream oil and gas industry activities, including production, completions, gathering, storage, processing, transmission, and refining through one of the methods listed below.
- b) Each grant application may only include oil and gas projects located within the same county. Projects that span multiple counties must be on separate applications.
- c) Grant applications may not include more than 100 individual activities. For example, a grant application regarding wellhead projects may not involve more than 100 wellheads per grant application.

2.5.1 Stationary Compressor Engines

- a) TCEQ will consider applications for the replacement, repower, or retrofit of stationary compressor engines used in upstream, midstream, and downstream oil and gas production, completions, gathering, storage, processing, transmission, and refining activities.
- b) For all stationary compressor engine projects, the applicant must certify that the equipment being replaced, repowered, or retrofit would have been in operating condition for at least five years, the period within which the emissions reductions will be claimed.
- c) The grant-funded engine must emit at least 25% less NO_x compared with the baseline emissions of the original engine. Acceptable documentation includes EPA or California Air Resources Board (CARB) certification or verification; manufacturer guarantee; or a commitment that emissions reductions will be verified by in-situ sampling utilizing EPA sampling methods. Other emissions reductions documentation may be accepted by TCEQ on a case-by-case basis. This documentation is not in lieu of any emissions verification or sampling requirements required by Federal, State, or local regulations.

d) Replacement or Repower of Stationary Compressor

- 1) A stationary compressor may be replaced or repowered with a new or newer compressor.
- 2) For replacement projects, the emissions reductions are based on the expected future use of the original compressor compared with the use of the reduced-emission equipment. The estimated future use of the original compressor is determined from recent historical use and may not exceed the average annual use of the equipment being replaced for the two years preceding the application signature date.
- 3) Eligible rebuilt or remanufactured engines must use only components from the original engine manufacturer (OEM) and be purchased from the OEM or its authorized dealers and distributors. However, with prior approval, TCEQ may accept engines from suppliers not connected with the OEM, subject to a case-by-case determination.
- 4) The replaced or repowered equipment must be of the same type and horsepower and be intended for use in the same application or vocation as the equipment being replaced. TCEQ may accept equipment of a different type to account for the latest technology used for a specific vocation.
- 5) TCEQ may accept, on a case-by-case basis, the replacement of a multi-engine piece of equipment with a single-engine piece of equipment, or vice versa, as long as the new piece of equipment will have the same use as the piece of equipment being replaced and the emissions reductions can be adequately determined.

e) Retrofit, Add-on, or Other In-situ Emissions-Reduction Technology

- 1) An existing engine on a stationary compressor may be retrofit by adding emission-reducing devices onto the equipment. An existing engine on a stationary compressor may be retrofit by adding emission-reducing devices onto the equipment or modifying the engine to run on a different fuel type.
- 2) The engine must emit at least 25% less NO_x compared with the baseline emissions of the engine being retrofitted. In general, for older engines being retrofitted that were not subject to stationary engine certification standards, TCEQ may consider a baseline emission rate based on the standards used for non-road engines. TCEQ may also consider in-use test data provided by the applicant.
- 3) TCEQ may also consider the conversion of a currently installed engine to operate on a different fuel or the installation of an emissions-upgrade kit under the repower category.

2.5.2 Control Loss, Flaring, or Burning of Gas

TCEQ will consider applications for the installation of systems to reduce or eliminate the loss of gas, flaring of gas, or burning of gas using combustion control devices.

2.5.3 Flaring Emissions and Other Emissions Reduction

TCEQ will consider applications for the installation of systems that reduce flaring emissions and other site emissions.

2.6 Eligible Project Considerations

- a) TCEQ does not intend to fund the development of any technologies under the NTIG program.
- b) Projects reducing emissions from existing stationary sources must have an active authorization for the source at the time of application unless the applicant can demonstrate that the source does not require authorization.
- c) **Safety Issues:** The applicant must complete Section 4: Health/Safety and Environmental Impact Certification of the NTIG application and respond to the Safety and Environmental Impact questions therein. If potential safety issues raise concerns, the application may be deemed ineligible.
- d) **Environmental Impacts:** TCEQ may consider an applicant's environmental compliance in making a funding decision. Additionally, the applicant must include a full discussion of any positive and negative potential impacts on the environment and planned mitigations. Depending on the severity of how the technology will negatively impact other areas of the environment, the application may be deemed ineligible.
- e) An activity is not eligible under any of the following project categories if it is required by state or federal law, rule, regulation, memorandum of agreement, or any other binding document, unless approved by TCEQ. Section 7 of this RFGA outlines the conditions under which a project involving implementation of emission reduction technology that would otherwise generate marketable credits under state or federal emissions reduction credit averaging, banking, or trading programs could be eligible for funding.
- f) Planned water usage for proposed projects must be consistent with the state water plan.
- g) The grant may not be used for activities to comply with federal or state emission standards, as the emissions reductions would not be surplus.
- h) **Ownership Waiver**
 - 1) Unless a waiver is granted by TCEQ, the standards that apply are listed below.
 - The applicant must have continuously owned or leased the facility or equipment that is the subject of a NTIG grant for a minimum of two years immediately preceding the application signature date.
 - The applicant must provide proof of ownership, which may include a copy of the bill of sale, maintenance records, or in some cases a title.
 - The equipment must have been continuously located and operated in Texas, in its primary function in the routine operations of the applicant, for the two years immediately preceding the grant application date and have at least five years of useful life remaining as of the application signature date.
 - 2) TCEQ may, on a case-by-case basis, waive the requirement to own or lease the equipment for two years where the ownership of the company has changed, the assets of the company have been purchased by another company, or the company has changed its name or incorporation status. The use of the compressor being replaced must not have changed.
 - 3) TCEQ may waive the requirement for two years of continuous use for short lapses in operation due to economic conditions, seasonal work, or other circumstances, based on a finding of good cause.

- 4) To request a waiver, applicants must complete Supplemental Form 1: Waiver Request and submit it as part of their application.

3.0 Available Funding and Costs

3.1 Available Funding

- a) The total amount to be awarded under this grant program will depend upon the amount of revenue received in the TERP Trust Fund. Currently, \$10.9 million is projected to be available for this program. Of that amount, a minimum of \$1 million will be set aside for Electricity Storage Projects related to renewable energy.
- b) TCEQ is not obligated to select project proposals to cover the full amount of expected or available funding. TCEQ may select parts of a proposal for funding and may offer to fund less than the dollar amount requested in a proposal.
- c) TCEQ may not award a grant that, net of taxes, provides an amount that exceeds the incremental cost of the proposed project. In determining the amount of a grant, TCEQ shall reduce the incremental cost of a proposed project 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. The incremental cost is defined as the cost of a project less a baseline cost that would otherwise be incurred by the applicant in the normal course of business. It may include added lease or fuel costs, as well as additional capital costs.
- d) Depending on demand and the requested grant amounts of eligible applications received, TCEQ may redistribute the TERP Trust Fund allocations to best meet the purposes of the NTIG program. This may include, but is not limited to, redistributing funds within this grant program, moving funds to another grant program, or allocating additional funds to this grant program.

3.2 Costs Eligible for Reimbursement

- a) Applicants awarded a grant must bear at least 50% of the incremental costs to implement the project. TCEQ will reimburse up to 50% of allowable, eligible project costs.
- b) Costs for reimbursement must be directly related to the implementation of the NTIG project. All anticipated costs of the project must be represented and specifically detailed in the budget sections of the NTIG Project Application Form. TCEQ uses the budget categories and general cost definitions below.
- c) Applicants are encouraged to show project costs broken down, if possible, so that partial funding could be considered for any grant.
- d) An itemized invoice and proof of payment (for example, a cancelled check or bank confirmation of electric funds transfers) will be required for reimbursement of all costs.
- e) There is no guarantee that a grant contract will be awarded or that a Notice to Proceed (NTP) will be issued. Costs incurred on or after the NTIG program opening date listed on the cover page of this RFGA are potentially reimbursable but are at the applicant's own risk until an NTP is issued.
- f) If awarded a grant, the budget categories in the grant contract will identify the maximum amounts that TCEQ may reimburse or allow as match. Project funding may

not be moved from one direct budget category to another without written approval by TCEQ.

- g) Grant funds must be spent consistent with all applicable cost principles from Texas Administrative Code (30 TAC) Section 14.10 and the Texas Grant Management Standards (TxGMS), found at the [Texas Comptroller's Grant Management website](#).

3.2.1 Eligible Budget Categories

- a) **Equipment:** Equipment is defined as non-construction related, 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 constructed 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. Equipment must be specifically identified in the Scope of Work to be eligible for reimbursement.
- b) **Supplies & Materials:** Supplies and materials are defined as non-construction related costs for goods and materials having a unit acquisition cost (including sales tax and delivery) of less than \$10,000, and which are used or acquired specifically for this project.
- c) **Construction:** Construction expenses are defined as the costs for enhancement or building of permanent facilities. Construction costs can include costs of planning, designing, and engineering; materials and labor connected with the construction; and any subcontracts including contracts for services in connection with the construction.
- d) **Contract Services (Consultants and Subcontractors):** Contractual expenses are defined as non-construction related costs for professional services or tasks provided by a firm or individual who is not employed by the applicant. Each subcontractor/consultant should be listed separately. Major subcontractors may need to submit a quote or itemized budget in support of the application budget.
- e) **Operation and Maintenance:** Include costs related to the operation and maintenance of the grant-funded technology through the end of the contract period. TCEQ will require an itemized invoice and proof of payment for reimbursement of all operation and maintenance costs.

3.2.2 Additional Eligible Costs for Stationary Compressor Engine Replacement or Repower Projects

The grantee may be eligible for reimbursement of up to 50% of the implementation cost of the purchase or lease and installation of the engine. The implementation cost is the cost to acquire and install the replacement or repowered engine and associated equipment. The implementation cost also includes the costs of operating and maintaining the emissions-reducing equipment.

- a) Invoice cost or cash basis for the lease costs of the replacement or repowered engine, including taxes, duty, protective in-transit insurance, and freight charges.
- b) Invoice cost of additional equipment with a per unit acquisition cost of \$10,000 or more and that is necessary for the completion of the replacement or repower project.
- c) Installation costs, including the cost to remove and dispose of the old engine, if needed. Installation costs may include costs to re-engineer the equipment for the new engine to fit. Technical design, testing, and other engineering services required as part of the installation work should also be listed under this subcategory.

3.2.3 Additional Eligible Costs for Retrofit or Add-on of Emissions-Reduction Technology Projects

The grantee may be eligible for reimbursement of up to 50% of the implementation cost of the purchase and installation of the retrofit and/or add-on technology. If the engine is to be rebuilt to install the emission- reduction devices, the implementation cost is the difference between the cost of rebuilding the existing engine and the cost of rebuilding the engine to include the retrofit or add-on technology. If the engine does not need to be rebuilt in conjunction with installing the new technology, then the implementation cost will be the full cost of acquiring and installing the technology.

- a) Equipment and Installation
 - 1) Invoice cost of the retrofit equipment, including taxes, duty, protective in-transit insurance, and freight charges.
 - 2) Invoice cost of additional equipment with a per unit acquisition cost of \$10,000 or more and which is necessary for the completion of the retrofit project.
 - 3) Installation costs may include costs to re-engineer the equipment for the retrofit system to fit. Technical design, testing, and other engineering services required as part of the installation work should also be listed under this subcategory.
- b) Supplies – Invoice cost of equipment and materials not included as part of the retrofit system itself with an acquisition cost of less than \$10,000 which are necessary for the retrofit of the equipment.

3.2.4 Matching Costs for Electricity Storage Projects

The grantee must clearly distinguish between costs related to the storage project and costs related to the renewable energy source. Costs related to the renewable energy source are not reimbursable but may be submitted for matching costs.

3.3 Non-Reimbursable Costs

The following costs will not be eligible for reimbursement as part of the total eligible project cost. Expenses that are ineligible for reimbursement are also not allowable as matching expenses.

- a) **Indirect Costs including:** Overhead, rent, utilities, administrative expenses, general office supplies, telephones, basic tools (e.g., wrenches, screwdrivers, etc.), and other expenses that are a cost of doing business.

Exception to indirect costs: For state agencies and local governments, including public higher education institutions, unrecovered indirect costs may be used as part of the required match with prior approval from TCEQ. TCEQ approval depends on providing an approved indirect cost rate letter from a cognizant agency and demonstration that the indirect cost match is necessary for the project's implementation.
- b) **Other Costs including:**
 - 1) Costs incurred prior to the opening of the grant round,
 - 2) Costs for the preparation of the application including consultant fees;
 - 3) Finance fees and charges;
 - 4) Permitting costs for TCEQ-issued permits;

- 5) The purchase of testing equipment;
- 6) Costs not directly attributable to the grant-funded work, including facility improvements and equipment not directly associated with the equipment;
- 7) Advertising or marketing costs, including the cost of the informational Internet webpage;
- 8) Costs to reimburse the salary of any lobbyist registered in Texas;
- 9) Costs for projects required as Supplemental Environmental Projects (SEPs), including controls required to be implemented as part of enforcement actions, consent decrees, or new regulations;
- 10) Costs that do not involve an arms-length transaction (e.g., use of inventory without a proof of purchase). Transactions between related businesses (subsidiary, sister, or parent companies) are not considered arm's length transactions but 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;
- 11) Escalation, inflation, indeterminates and contingencies;
- 12) Insurance premiums; and
- 13) Food or drinks.

4.0 Grant Application and Administration Process

4.1 Application Process

- a) Applications will be accepted for consideration during this grant period only if received by TCEQ's file transfer protocol secure (FTPS) server or via mail at one of TCEQ's addresses, no later than 5:00 p.m. Central Time on the application submission deadline listed on the cover page of this RFGA.
- b) Applications may be submitted securely by uploading the file to [TCEQ's FTPS Server](#) and selecting the share file(s) button. Enter NTIG-Apply@tceq.texas.gov as the email address. See [detailed directions for using TCEQ's FTPS site](#). **Please note: Applications uploaded to TCEQ's FTPS server without completing the share file(s) step will not be considered as submitted.** [Learn how to create an account and submit your application via the FTPS site in this step-by-step video guide](#). It is preferable that the application and its attachments be submitted as a single PDF, but it is not required. If the attachments for an application are submitted as separate files, each attachment must be grouped by activity and clearly labeled with the activity number at the top of each page.
- c) Applications may also be submitted by mailing a physical copy to one of these addresses:

Standard Mail:

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

Express Mail:

Texas Commission on Environmental Quality
Air Grants Division, MC-204 (NTIG)
12100 Park 35 Circle, Building F, 1st Floor, Suite 1301
Austin, TX 78753

- d) **Consultants and 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 3.3, 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 if the application was prepared by a third party (someone other than the applicant or an employee of the applicant). If a third party prepares the application, the third party must also sign the application and certify that the information provided in the application is true and correct and as represented to the third party by the applicant. A third party's failure to sign the application or signing it with a false statement may make the application ineligible, may make any resulting contracts voidable, and may subject the third-party preparer to criminal or civil penalties.

Preparation of an application by a third-party preparer who has previously submitted inaccurate or fraudulent information to the agency will result in an application being considered "high risk," and reduce the likelihood of an award.

- e) **Application Certifications:** By signing the application, the applicant is certifying its understanding and compliance with the statements in the application, including the General Certifications. If any of these certifications materially change after submittal of the application, you will provide prompt notification to TCEQ within three (3) business days of becoming aware of the change. Failure to notify TCEQ and/or any changes to your certifications may make the application ineligible and may make any resulting contracts voidable.
- f) 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.

4.2 Application Forms

- a) The application and this RFGA may be viewed and downloaded from TCEQ website at terpgrants.org or by contacting TERP staff via email at TERP@tceq.texas.gov by phone at (800) 919-TERP (8377).
- b) All applications and project proposals for funding must include:
- 1) All pages of the application;
 - 2) All required attachments;
 - 3) Applicant's contact information;
 - 4) All required signatures; and

- 5) All the information necessary for TCEQ to score and rank the project according to the scoring criteria listed in this RFGA.
- c) TCEQ will review the application for completeness. If the 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. The deadline will begin on the first full business day following the date the applicant was notified by TCEQ and will end at 5:00 p.m., Central Time (CT), on the last full business day. If the missing information is not received by TCEQ by 5:00 p.m., CT, on the last full business day, the application may be determined ineligible by TCEQ.
- d) By signing the application, the applicant is certifying its understanding and compliance with the statements listed in Section 6 of the application, as well as with any state statutes, regulations, policies, guidelines, and requirements as they relate to the application, acceptance, and use of funds for the project. If any of these certifications change between submittal of the application and award of a contract, the applicant must notify TCEQ within three (3) 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) To apply for funding, applicants must complete and submit a grant application, project proposal, and required attachments. Only one project per application may be submitted. Refer to Appendix C of this document for guidance for submitting confidential information.

4.3 Project Implementation Plan

- a) The primary purpose of this program is to facilitate the implementation of existing technologies that may be used to achieve approvable emission reductions under the State Implementation Plan (SIP).
- b) TCEQ requires applicants to provide a detailed project implementation plan to maximize the likelihood that the technology will be implemented in Texas as soon as practicable after the date of the application for funding. All projects must be implemented no later than **April 30, 2027**.
- c) Following implementation, the project implementation plan must also demonstrate the applicant's ability to operate and maintain the technology for the duration of the contract, including the five-year operation period, during which the grantee must operate and maintain the NTIG-funded equipment.
- d) Additionally, the project implementation plan must state how the applicant would provide project information and education to the public in the areas subject to public notice under federal and state permitting requirements. This must include providing a publicly accessible informational webpage regarding the project.

4.4 Public Information

- a) All information received by TCEQ in connection with the application for a grant and the completion of grant activities, including testing to establish the actual quantities of air contaminants being emitted into the atmosphere becomes the property of the State of Texas and, as such, is subject to public disclosure under the Texas Public Information Act (PIA).

- b) Any information regarding testing, including summaries of test results, will be subject to public disclosure. TCEQ also intends to publish reports and test results on its website.
- c) If the applicant believes that there is any confidential and/or proprietary information contained in its test results or any other material submitted to TCEQ, the applicant must follow the procedures laid out in Appendix C of this RFGA.

4.5 Intellectual Property and Patents

- a) TCEQ does not intend to fund the development of any technologies under the NTIG program.
- b) If grant funds awarded through this program are used to develop a technology which is later patented, including the payment of fees associated with obtaining the patent, all ownership rights in any technology developed will remain with the grantee. However, TCEQ will require the grantee to grant TCEQ a permanent, royalty-free license pursuant to the terms and conditions in the sample contract (see Intellectual Property provision), so that TCEQ would not subsequently be required to pay license fees for its own use of a product created or developed with the use of TCEQ funding. The same requirements apply to other forms of intellectual property protection, such as computer software code protected by copyright.

5.0 Selection and Scoring

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

5.1 Scoring Criteria and Preferences

TCEQ will evaluate project proposals according to the eligibility requirements and scoring criteria included in this section. During the review and scoring process, projects that are most aligned with the program goals will receive more program alignment points.

If the cost-effectiveness and emission reductions are comparable, TCEQ will give preference to projects that:

- a) Involve the transport, use, recovery for use, or prevention of the loss of natural resources originating or produced in this state;
- b) Contain an energy efficiency component;
- c) Include the use of solar, wind, or other renewable energy sources;
- d) Recover waste heat from the combustion of natural resources and use the heat to generate electricity; or
- e) Reduce flaring emissions and other site emissions.

Projects that include more than one of these criteria will be given a greater preference in the selection for award of a grant under this program.

5.1.1 Electricity Storage Projects

Electricity storage projects from facilities and other stationary sources must meet the eligibility requirements listed in Section 2.0 of this RFGA. Electricity storage projects will be

scored on a 100-point scale using the following scoring criteria. An applicant's score for each criterion will be compared against those of other applications submitted in the same project category.

Maximum Points (100)

- 25 points** **Alignment with Program Goals:** Up to **25 points** may be awarded based on how clearly the proposed project is aligned with the NTIG program goals.
- **Strength of the Implementation Plan.** Up to **5 points** may be awarded based on the completeness, organization, accuracy, and feasibility of the submitted implementation plan.
 - **Emission Reduction Potential.** Up to **4 points** may be awarded based on reasonable evidence that the proposed technology is capable of providing a significant reduction from the baseline emissions.
 - **Relation to Renewable Energy.** Up to **4 points** may be awarded based on how the project is related to renewable energy sources.
 - **Ability to Make Stored Energy Available During Peak Energy Use.** Up to **4 points** may be awarded based on the ability to provide stored energy during peak energy use.
 - **Compliance History.** Up to **4 points** may be awarded based on the compliance history of the applicant and other related facilities. A rating of unsatisfactory or suspended on a current or past contract may be used as a basis to lower or otherwise change the priority and ranking of an application.
 - **NTIG & Air Quality Goals.** Up to **4 points** may be awarded based on the extent to which project advances NTIG and air quality goals outlined.
- 10 points** **Energy Storage Capacity (MWh):** Up to **10 points** may be awarded based on the initial rated capacity of the storage technology or the maximum theoretical amount of electricity/energy the technology can store.
- 10 points** **Technology Lifetime:** Up to **10 points** may be awarded based on the number of complete charge/discharge cycles the storage technology can perform before its nominal (actual) capacity falls below 80% of its initial rated capacity.
- 10 points** **Storage System Rated Power:** Up to **10 points** may be awarded based on the maximum power that the storage system would provide. (Some storage systems can provide additional power in excess of the plant's "nominal" rating for short periods of time.)
- 10 points** **Cycle Efficiency:** Up to **10 points** may be awarded based on the amount of energy output from the storage technology per unit of energy input.
- 10 points** **Storage Response Time:** Up to **10 points** may be awarded based on the total length of time for the storage technology to bring its output from zero to its rated power level.

10 points **Duration of Discharge:** Up to **10 points** may be awarded based on the total length of time that the storage technology can discharge, at its rated power output, without recharging.

10 points **Cost Per 1 Kilowatt hour (kWh) Stored:** The cost-effectiveness of the technology is determined using two methods. Applicants must provide estimates for both methods described below and show all computations.

- Divide the total implementation costs* by the maximum storage capacity of the technology and express the cost-effectiveness in dollars per unit power, e.g., dollars/kWh; and
- Divide the total implementation costs* by the maximum, cumulative amount of delivered electricity, based on the technology's cycle efficiency, useful life, and expected number of charge/discharge cycles across its useful life. Express the cost-effectiveness in dollars per unit energy, e.g., dollars/kWh.

**Total implementation costs: the purchase price of the proposed technology plus the cost of the installation, labor, and other costs directly related to the implementation of the proposed technology.*

5 points **Applicant Qualifications (including previous experience with similar types of projects):** Up to 5 points may be awarded based on the extent and relevance of the qualifications and experience of the applicant and any project partners.

5.1.2 New Technology Projects that Reduce Emissions of Regulated Pollutants from Stationary Sources

New technology projects that reduce emissions of regulated pollutants from stationary sources must meet the eligibility requirements listed in Section 2.0 of this RFGA. Eligible new technology projects will be scored on a 100-point scale using the following scoring criteria.

Maximum Points (100)

30 points **Alignment with Program Goals:** Up to **30 points** may be awarded based on how clearly the proposed project is aligned with the NTIG program goals. according to the following criteria:

- **Strength of the Implementation Plan.** Up to **10 points** may be awarded based on the completeness, organization, accuracy, and feasibility of the submitted implementation plan.
- **Compliance History.** Up to **10 points** may be awarded based on the compliance history of the applicant and other related facilities. A rating of unsatisfactory or suspended on a current or past contract may be used as a basis to lower or otherwise change the priority and ranking of an application.
- **NTIG & Air Quality Goals.** Up to **10 points** may be awarded based on the extent to which project advances NTIG and air quality goals.

20 points **Emissions Reductions Capability of Pollution Control Technologies:** Up to **20 points** may be awarded based on the following criteria:

- **Pollution Control Technology.** Up to **10 points** may be awarded based on the strength of the evidence provided by the applicant that the proposed technology is capable of providing a significant

reduction in emissions. The level of validation of the proposed technology will be considered in this score (see examples below).

Examples of validation include, but are not limited to, the following:

- **Tested** – emissions reductions capability of each technology has been verified or certified by EPA, or has been tested in a laboratory that meets EPA requirements and standards;
- **Guaranteed** – by the manufacturer of the technology; and
- **Experimental** – each of the technologies may have been tested, but testing was not conducted in a laboratory that meets EPA requirements and standards.
- **Net Emissions Reductions.** Up to **10 points** may be awarded based on the capability of the project to reduce emissions of regulated emissions. Collateral emissions increases that are good engineering practice and are still protective of the NAAQS, public health and welfare, and physical property, will not be considered as emissions increases in the calculation of the net emissions reduction score.

15 points **Cost-Effectiveness of Project:** Using the formula below, divide the annual grant amount requested, averaged over 5 years of operation, by the sum of the projected emissions reduced of all regulated pollutants (see Section 2.2 of this RFGA), in tons-per-year (TPY), over a one-year period. Be sure to multiply the TPY amounts by the appropriate factor given in the formula below. If the project does not reduce all of the pollutants in the formula below, then perform calculations only including the pollutants relevant to the project. If the project reduces a pollutant not mentioned in the formula below, then apply a factor of "1" to the TPY amount of that pollutant.

Formula for cost-effectiveness calculation:

$$\frac{\text{Total Grant Amount Requested}}{5 \text{ years}}}{(1 * \text{TPY of } NO_x \text{ reduced}) + (1000 * \text{TPY of Hg reduced}) + (0.8 * \text{TPY of } SO_2 \text{ reduced}) + (0.6 * \text{TPY of PM reduced}) + (1 * \text{TPY of other pollutants reduced})}$$

The projected emissions reductions must be calculated using only those reductions resulting from the implementation of the technologies proposed in this grant application.

10 points **Regulated Pollutants Reduced:** Up to **10 points** may be awarded based on the number of different, regulated pollutants reduced by this proposed project. To receive points, a pollutant must be a regulated pollutant (see Section 2.2 of this RFGA).

10 points **Project Location:** Up to **10 points** may be awarded based on the project location and status of the facility. The matrix below indicates the scoring possibilities for these criteria. Modifications to existing facilities in Texas nonattainment areas will receive maximum points for project location (See Appendices A and B for map of Texas nonattainment areas and affected counties).

Project Location Scoring

Nonattainment Area	Affected County	Neither
10	5	0

10 points **Testing Protocol:** The score assigned for Testing Protocol will depend on whether a testing protocol is identified in the application, and if one is present, the extent to which it has been developed and approved (e.g., by the EPA). Testing may include, but is not limited to, stack sampling and/or continuous emissions monitoring.

Testing protocols must be developed considering a broad range of interests (the original equipment manufacturer, the developer of the new technology, testing entity, potential manufacturers, or installers of the new equipment, etc.) which must reach agreement about how the test will be conducted.

5 points **Applicant Qualifications (including previous experience with similar types of projects):** Points may be awarded based on the extent and relevance of the qualifications and experience of the applicant and any project partners. TCEQ will especially look for experience with similar types of projects and experience conducting emissions testing.

5.1.3 New Technology Projects that Reduce Emissions from Upstream, Midstream, and Downstream Oil and Gas Industry Activities

New technology projects that reduce emissions from upstream, midstream, and downstream oil and gas industry activities must meet the eligibility requirements listed in Section 2.0 of this RFGA. Eligible projects will be scored on a 100-point scale using the following scoring criteria.

Maximum Points (100)

30 points **Alignment with Program Goals:** Up to **30 points** may be awarded based on how clearly the proposed project is aligned with the NTIG program according to the following criteria:

- **Strength of the Implementation Plan.** Up to **10 points** may be awarded based on the completeness, organization, accuracy, and feasibility of the submitted implementation plan.
- **Compliance History.** Up to **10 points** may be awarded based on the compliance history of the applicant and other related facilities. A rating of unsatisfactory or suspended on a current or past contract may be used as a basis to lower or otherwise change the priority and ranking of an application.
- **NTIG & Air Quality Goals.** Up to **10 points** may be awarded based on the extent to which project advances NTIG and air quality goals.

20 points **Emissions Reductions Capability of Pollution Control Technologies:** Up to **20 points** may be awarded based on the following criteria:

- **Pollution Control Technology.** Up to **10 points** may be awarded based on the strength of the evidence provided by the applicant that the proposed technology is capable of providing a significant

reduction in emissions. The level of validation of the proposed technology will be considered in this score (see examples below).

Examples of validation include, but are not limited to, the following:

- **Tested** – emissions reductions capability of each technology has been verified or certified by the EPA, or has been tested in a laboratory that meets EPA requirements and standards;
- **Guaranteed** – by the manufacturer of the technology; and
- **Experimental** – each of the technologies may have been tested, but testing was not conducted in a laboratory that meets EPA requirements and standards.
- **Net Emissions Reductions.** Up to **10 points** may be awarded based on the capability of the project to reduce emissions of regulated emissions. Collateral emissions increases that are good engineering practice and are still protective of the NAAQS, public health and welfare, and physical property, will not be considered as emissions increases in the calculation of the net emissions reduction score.

15 points **Cost-Effectiveness of Project:** Using the formula given below, divide the annual grant amount requested, averaged over 5 years of operation, by the sum of the projected emissions reduced of all regulated pollutants in tons-per-year (TPY), over a one-year period. Be sure to multiply the TPY amounts by the appropriate factor given in the formula below. If the project does not reduce all of the pollutants in the formula below, then perform calculations only including the pollutants relevant to the project. If the project reduces a pollutant not mentioned in the formula below, then apply a factor of "1" to the TPY amount of that pollutant.

Formula for cost-effectiveness calculation:

$$\frac{\text{Total Grant Amount Requested}}{5 \text{ years}}}{(1 * \text{TPY of } NO_x \text{ reduced}) + (0.8 * \text{TPY of VOC reduced}) + (0.8 * \text{TPY of } SO_2 \text{ reduced}) + (0.6 * \text{TPY of PM reduced}) + (100 * \text{TPY of HAPs reduced}) + (1000 * \text{TPY of heavy metals reduced}}$$

The projected emissions reductions must be calculated using only those reductions resulting from the implementation of the technologies proposed in this grant application. TCEQ will score this item based on the information provided in the NTIG application.

10 points **Regulated Pollutants Reduced:** Up to **10 points** may be awarded based on the number of different, regulated pollutants reduced by this proposed project. To receive points, a pollutant must be a regulated pollutant (see Section 2.2 of this RFGA).

10 points **Project Location:** Up to **10 points** may be awarded to Oil and Gas projects located within the Clean Transportation Zone (CTZ) counties. (See Appendix B for a list of counties located within the CTZ).

10 points Testing Protocol: The score assigned for testing protocol will depend on whether a testing protocol is identified in the application and if one is present, the extent to which it has been developed and approved (e.g., by EPA). Testing may include, but is not limited to, stack sampling and/or continuous emissions monitoring.

Testing protocols must be developed considering a broad range of interests (the original equipment manufacturer, the developer of the new technology, testing entity, potential manufacturers, or installers of the new equipment, etc.) which must reach agreement about how the test will be conducted.

5 points Applicant Qualifications (including previous experience with similar types of projects): Points may be awarded based on the extent and relevance of the qualifications and experience of the applicant and any project partners. TCEQ will especially look for experience with similar types of projects and experience conducting emissions testing.

5.2 Additional Selection Criteria

- a) TCEQ is not obligated to fund any particular project for any reason or may offer to fund less than the eligible grant amounts for any reason.
- b) TCEQ may make selection for funding contingent upon agreement by the applicant with additional conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and/or other program elements.
- c) TCEQ is not obligated to fund projects from applicants:
 - 1) with an outstanding invoice from TCEQ or who are in non-compliance with existing or prior TERP grants;
 - 2) under federal, state, or local enforcement action for violation of environmental laws or permit conditions; or
 - 3) 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) Based on the number of applications received, and the expected available funding, TCEQ may establish a cut-off level for the project scores, under which projects will not be funded or may be held until a later date.
- e) TCEQ may choose not to select a proposal from an applicant that is considered to be high risk, based on the financial condition of the applicant and other risk factors as determined by TCEQ. TCEQ may also include additional controls in a contract to address the risks that may be involved with providing a grant to an applicant considered to be high risk.

6.0 Grant Award Process

6.1 Contract Execution

- a) **Sample Contract.** A PDF version of the draft contract may be viewed and downloaded from the [NTIG homepage](#). This 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 a 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 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 [NTIG homepage](#) and the ESBD.

- b) Entities selected to receive grant funding will be required to sign a contract with TCEQ. The activities outlined in the entity's application will be represented in the Contract's Scope of Work. Grant recipients commit to taking all actions necessary to ensure the successful completion of its project and subsequent operation of the grant funded equipment within the Contract's time frames and funding limitations.
- c) Upon signature and execution of the contracts by TCEQ, a signed contract will be returned to the applicant, at which time the grant will be considered awarded.
- d) Grant contracts will include an NTP clause. The NTP provides the grantee with approval to begin grant activities. Eligible expenses incurred prior to receipt of this notice will be at the grantee's own risk.
- e) Signing the contract will not be the final commitment required by TCEQ to provide the funds. The grantee must provide the required documentation identified in Section 6.2 below before an NTP may be issued by TCEQ. The NTP provides the grantee with approval to begin grant activities.

6.2 Required Documentation

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

- a) Proof of Insurance. The grantee will be required to purchase commercial insurance for the grant-funded equipment to protect against loss or damage, and to carry liability damage to protect persons and property. Insurance must be maintained during the contract period. Documentation of required insurance coverage must be submitted to TCEQ in accordance with the contract. Governmental entities may provide proof of self-insurance in lieu of purchasing commercial insurance.
 - The sample contract shell contains the types and amounts of insurance generally required for a project funded under the NTIG program. The final contract may include different insurance requirements, subject to negotiation depending on the risk concerns of a specific project.
- b) Site-Host Agreement or Site Ownership Documentation. The grantee must be able to adequately demonstrate through agreements or other legal documentation that it can construct, modify, or operate the proposed facility at the location designated in its application.
 - For oil and gas projects, if you are applying as the operator of a well, this will include providing evidence of the lease, such as through a Certificate of Compliance and Transportation, Railroad Commission Form P-4. The contract grantee's name must match the current operator's name on any lease documents.

6.3 Project Implementation

- a) Grantees must proceed in good faith and take all necessary actions to ensure the on-time implementation of its project.
- b) Grantees must meet the ownership, operational and maintenance, permitting, and insurance requirements specified by TCEQ in the contract during the entirety of the contract period. Failure to do so may invoke the contract's remedies, including termination of the contract and the return of grant funds.
- c) To monitor the grantee's progress during the contract, TCEQ will require quarterly reports during the **Implementation Period** of the project. The Implementation Period is the period during which grant equipment is purchased, installed, and placed into service.
- d) Following the Implementation Period, the **Operation Period** lasts for at least five years, during which the grantee must operate and maintain the NTIG-funded equipment. Annual reports are required during the Operation Period of the project. Grantees will report on the amount of natural gas and/or other alternative fuels dispensed.
- e) If during either period, the grantee fails to submit reports or fails to demonstrate reasonable progress toward project completion or continued operation, TCEQ may invoke the contract's remedies, including termination of the contract and the return of grant funds.

6.4 Reimbursement

- a) Payments will be made on a reimbursement basis for eligible expenses incurred and paid in full by the grantee.
- b) Requests for reimbursement may be submitted to TCEQ no more frequently than monthly. Grantees will be required to provide documentation to show that equipment or services have been received and costs have been paid in full before reimbursement is provided by TCEQ. The contract will specify requirements for documenting costs incurred, including providing an itemized invoice and proof of payment documents.
- c) A grantee must identify in the request for reimbursement the total cost of the project and any financial incentive received for the project, such as tax credits or deductions, other grants, or any other public financial assistance. The grant reimbursement amount plus the financial incentive amount cannot exceed 100% of the total cost of the project.
- d) Activities funded under this RFGA must be completed, all costs must be incurred, and final requests for reimbursement must be submitted to TCEQ by the deadline given on the cover page of this document. Grantees experiencing project delays may submit a written extension request to TCEQ. TCEQ's approval of extension requests will be provided in writing to the grantee and will depend on the availability of grant funds.
- e) Unless otherwise approved by TCEQ, TCEQ will retain 10% of the total grant amount until the facility goes into operation. This amount will be released upon submission of the final Implementation Period report and the request for retained funds. TCEQ may, at its discretion, consider reimbursement of the total grant amount prior to the facility being in operation, if the grantee demonstrates that the project will be completed.
- f) TCEQ will provide written approval once all Implementation Period activities have been completed prior to payment of the final request for retained funds.

- g) To be eligible for reimbursement, costs documented on reimbursement forms must clearly be allocated to activities under the NTIG grant and fall under the categories outlined above. The grantee is responsible for ensuring any contractor's invoices are itemized and provide this level of information.

6.5 Grantee Compliance and Reporting

- a) Reports during the Implementation Period on the progress of completing the project activities will be required on a quarterly basis, or as specified by the contract, even if no expenses are submitted for reimbursement during that time. Reports should be easily understood by the general public although technical attachments may also be included, as necessary.
- b) All Implementation and Operation Reports will be posted to [NTIG's website](#). Reports should include a brief overview of the project, identification number, date of the report, the status of the project at the end of the reporting period, and a forecast of the work remaining to be performed. Grantees must notify TCEQ of any termination or change in the project.
- c) TCEQ may require the repayment of grant money in the case of non-compliance with certain grant requirements. It is a grant requirement that a grantee proceed in good faith with all steps towards project implementation, as outlined in its project proposal, and with all other reasonable steps necessary to ensure the project's successful implementation. TCEQ will monitor the grantee's progress through the Implementation and Operation Reports.
- d) Additionally, TCEQ, the Texas State Auditor's Office, and the Texas Comptroller of Public Accounts may audit a grantee's progress at any time during the grant. If TCEQ determines that a grantee is not making sufficient progress towards the goal of implementation, TCEQ may require a revised implementation plan in the contract's Scope of Work to demonstrate how implementation will be achieved given the current circumstances of the project. If, after reviewing the revised Scope of Work, TCEQ determines in its reasonable judgment that implementation is no longer likely, or the grantee so advises TCEQ, TCEQ may invoke the grant contract remedies or termination.

6.6 Grantee Evaluation

TCEQ may prepare written evaluations of the performance of the grant recipient. Performance evaluations are prepared upon completion of all reimbursements, upon the completion of the Operation Period, or as needed. The performance rating on grantee evaluations for a past grant may be considered when applying for future 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 grant recipient and contractors will be barred from receiving any other grants and may subject the grant recipient and contractors to criminal or civil penalties.

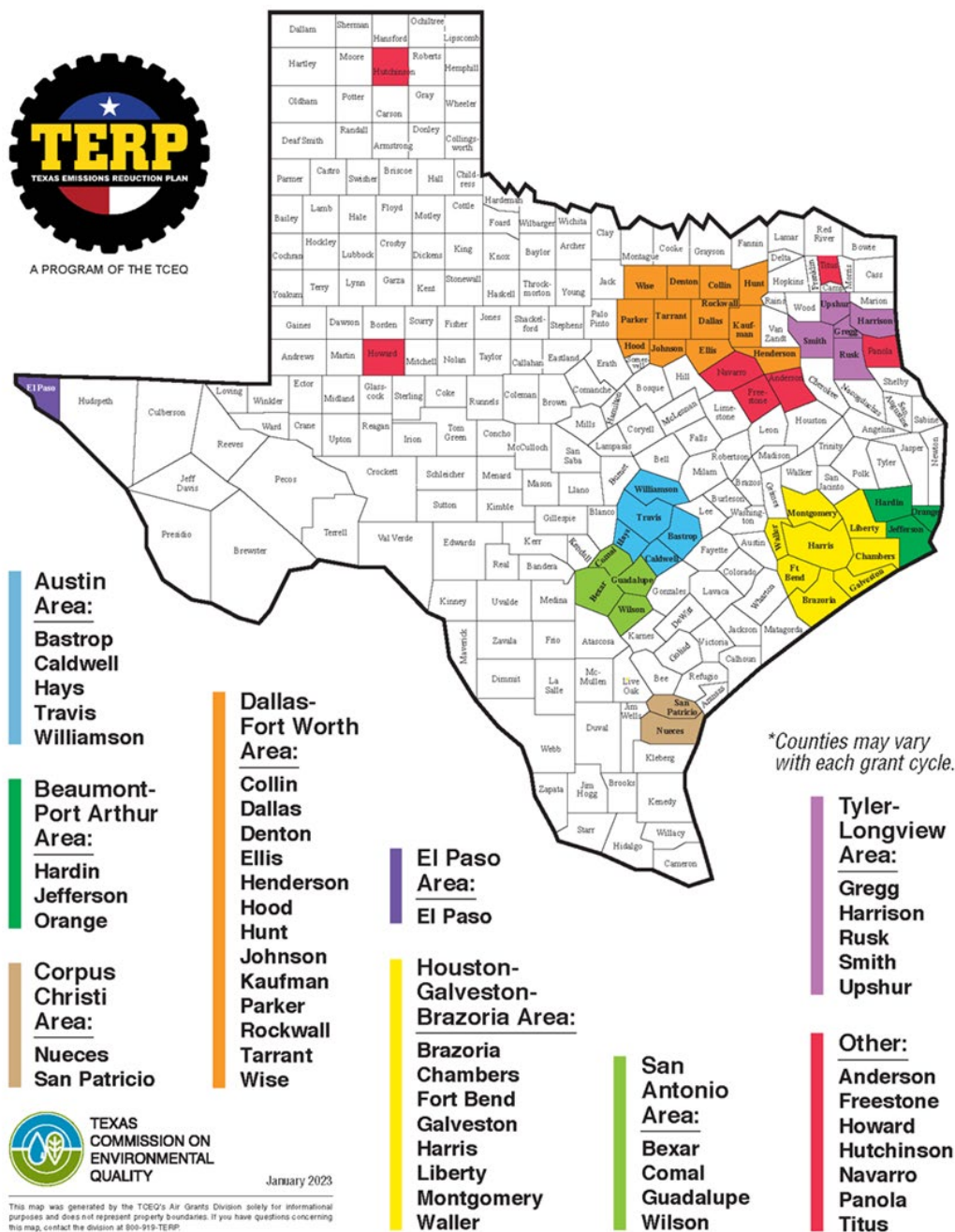
7.0 Marketable Emission Reduction Credits

A project involving implementation of emission reduction technology 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 the owner or operator as provided by Section 386.056, Texas Health and Safety Code (THSC); and
- b) The reductions are permanently retired.

Appendix A: List of Texas Nonattainment Areas and Affected Counties

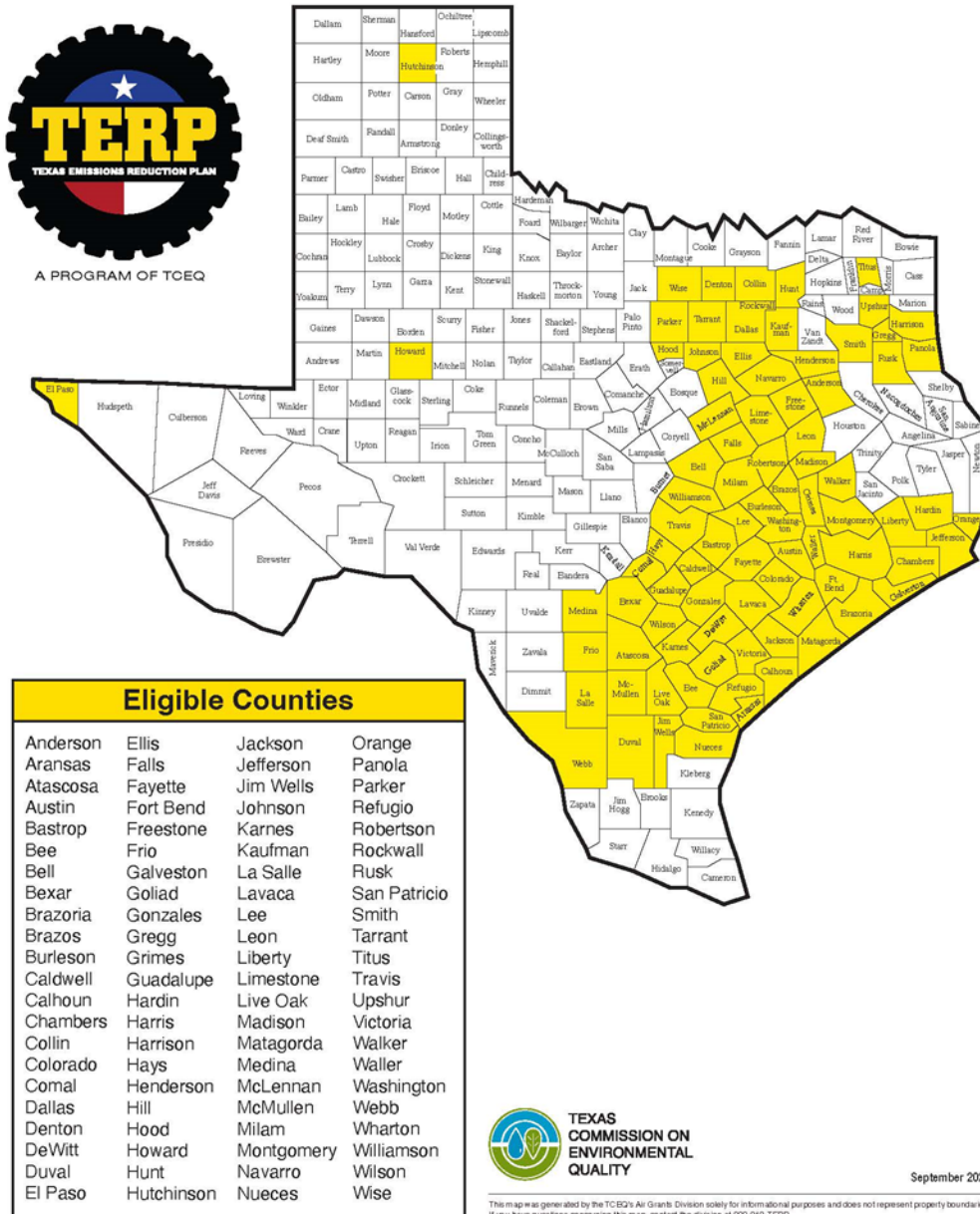
Note: Refer to Section 5.0 for information about scoring criteria that are based on whether the project is located in a nonattainment area or affected county.



Appendix B: Clean Transportation Zone

Note: Refer to Section 5.0 for information about scoring criteria that are based on whether the project is located in the Clean Transportation Zone (CTZ).

Clean Transportation Zone



Appendix C: Confidential Information Directions

Any information submitted as part of the application forms, budget, implementation plan, or as part of the request for reimbursement forms is considered public information even if you have marked it confidential.

Applicant acknowledges that TCEQ is required by law to post on its public website information about this RFGA and any awarded contracts. Applicant acknowledges its application is subject to disclosure pursuant to the Texas Public Information Act.

Any documents and records created in connection with this RFGA, and any resulting contract are governed by the Texas Public Information Act (PIA) and may be subject to public release under the PIA, regardless of whether they are created by the TCEQ or the applicant.

Any proprietary or business confidential information the applicant submits to TCEQ that it believes is subject to a PIA exception and should not be released **MUST** be clearly marked **“Confidential/ Proprietary: inform applicant & seek OAG opinion before releasing”** on every page.

If TCEQ receives a PIA request related to the marked information, TCEQ will inform the applicant of the request in a timely manner sufficient to permit applicant to make an argument of confidentiality to the Texas Office of the Attorney General (OAG). TCEQ will not submit arguments on behalf of the applicant and will follow the determination of the OAG.