



RG-464
Revised March 2019

I Received a TERP Grant— Now What?



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Texas Emissions Reduction Plan

Prepared by
Air Quality Division

RG-464
Revised March 2019

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY • PO BOX 13087 • AUSTIN, TX 78711-3087

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“I Just Received a TERP Grant— Now What?”

- Step 1.** Buy your new vehicle or equipment!
- Step 2.** Send TERP a Request for Reimbursement form and photos of your new vehicle or equipment.
- Step 3.** Destroy and dispose of your old vehicle or equipment and send TERP the Disposition form with photos of your destroyed vehicle or equipment.
- Step 4.** Receive your Usage Report forms from the TCEQ.
- Step 5.** Send your completed Usage Report to the TCEQ.

Note: This page is intended as a basic summary. Additional information regarding each of these steps appears throughout this workbook.

Have questions or need assistance?

1. How to Request Changes to Your Grant Contract

Vehicle or Equipment Changes

Vehicle or equipment changes are common and can easily be made by following the steps below.

Step 1. Request and complete an Amendment Request form.

Go to <www.tceq.texas.gov/airquality/terp> to obtain a Contract Amendment Request form.

Step 2. Return your completed Amendment Request form.

Send your completed form to <terp_revise@tceq.texas.gov>. Please be sure that *all* relevant information is entered on the form. Incomplete forms take longer to process.

Step 3. Wait for a confirmation from TERP.

TERP will review the requested change and notify you of any eligibility issues or potential changes to your grant amount. The Grant Manager will not move forward with the requested change unless confirmed by you (the Grantee).

Step 4. Receive your Amendment in the mail.

Once we have confirmed that you wish to make a change, the Grant Manager will prepare an Amendment and mail it to you.

Note: Some Amendments may require your signature and must be returned to the TCEQ for processing. Once the TCEQ has processed the Amendment, an official copy will be mailed to you for your records.

Have questions or need assistance?

Other Changes

Other changes may be made by following the steps above and including your change in the “Other Changes Requested” section of the Amendment Request form.

Please notify the TCEQ if any of the following information changes:

- Physical Address
- Mailing Address
- Phone Number
- Fax Number
- Email Address
- Authorized Official/Project Representative

Have questions or need assistance?

2. How to Request Reimbursement

Once you have received your contract signed by the TCEQ and purchased the new vehicle or equipment listed in your contract, you can request reimbursement.

Step 1. Take photos of your new vehicle or equipment.

Take photos of your new vehicle or equipment from all sides, and please be sure to include a photo of the engine plate showing the engine year, make, model, serial number, and engine family code. All photos need to be in color with engine information clearly visible. *Label each photo with the corresponding Activity Number from your contract.*

Step 2. Complete a Request for Reimbursement form.

Request for Reimbursement (RFR) forms are available electronically either from the TERP website at <www.terpgrants.org> or by contacting TERP at 800-919-TERP (8377).

Step 3. Assemble an RFR packet and mail it to the TCEQ.

Your RFR packet should include a signed RFR form, proof of purchase, and photos of your new vehicle or equipment. Proof of purchase can include invoices, finance agreements, copy of a check, etc. Mail your RFR packet to us at the address listed on the RFR form.

Step 4. Wait to receive the reimbursement check in the mail.

Once we receive your RFR packet, we will review it and contact you to request any additional documentation, as necessary.

The time it takes to process your RFR depends on our workload and may vary. Additional delays occur due to incomplete or inaccurate documentation and changes to the vehicle or equipment. Please make sure that everything is correct before submitting your RFR.

Step 5. Receive your reimbursement check.

Once the RFR Review is complete and the RFR receives final approval, the reimbursement check is then issued by the Comptroller's office and mailed via U.S. Postal Service to the address we have in our records.

Have questions or need assistance?

3. How to Destroy Your Old Vehicle or Equipment (Disposition)

In general, unless otherwise approved by the TCEQ, you must render your old vehicle or equipment and engine permanently inoperable within 90 days of receiving financial reimbursement. Your grant contract will include specific provisions for scrapping the vehicle or equipment and engine and for submitting proof of disposition to the TCEQ.

Step 1. Take “before” photos of the old vehicle or equipment.

The “before” photos to be submitted as part of the Disposition process are not the same photos that you provided with your original grant application.

Step 2. Destroy your old vehicle or equipment.

Destroy your old vehicle or equipment by completely crushing the vehicle or equipment and engine or by drilling a 3-inch or larger hole in the engine block on both sides and cutting both frame rails in half. *For repower activities, just destroy the old engine.*

Step 3. Take “after” photos of your destroyed vehicle or equipment.

Take photos of your vehicle or equipment after it has been destroyed. If you use a salvage or recycling company, you should get written documentation from them, including certification of the destruction. A list of required photos is included on the following page.

Step 4. Apply for a Nonrepairable Vehicle Title (on-road vehicles).

If you replaced an on-road vehicle, a copy of a Nonrepairable Vehicle Title is required as part of your disposition packet. Visit the Texas Department of Motor Vehicles website <www.txdmv.gov> and search for the VTR-441 form. Complete the form and follow the application and mailing instructions included on the form.

Step 5. Complete your Disposition form(s).

Disposition forms are available on the TERP website <www.terpgrants.org>. Complete the form that corresponds with your project type (replacement or repower) for each vehicle or equipment in your contract.

Step 6. Assemble your Disposition packet and mail it to the TCEQ.

For each vehicle or equipment, your disposition packet should include: before and after photos; a completed Disposition form; written documentation from a salvage company, if applicable; and a copy of a Nonrepairable Vehicle Title if you replaced an on-road vehicle.

Have questions or need assistance?

List of Required Documents for Disposition

Photos before Destruction

- Both sides of the entire vehicle or equipment in operating condition
- Both sides of the engine block from the old vehicle or equipment
- Both frame rails of the old vehicle or equipment

Photos after Destruction

- Both sides of the entire vehicle or equipment after destruction
- The whole engine block with a 3-inch hole or larger that cannot be repaired
- Both frame rails completely cut in half

Additional Required Documents

- A detailed receipt from the salvage or recycling company if the vehicle or equipment was sold for scrappage and that company performed the destruction
- **On-Road Vehicles Only:** A copy of the Nonrepairable Vehicle Title from the Texas Department of Motor Vehicles, Form VTR-441

Mailing Address

Standard Mail

TERP Disposition
Implementation Grants Section, MC 204
Air Quality Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Express Delivery (i.e., UPS, FedEx, DHL)

TERP Disposition
Implementation Grants Section, MC 204
Air Quality Division
Texas Commission on Environmental Quality
12100 Park 35 Circle
Austin, TX 78753

Have questions or need assistance?

Example Disposition Photos for an On-Road Project

Note: Photos of both sides of the vehicle and engine are required, even though only one photo of each side is shown here.

Figure 1. Before Photo, Right Side of Vehicle



Figure 2. Before Photo, Left Side of Engine



Have questions or need assistance?

Figure 3. Before Photo, with Frame Rails Uncut



Figure 4. After Photo, Destroyed Vehicle (with Frame Rails Cut)



Have questions or need assistance?

Figure 5. After Photo, Engine Block with Hole 3 Inches or Larger



Have questions or need assistance?

Example Disposition Photos for a Non-Road Project

Note: Photographs of both sides of the equipment and engine are required, even though only one photo of each side is shown here.

Figure 6. Before Photo, Left Side of Equipment



Figure 7. Before Photo, Right Side of Engine



Have questions or need assistance?

Figure 8. Before Photo, with Frame Rails Uncut



Figure 9. After Photo, Destroyed Equipment (with Frame Rails Cut)



Have questions or need assistance?

Figure 10. After Photo, Engine Block with Hole in One Side



Figure 11. After Photo, with Frame Rail Cut



Have questions or need assistance?

Disposition: Frequently Asked Questions

General

- **Do I have to dispose of my old vehicle or equipment before I can get reimbursed?**

No, the TCEQ recommends waiting until you have received your reimbursement payment to dispose of your old vehicle or equipment.

- **How long do I have to dispose of my old vehicle or equipment?**

Unless otherwise approved by the TCEQ, you must render the old vehicle or equipment permanently inoperable within 90 days of receiving your reimbursement payment.

Forms and Documentation

- **Where do I find the Disposition form?**

The form is available online at <www.terpgrants.org>.

- **Can I fax or email my Disposition forms to the TCEQ?**

No, the TCEQ needs the original signed Disposition form; therefore, all Disposition forms must be mailed or hand-delivered to the TCEQ office in Austin.

- **What photos are required to be sent in with the Disposition form?**

See the checklist included with Disposition form. We recommend that you take several different pictures for each of the required photos so that proper destruction of the old vehicle or equipment is easily established.

- **If a scrappage yard or recycling company is going to do the disposition for me, what do I need to send to the TCEQ?**

- Completed Disposition form
- Disposition photos
- A copy of a Nonrepairable Vehicle Title (*on-road vehicles only*)
- Written documentation (receipt) provided by the salvage or recycling company that destroyed your old vehicle or equipment

Scrappage

- **How large does the hole in the engine block have to be?**

The hole must be 3 inches or larger on both sides of the engine block, rendering the engine unable to operate. The hole cannot be made on a plate that can be removed from the engine and must be near the engine's serial number.

Have questions or need assistance?

- **Where do I cut the vehicle or equipment frame?**

Cut the vehicle or equipment frame as close to the cab as possible. If you have an agricultural tractor that does not have a frame, please call the TERP Monitoring Team at 512-239-0578 for other disposition options.

- **How much of the vehicle or equipment frame needs to be cut?**

The entire frame must be cut in half on both sides of the vehicle or equipment.

- **Can I use parts of the old vehicle or equipment once my disposition is complete?**

Yes, once disposition is complete, you can sell the old vehicle or equipment for scrap metal or parts or keep it as lawn decoration. The only thing that is not acceptable is to make the old vehicle or equipment operate again.

- **If I receive money for the scrapping of my old vehicle or equipment, do I keep the money?**

Yes, the TERP program accounts for the value of the old vehicle or equipment in the incremental cost calculation on the Reimbursement form.

- **Can I sell my old vehicle or equipment to someone for use outside of the eligible counties, state, or country?**

No, the old vehicle or equipment must be rendered inoperable by making holes in the engine block and cutting the frame on both sides. Locomotive projects may be considered for an exception, but only with prior approval from the TCEQ.

Next Steps . . .

You will receive a Start Keeping Records (SKR) letter in the mail once your disposition has been approved by the TCEQ. Your SKR letter will include information about what you need to keep records of to report in your annual Usage Report. The TCEQ will mail the Usage Report forms in December for the activities with approved disposition.

Have questions or need assistance?

4. How to Fulfill the Usage Reporting Requirement

As part of receiving a TERP grant, you agreed to operate your new vehicle or equipment in specific eligible counties for a specified number of years, called the "Activity Life." Therefore, TERP needs to know where and how much you operate your grant-funded vehicle or equipment. The TCEQ will send Usage Report forms every year for you to complete and return until the end of the Activity Life specified in your contract. In addition to agreeing to use your new vehicle or equipment, you also agreed to allow the TCEQ to verify the grant-funded vehicle or equipment in person.

Step 1. Keep track of the following information.

- When (on which dates) you operate your vehicle or equipment.
- Where (in which counties) you operate your vehicle or equipment.
- How much (measured in miles, hours, or gallons) you operate your vehicle or equipment.

Note: The units used to record usage depend on your project type.

Step 2. Complete your Usage Report.

Use your records to fill in the information requested on the Usage Report form.

Step 3. Mail your Usage Report to the TCEQ by the required date.

Standard Mail

TERP Usage
Implementation Grants Section, MC 204
Air Quality Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Express Delivery (i.e., UPS, FedEx, DHL)

TERP Usage
Implementation Grants Section, MC 204
Air Quality Division
Texas Commission on Environmental Quality
12100 Park 35 Circle
Austin, TX 78753

Step 4. Repeat steps 1–3 for the length of your Activity Life.

Have questions or need assistance?

Usage Reporting: Frequently Asked Questions

General

- **What is "usage"?**
"Usage" is the tracking and reporting to the TCEQ of the "where," "when," and "how much" related to your new, grant-funded vehicle or equipment.
- **Why do I have to track and report my usage?**
Usage is how the TCEQ verifies that emission reductions have occurred. TERP grant contracts require that grantees report usage. By signing the contract and accepting the grant, you made a commitment to the TCEQ to track and report your usage. This commitment also includes operating the new vehicle or equipment for a certain percentage of your total usage in eligible counties and for a specific number of years.

Usage Reports

- **Where can I find Usage Report forms?**
Usage Report forms are mailed out in December of every year.
- **How often do I have to submit Usage Reports?**
Usage Reports are due once a year for the Activity Life of your contract. The reporting period ends on Dec. 31 of each year.
- **How long do I have to submit Usage Reports?**
You are required to submit Usage Reports for the life of your contract. If your Activity Life is seven years, you are required to submit a Usage Report every year for seven years.
- **Can I email the Usage Report forms?**
No, the original, signed Usage Report forms must be mailed or hand-delivered to the TCEQ office in Austin.
- **What happens if I do not submit my Usage Reports?**
If the TCEQ does not receive any proof of usage in the eligible areas, you will be in violation of your contract. The TCEQ may ask for some or all of the grant funds to be returned.

Contract Requirements

- **What happens if I am not meeting my contract requirements?**
If you are not meeting your requirements, the TCEQ will contact you to discuss ways you can adjust your usage to meet your requirements. However, the TCEQ may adjust your usage requirements to a lower amount and require you to return a portion of the grant funds to make up for the emission reductions not achieved.

Have questions or need assistance?

- **What do I do if I want to sell my vehicle or equipment?**

You must contact the TCEQ before you sell your grant-funded vehicle or equipment. If you plan to sell your vehicle or equipment and drop out of the program, the TCEQ will calculate the amount of money that may need to be returned to the TCEQ.

The TCEQ might allow you to sell your vehicle or equipment to another person or business that is willing to take over your contract requirements. You must notify the TCEQ and get approval for the person or business buying your vehicle or equipment. If the sale is approved, the TCEQ will send out a “three-way contract agreement.” All parties must sign, agreeing to the transaction and the contractual requirements.
- **What happens if the vehicle or equipment gets repossessed?**

You must inform the TCEQ about anything that keeps you from meeting the contract requirements. The TCEQ may ask for some or all of the grant funds to be returned.
- **Can I exchange my vehicle or equipment for a new one?**

No, the TCEQ typically does not allow the exchanging of grant-funded vehicles or equipment unless there is a warranty issue involved. If the vehicle or equipment is exchanged, the TCEQ may request that part of the grant be returned.
- **What will happen with my TERP grant if I am unable to make my vehicle or equipment finance payments?**

If your vehicle or equipment is repossessed, you are not able to meet the terms of your contract. The TCEQ may request that part of the grant be returned.
- **What do I do if I need to change my area of operations?**

Contact the TERP Monitoring Team at 512-239-0578 to request a change to your area of operation. If you only occasionally operate in another eligible area not listed in your contract, you are probably okay. If there is a shift in your operations that causes extended use of the grant-funded vehicle or equipment in another eligible area not listed in your contract, you need to contact the TERP Monitoring Team. The contract requirements may need to be revised.
- **What do I do if I am not able to work?**

Contact the TERP Monitoring Team at 512-239-0578.

If you are not able to work for a brief period (a month or two) for whatever reason, you most likely do not need to worry about the impact on your grant. You must indicate on your Usage Report how long and why you did not work.

If you are not able to perform your work for an extended period, contact the TERP Monitoring Team. There may be options available to you that will not affect your contract requirements.

Have questions or need assistance?

Percentage of Use

- **What happens if I cannot meet the usage percentage specified in the contract?**

The TCEQ wants you to succeed. There may be options available to you depending on the situation:

- You may request to reduce your usage percentage and return a prorated portion of the grant.
- You may request an extension of your contract to reduce the annual usage requirement. (*Note:* Most contracts have a seven-year maximum Activity Life.)
- You may request to terminate your contract and return a prorated amount of the grant.
- You may request to include other eligible counties as part of your eligible area.

- **Why can I not count the miles I travel in other counties?**

You must commit to using your vehicle or equipment in the counties listed in your contract. Please contact the TERP Monitoring Team if you need to amend your contract to include other eligible areas. Call 512-239-0578 for more information.

Site Inspection

- **What do I need if I am audited or get a site inspection?**

The TCEQ representatives will contact you to set up a mutually acceptable date and time. They may want to conduct a physical inspection of the grant-funded vehicle or equipment.

They will also let you know what records you will need to have ready for their inspection. These may include any or all of the following:

- disposition documentation
- usage reporting records
- insurance documents

- **When will I get a site inspection from a TCEQ representative?**

Before application selection during each grant round, some of the potential grantees are chosen to be asked to verify the information that is included in their application.

After you have been reimbursed for an activity, you may be selected at any time for a site inspection by the TCEQ. You may be visited several times during the Activity Life of your contract. You will need to have the grant-funded vehicle or equipment available for inspection. In addition, you will need to show documentation for your usage reporting. Of course, the TCEQ representatives will always treat you with professional courtesy and respect.

Have questions or need assistance?

5. How to Use the TERP GPS Monitoring Service

Your contract may require you to have a Global Positioning System (GPS) device on your grant-funded vehicle or equipment. Or you can volunteer to place a GPS unit on your vehicle or equipment at any time during the Activity Life of your contract. Your contract will indicate whether a GPS device is required.

When you use the TERP GPS Monitoring Service (TGMS), the TERP program collects the usage information directly from the GPS provider. This means that the semiannual usage (miles or hours of operation) self-reporting requirements are waived, but you are still required to verify the usage data reported by the GPS provider.

Step 1. Contact the TCEQ if you decide to use the TGMS.

Call 512-239-0578 to let the TERP Monitoring Team know that you are interested in the TERP GPS Monitoring Service. (If your contract requires the TGMS, there is no need to contact TERP.)

Step 2. Contact the TCEQ-approved GPS service provider.

You will need to set up a time and day to get the GPS device installed on your grant-funded vehicle or equipment. The contact information for the TCEQ-approved GPS service provider is available on the TERP website <www.terpgrants.org>.

Step 3. Sign the service agreement for the TGMS.

The TCEQ-approved GPS service provider will notify the TERP Monitoring Team once you have signed the service agreement. This will allow TERP to establish a start date for usage reporting.

Step 4. Review, sign, and return your Usage Report.

The TCEQ-approved GPS service provider will send your Usage Report directly to TERP staff. TERP staff will then mail you your Usage Report for you to confirm that the usage reported is correct. If you agree with the usage reported, you will sign and mail back the Usage Report. If you do not agree with the Usage Report, you can indicate your reason for not agreeing and send it back to TERP staff. *You will repeat this step annually for the Activity Life of your contract.*

Have questions or need assistance?

TERP GPS Monitoring Service: Frequently Asked Questions

- **Do I have to use the TERP GPS Monitoring Service (TGMS)?**
No, the TGMS is an option for grantees who want to be monitored by the TERP GPS provider's system for reporting usage and other information.
- **Can I be required to use the TGMS?**
Yes, some grantees may be required to use the TGMS to fulfill the requirements of their grant contract and to remain in good standing with the TCEQ.
- **Do I have to pay for the TGMS?**
Yes. Visit the TERP website, <www.terpgrants.org>, or call the TERP Monitoring Team at 512-239-0578 for the current monthly service fee.
If you subscribed to the TGMS prior to signing the contract, the purchase and installation of the equipment is an allowable reimbursable cost. You will still have to pay the provider the monthly service fee.
- **How much does the GPS unit cost to install?**
For active contracts, you will have to pay the cost to purchase and install the GPS device, in addition to the monthly service fee to use the service.
Visit the TERP website, <www.terpgrants.org>, or call the TERP Monitoring Team at 512-239-0578 for current prices.

Need additional information or have questions?

Call TERP at 800-919-TERP (8377) or send us an email at <terp@tceq.texas.gov>.

Have questions or need assistance?

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