

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

**SEAPORT AND RAIL YARD AREAS EMISSIONS REDUCTION PROGRAM (SPRY)
Request for Grant Applications (RFGA)
Fiscal Year (FY) 2022**

**Grants for Projects to
Reduce Emissions of Nitrogen Oxides (NO_x)**

Solicitation No. 582-22-31151



A PROGRAM OF TCEQ

December 9, 2021

**Texas Commission on Environmental Quality
Air Grants Division
SPRY, MC-204
P.O. Box 13087
Austin, Texas 78711-3087
1-800-919-TERP (8377)**

Este documento es la Solicitud de Aplicaciones de Subsidios para el Programa de Reducción de Emisiones en Áreas de Patios Ferroviarios y Puertos Marítimos (SPRY por sus sigla en Inglés). La información en este documento le ayudará a determinar si califica para una subvención. Si desea ayuda sobre esta información comuníquese al 800-919-TERP (8377).

Applications will be accepted for consideration during this grant period on a first-come, first-served basis on the premises of TCEQ or via electronic mail to TERPapply@tceq.texas.gov no later than 5:00 p.m. Central Time on November 22, 2022. The award of a SPRY grant is dependent upon the availability of funding, and TCEQ may suspend the acceptance of applications prior to this closing date. Any changes to this solicitation will be made through an addendum in the Electronic State Business Daily (ESBD).

There will be no pre-proposal conference.

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**Texas Commission on Environmental Quality
Texas Emissions Reduction Plan**

**Seaport and Rail Yard Areas Emissions Reduction Program
Request for Grant Applications
Fiscal Year (FY) 2022**

1.0 INVITATION

The Texas Commission on Environmental Quality (TCEQ) invites applications from persons or entities who operate on-road and/or non-road drayage trucks and cargo handling equipment at seaports and rail yards located within the air quality nonattainment areas of Texas. Incentive funding is available for the replacement or repower of vehicles and equipment that will reduce emissions of nitrogen oxides (NO_x) and other pollutants, including particulate matter (PM), at these facilities and in the nonattainment areas and other affected counties (Appendix A). Eligibility is limited to persons who own or lease the equipment to be replaced or repowered. For the purposes of this RFGA, the term “equipment” means “drayage trucks, vehicles, and/or equipment”.

1.1 PURPOSE

The Seaport and Rail Yard Areas Emissions Reduction (SPRY) Program is established under Chapter 386, Subchapter D-1, of the Texas Health and Safety Code (THSC) to implement a portion of the Texas Emissions Reduction Plan (TERP). Rules for the program have been adopted by TCEQ in Title 30 Texas Administrative Code, Chapter 114 (30 TAC 114), Subchapter K, Division 8. TCEQ has also adopted the *Texas Emissions Reduction Plan: Guidelines for the Seaport and Rail Yard Areas Emissions Reduction Program* (Guidelines), which contain more specific standards governing this program. Copies of the rules and Guidelines are available at the Texas Emissions Reduction Plan (TERP) website www.terpgrants.org.

1.2 PROGRAM GUIDELINES

The Guidelines, grant application form, grant application instructions, grant amount tables, example contract, and a copy of this RFGA may be viewed and downloaded from the TERP website at www.terpgrants.org. The materials may also be obtained by emailing TERP staff at TERP@tceq.texas.gov or calling 1-800-919-TERP (8377).

To be eligible for funding consideration, grant applications must be prepared and submitted in accordance with this RFGA, the Guidelines, and any instructions included with the application and this RFGA.

2.0 PROJECT CRITERIA

2.1 ELIGIBLE APPLICANTS AND OPERATION REQUIREMENTS

General eligibility requirements are contained in the Guidelines.

A person is eligible to apply for funding if, for at least the two years immediately preceding the application signature date, the applicant has:

- owned or leased an on-road vehicle, non-road yard truck, or other cargo handling equipment eligible to be replaced under the program; and
- operated the vehicle or equipment in one or more of the eligible seaports or rail yards for a minimum of 200 days per year (12-month period) for the preceding two years (24-month period).

Additional eligibility information and operational requirements:

Applicant Eligibility:

- a) Eligible applicants include individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations, or any other legal entity. This may include a corporation headquartered outside of Texas, but which operates eligible equipment in an eligible county in Texas.
- b) All corporations, partnerships, and other business entities must be registered with the Texas Secretary of State and maintain an active registration throughout the Activity Life.
- c) 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. Any questions regarding the eligibility of an entity to apply for a grant should be referred to TERP staff early in the application process.
- d) The applicant must have the authority to dispose of the equipment and engine being replaced or repowered in accordance with the grant requirements at the time the application is submitted. Applicants must certify compliance with these requirements in the application and may be required to provide documentation of such authority.
- e) Entities intending to serve as a third party for the funding, whereby the grant funding and/or cost savings resulting from the funding will be passed through to the owners or operators of the equipment, are not considered eligible applicants.

Program Usage Requirements:

- a) Grant recipients must agree to operate the grant-funded equipment at one or more of the eligible seaports or rail yards for a minimum of 200 days per year (12-month period) for the duration of the five-year Activity Life of the project.
 - For on-road projects, grant recipients must agree to operate the grant-

funded equipment for 50%, 75%, or 100% of the annual and total usage in the nonattainment areas and affected counties.

- For **non-road** projects, grant recipients must agree to operate the grant-funded equipment for 75%, or 100% of the annual and total usage in the nonattainment areas and affected counties.

2.2 ELIGIBLE SEAPORTS AND RAIL YARDS

Refer to Appendix A for a map of the eligible counties.

For this grant round, eligible applicants must operate in an eligible seaport or rail yard located in the state's **air quality nonattainment areas** to be considered for a grant. Refer to Appendix A for a map of the eligible counties.

- An eligible **seaport** is a publicly or privately owned property associated with the primary movement of cargo or materials from oceangoing vessels or barges to shore or vice-versa, including structures and property devoted to receiving, handling, holding, consolidating, and loading or delivery of waterborne shipments.
- An eligible seaport also includes publicly or privately owned property within a ship channel security district established under Texas Water Code, Chapter 68. Publicly or privately owned property **within Houston Ship Channel Security District (HSCSD)** is considered eligible for consideration of a grant under this solicitation. If an applicant is not able to determine whether a facility is part of the HSCSD or is otherwise not sure of the eligibility of a property, the applicant should contact TERP staff at (800) 919-TERP (8377) for help determining whether a particular facility is eligible.
- An eligible **rail yard** is a rail facility where cargo is routinely transferred from drayage truck to train or vice versa, including structures that are devoted to receiving, handling, holding, consolidating, and loading or delivery of rail-borne cargo.

If an applicant is not able to determine whether a facility is part of the HSCSD or is otherwise not sure of the eligibility of a facility, the applicant should contact TERP staff at TERP@tceq.texas.gov or 1-800-919-TERP (8377) for help determining whether a particular facility is eligible.

2.3 ELIGIBLE ACTIVITIES

Activities eligible for funding under this program involve the replacement or repower of drayage and cargo handling equipment with newer drayage and cargo handling equipment that emit NO_x at a rate that is at least 25% less than the emissions rate of the engines on the vehicles or equipment being replaced.

Applications will not be accepted for an activity that was included in a project previously awarded a TERP grant and that was subsequently canceled by the grant recipient after the date of issuance of this RFGA.

2.4 DRAYAGE AND CARGO HANDLING EQUIPMENT ELIGIBLE FOR REPLACEMENT OR REPOWER

General information and criteria on eligible activities are available in the Guidelines. This RFGA may contain additional requirements that apply to this application period. Potential applicants should review this RFGA, the Guidelines, and the application forms.

Vehicles and equipment used primarily for competition or recreational purposes are not eligible for funding under any of the project categories.

Drayage and cargo handling equipment eligible for replacement or repower under this program include:

- a heavy-duty on-road vehicle with a gross vehicle weight rating (GVWR) over 26,000 pounds;
- a non-road yard truck; and
- other cargo handling equipment.

The applicant must provide documentation of ownership or lease and meet the operational requirements under Section 2.1.

Ownership / Leasing:

- a) For **on-road drayage equipment being replaced**, the applicant must have continuously owned or leased the vehicle and have been listed as the owner on the title or the lessee on the lease agreement for the two years immediately preceding the application signature date.
- b) For **non-road drayage and other cargo handling equipment being replaced**, the applicant must have continuously owned or leased the equipment and have been listed as the owner on ownership documents or the lessee on the lease agreement for the two years immediately preceding the application signature date.
- c) For **drayage or cargo handling equipment being repowered**, the applicant must have continuously owned the equipment and have been listed as the owner on the title (on-road vehicles) or other ownership documents (non-road vehicles and equipment) for the two years immediately preceding the application signature date.
- d) TCEQ may consider situations, case by case, where the ownership of the company has changed, the assets of the company have been purchased by another company, or the company has changed names or incorporation status. The use or vocation of the equipment being replaced may not have changed.

Current Equipment Use & Registration:

- a) The drayage or cargo handling equipment must have been used in its primary function in the routine operations of the applicant in Texas for the two years immediately preceding the application signature date. Additionally, the equipment must be capable of

continuing to operate for at least five years from the application signature date.

- b) TCEQ may require the applicant to provide records and other documentation of use of the drayage or cargo handling equipment at the eligible facilities.
- c) An on-road vehicle must currently be registered for operation in Texas and must have been continuously registered in Texas for the two years immediately preceding the application signature date.
- d) TCEQ may consider and make exceptions for registration requirements on a case-by-case basis for certain situations including the following:
 - i. An on-road vehicle being used exclusively for vocational non-road purposes such as a yard truck or cargo handling at an eligible seaport or rail yard for the preceding two years.
 - ii. Registration gaps occurring between March 15, 2020, and April 14, 2021, due to the Covid-19 pandemic.
 - iii. Short lapses in vehicle registration and/or use may also be considered, as long as the owner or lease holder of the vehicle did not change.
- e) An apportioned registration for operation in several states will not normally be accepted as proof of continuous registration and operation in Texas, unless the applicant can document that at least 75% of the vehicle operation occurred in Texas over the two years immediately preceding the application signature date.
- f) Applicants with apportioned registration are required to submit quarterly mileage summaries for the two years immediately preceding the application signature date that include accurate dates and miles driven in each registered state.

2.5 DRAYAGE AND CARGO HANDLING EQUIPMENT ELIGIBLE FOR PURCHASE

Drayage and cargo handling equipment eligible for purchase to replace existing drayage or cargo handling equipment under the program include:

- a heavy-duty on-road vehicle with a gross vehicle weight rating (GVWR) over 26,000 pounds;
- a non-road yard truck; and
- other cargo handling equipment.

To be eligible for purchase under this program, drayage, or cargo handling equipment must:

- be powered by an electric motor or contain an engine certified to the current federal emissions standards applicable to that type of equipment, as determined by TCEQ; and

- emit NO_x at a rate that is at least 25% less than the emissions rate of the engine on the equipment being replaced.

Unless otherwise determined by TCEQ, the NO_x emissions rate of the engines replaced or purchased under this program will be based on the emissions standard or family emissions limit to which the engine is certified by the United States Environmental Protection Agency (EPA) or the California Air Resources Board (CARB) or, for replacement of an uncontrolled engine, a baseline emissions rate established by TCEQ.

In general, the replacement drayage or cargo handling equipment must be of the same type, horsepower range, weight category, and body and axle configuration as the drayage or cargo handling equipment being replaced.

TCEQ may accept, in specific cases, vehicles or equipment of a different type, horsepower range, weight category, or body and axle configuration to account for the latest technology, or equipment type used for certain drayage or other cargo handling purposes.

Some, but not all, of the situations TCEQ may consider include:

- replacement of an on-road heavy-duty vehicle used solely for moving cargo in an eligible facility with an on-road or non-road yard truck;
- replacement of an on-road yard truck with a non-road yard truck, or vice versa; and
- replacement of certain types of cargo handling equipment used specifically for container handling with a different type of cargo handling equipment that is also used for container handling.
- Some cargo handling equipment, including rough terrain forklifts and some rubber tire loaders with certain affixtures, may be used specifically for container handling as opposed to other drayage activities. Applicants must identify whether eligible cargo handling equipment is used primarily for container handling in the application. Eligible cargo handling equipment, not including non-road yard trucks, used primarily for container handling will be classified as “Container Handling Equipment” for purposes of determining maximum grant amounts (see the Maximum Eligible Grant Amount Tables at www.terpgrants.org).

2.6 ENGINES OR MOTORS ELIGIBLE FOR PURCHASE

To be eligible for purchase for repowering drayage or cargo handling equipment under this program, an engine or motor must:

- be powered by electricity or be an engine certified to the current federal emissions standards applicable to that type of engine, as determined by TCEQ; and
- emit NO_x at a rate that is at least 25% less than the NO_x emissions rate of the engine being replaced.

Unless otherwise determined by TCEQ, the NO_x emissions rate of the engines replaced or purchased under this program will be based on the emissions

standard or family emissions limit to which the engine is certified, or, for replacement of an uncontrolled engine, a baseline emissions rate established by TCEQ.

2.7 ELIGIBLE COSTS AND GRANT AMOUNTS

a) Replacement Projects

- For replacement projects, the grant recipient may be eligible for reimbursement of up to 80% of the eligible costs associated with the purchase or lease of the replacement equipment, not to exceed the maximum grant amount listed in the Maximum Eligible Grant Amount Tables found at www.terpgrants.org and not to exceed a cost per ton of \$25,000 for the amount of NO_x reduced. TCEQ may fund projects at less than the maximum grant amounts.
- A finance lease, with a binding commitment to buy and retain ownership of the replacement equipment at the end of the lease, may be considered a purchase, subject to approval by TCEQ. Other types of leases, such as an option to buy, are not eligible for reimbursement.

b) Repower Projects

- For repower projects, the grant recipient may be eligible for reimbursement of up to 80% of the eligible costs associated with the repower of the equipment, not to exceed the maximum rebate grant amount listed in the Maximum Eligible Grant Amount Tables found at www.terpgrants.org, and not to exceed a cost per ton of \$25,000 for the amount of NO_x reduced. TCEQ may fund projects at less than the maximum grant amounts.
- Reported costs that may be reimbursed, subject to approval by TCEQ, include:
 - i. the invoice cost of the new engine or upgrade, including sales tax and delivery charges;
 - ii. the invoice cost of additional equipment that must be installed with the new engine or upgrade;
 - iii. associated supplies directly related to the installation of the engine or system;
 - iv. the costs to remove and dispose of the old engine, if applicable;
 - v. installation costs;
 - vi. reengineering costs, if the equipment must be modified for the new engine to fit; and
 - vii. other costs directly related to the project, including the purchase and installation of a global positioning system (GPS).
- In some cases, the repower of drayage or other cargo handling equipment to convert to operation using a new technology, such as electric drive, may include the complete remanufacturing of the

equipment to new condition. TCEQ may consider additional costs, case by case, where the repower of the equipment is part of a more complete remanufacture of the equipment. Applicants should consult with TERP staff to determine eligibility of costs before applying for this type of repower activity.

c) All Projects - Allowable Costs

- The cost to purchase and install a TCEQ-approved GPS to track and log the location and use of the equipment. If the costs for the purchase and installation of a TCEQ-approved GPS are included in the grant, the grant recipient must agree to pay for any required ongoing operational costs of using the GPS, including the reporting system provided by the vendor, for the Activity Life. Failure to maintain and use the GPS may result in a requirement to return any grant funds used to pay for all or part of the purchase and installation of the GPS. Please refer to the TERP website www.terpgrants.org to obtain the latest GPS vendor, price, and contact information.
- Optional features necessary for the normal operation and vocation of the equipment.
- To the extent applicable, as determined by TCEQ, the cost principles of the Uniform Grant Management Standards, and its successor guidance, Texas Grant Management Standards apply to the determination of eligible costs:
<https://comptroller.texas.gov/purchasing/grant-management/>

d) All Projects - Ineligible Costs

- Administrative costs and other internal costs of the grant recipient, including but not limited to personnel expenses, internal salaries, indirect costs, and travel. This restriction also applies to situations where the grant recipient provides its own reengineering and installation services or acts as the freight/delivery provider for delivery of the grant-funded equipment before or after acceptance of the equipment.
- Fees for a third-party consultant hired by the grant recipient to manage and administer the grant-funded activities, including coordination of the work and submission of reports and paperwork to TCEQ for the grant recipient. These are considered administrative costs and are not eligible for reimbursement. This restriction is not intended to limit the ability of the equipment vendor or engine installer to include reasonable and necessary costs for overseeing the work to be performed in the price of the vehicle, equipment, engine, and/or installation services.
- Finance fees and charges.

2.8 DISPOSITION OF VEHICLE/EQUIPMENT AND ENGINE

a) Standard Destruction

- The old equipment and engine must be rendered permanently destroyed and inoperable within 90 days of receiving financial reimbursement. The applicant must damage and destroy the equipment and engine's structure so that it may not be repaired or operational.
- Methods of standard destruction include:
 - i. completely crushing the equipment and engine, or
 - ii. cutting a 3-inch or larger hole in the engine block on both sides and cutting both frame rails in half.

b) Alternative Destruction

- Grant applicants may request TCEQ's preauthorization of an alternative method for rendering the vehicle and engine permanently inoperable.
- Applicants must request alternative disposition or destruction using Form 9 of the application.
- If approved, the alternative disposition method will be included in the special conditions of the contract; otherwise, the standard methods described above will be required.

c) Documentation

- The contract will include specific provisions for scrapping the equipment and engines and for submitting disposition verification information to TCEQ.
- The applicant must provide a certification of the destruction of the old equipment and engine on forms provided by TCEQ.

Grant recipients must submit a copy of a Texas Nonrepairable Vehicle Title issued by the Texas Department of Motor Vehicles (TxDMV) for titled vehicles replaced under this grant. The Texas Nonrepairable Vehicle Title must be submitted at the same time that the required documentation is submitted to TCEQ. This title is available by submitting a completed form VTR-441 along with the required fee to the TxDMV.

2.9 USE OF CONSULTANTS

- a) Private consultants may be available to assist an applicant to complete and submit an application. These consultants do not represent TCEQ. TCEQ neither encourages nor discourages the use of a consultant to assist with the application process. Applications submitted by a consultant will not receive more favorable treatment than other applications.
- b) The applicant must indicate in the application if the application was prepared by a third party. If a third party prepares the application, the third-party preparer must also sign the application and certify that the information provided is correct.

- c) 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.
- d) All purchase decisions must be based on sound business practices and arm's length bargaining. Purchases should be free from apparent, actual, and organizational conflicts-of-interest such as an applicant buying from its own stock or a related company's stock.
- e) It is generally considered acceptable for an applicant to accept assistance from a vendor or an agent of a vendor in preparing an application, as long as any decision by the applicant to purchase the grant-funded equipment from that vendor is made independently and meets the other reasonableness provisions in the grant contract.

TCEQ may consider it a conflict of interest and unreasonable if the consultant has an interest in the company selling the grant-funded vehicles/equipment and is paid directly by the applicant to complete the application documents and to act as the applicant's agent for the grants process. Contact the TERP staff with any questions.

2.10 ADDITIONAL REQUIREMENTS

Additional criteria that apply to activities funded under this program are discussed below.

- a) Up to ten activities may be included in each grant application. TCEQ reserves the right to limit the number of grants awarded per applicant.
- b) Multiple activities of similar equipment and usage type (i.e. non-road or on-road) may be included in an application. However, separate applications must be submitted for projects that operate in different primary areas.
- c) Include a photocopy of an official state or federal identification card in the application (e.g., driver's license) if applying as an individual or sole proprietor.
- d) An activity is not eligible if it is currently required by any state or federal law, rule, regulation, memorandum of agreement, or other legally binding document. This restriction does not apply to the purchase of equipment that is required only by local law or regulation or by corporate or controlling board policy of a public or private entity.
- e) Any emissions reductions achieved by the SPRY Program must be assigned to TCEQ and any marketable emissions reduction credits must be retired. Therefore, if another incentive program requires that emissions reductions achieved by the project be assigned for use by that program, funding from that program may not be combined with a SPRY Program grant for the purchase of a replacement or repowered equipment.
- f) An activity involving a new emission reduction measure 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: the activity includes the transfer of the reductions that would otherwise be marketable credits to the state implementation plan, or the owner or operator as provided under Section 386.056, Texas Health and Safety Code; and the reductions are permanently retired.

- g) The equipment may not have been purchased before the start of the grant application period.
- h) Applicants may request less than the eligible amount. If an applicant requests less than the eligible amount, the requested amount will be used by TCEQ to determine the grant award. If the applicant requests more than the eligible amount, TCEQ will only consider for award up to the maximum eligible grant amount.
- i) Applicants must list in the application all other financial incentives and tax credits received and/or expected to be received for the vehicle, equipment, or engine purchase. The combined total of the SPRY Program grant and other financial incentives or assistance, including tax credits received or expected to be received, may not exceed the incremental costs to the applicant.

3.0 GRANT ADMINISTRATION

3.1 REIMBURSEMENT OF EXPENSES

- a) All grants are paid on a reimbursement basis. To receive grant funds, all grant-funded equipment must have been paid for and received, on or before the Request for Reimbursement Deadline indicated in the contract. Any expenses incurred by grant recipients prior to receiving a fully executed contract will be at the grant recipient's own risk. All final requests for reimbursement (RFR) must be received by TCEQ by this deadline. The RFR is available on the TERP website www.terpgrants.org or by calling TERP at 1-800-919-TERP (8377).
- b) If the grant recipient finances the Grant Equipment, reimbursement may be paid directly to the grant recipient only if the grant recipient has used cash on hand (non-borrowed funds) to pay eligible expenses that are equal to or greater than the grant amount, otherwise the reimbursement will be assigned to the finance company. Supporting documentation must be submitted to establish that the equipment was received, and that the reimbursement amount is owed to the company that provided the financing.
- c) Reimbursement will not be authorized for pre-payment of future periodic finance payments. A grant recipient will need to either ensure that sufficient payments will be made before the RFR deadline or that the financing agreement allows for an up-front payment.
- d) Expenses eligible for reimbursement include the cost of grant-funded equipment, taxes, government fees, warranties, and delivery fees. They do not include additional equipment or attachments, insurance premiums, extended service plans, loan related fees and interest, consultant fees, or the

grant recipient's internal administrative expenses. This list is not all-inclusive.

- e) Eligible costs will be reduced by the scrap value of the old equipment and by any other financial incentives or assistance including tax credits received or expected to be received. The resulting amount is the Incremental Cost. Reimbursement cannot exceed 80% of the Incremental Cost. Normally the scrap value will be a default amount set by TCEQ. For this solicitation, the default scrap value is set at \$1,000 for replacement projects and \$250 for repower projects. If not using the default value, the amount received for the equipment being replaced must be the result of arms-length bargaining with the entity taking the old equipment.

3.2 MONITORING AND REPORTING

The grant recipient must agree to monitor the use of the grant-funded equipment for the five-year Activity Life.

- a) The beginning and ending dates for the Activity Life of each grant-funded activity will be established by TCEQ. The Activity Life start date begins on the date that TCEQ accepts verification of the disposition of the equipment or engine. At that time, the grant recipient will be notified in writing of the beginning and end date of the Activity Life.
- b) Annual reports on the use of the grant-funded equipment, beginning with the Activity Life start date, will be required using TCEQ forms.
- c) The applicant will maintain, for the term of the Activity Life, property loss insurance or self-insurance coverage on the grant-funded equipment acquired, leased, or repowered, using these funds in an amount enough to reimburse the grant award.
- d) If requested by TCEQ, grant recipients must place a TCEQ-provided identifying mark or label on the grant-funded equipment to aid both TCEQ and the grant recipient in the tracking and identification of that equipment.
- e) Initial installation of a GPS is voluntary. However, if requested by TCEQ, the grant recipient must install and use a device for tracking the location of grant-funded equipment during the Activity Life. TCEQ may require installation of a GPS for grant recipients that are not meeting the grant requirements pertaining to usage or location of use, in lieu of requiring immediate return of grant funds. In those cases of non-compliance, the grant recipient must agree to install and use the approved GPS if requested to do so by the TCEQ, or the grant recipient may be required to return all or a portion of the grant funds.
 - If the grant recipient installs a GPS from the TCEQ-authorized GPS contractor, either as part of the grant or with other funds, the TCEQ may accept the reports available from the GPS service provider in lieu of the grant recipient submitting annual usage reports.
 - TCEQ has approved the vendor for a GPS to electronically track the

location and use of grant-funded vehicles and equipment. Only the GPS system purchased from the TERP GPS Monitoring Service contractor, Precision Tracking Services, Inc., is authorized by and contracted with TCEQ to provide the system. Refer to our website www.terpgrants.org to obtain the latest price and contact information, or you may contact them directly at 888-987-8722.

3.3 PERFORMANCE EVALUATION

TCEQ may prepare written evaluations of the performance of the grant recipient upon the completion of the life of the project or more frequently, as deemed necessary by TCEQ. The criteria used to evaluate performance will be included in the contract. The performance rating on grantee evaluations for a past grant may be considered by TCEQ in evaluating an application from the grant recipient for additional funding under this or other TCEQ grant programs. A rating of marginal or unsatisfactory performance may be used as a determining factor in the acceptance of future applications.

3.4 FUNDING

- a) The total amount to be awarded under this grant program will depend upon the amount of revenue received into the TERP account. TCEQ is not obligated to select project proposals to cover the full amount of expected or available funding or may select projects that exceed the anticipated revenue amount.
- b) TCEQ will not be obligated to select applications for funding, even if received within the application deadline. TCEQ may also select parts of a proposal for funding and may offer to fund less than the dollar amount requested in a proposal.
- c) TCEQ may suspend the first-come, first-served provisions and hold additional applications from a particular entity after that entity has been awarded approximately 35% of the funds available.
- d) To assist applicants in determining whether sufficient funds will be available to cover their application, TCEQ may post updates on the TERP website www.terpgrants.org regarding the amount of unobligated funds that remain available. Information will also be available by contacting TERP staff at TERP@tceq.texas.gov or 1-800-919-TERP (8377).

4.0 APPLICATION PROCESS

Required Forms. Application forms may be viewed and downloaded from the TERP website at www.terpgrants.org. Copies of the forms may also be obtained by contacting TERP staff at TERP@tceq.texas.gov or 1-800-919-TERP (8377).

Application Submission. To apply for funding, applicants must complete and submit the grant Application Form (TCEQ -20556). Instructions for completing an application can be viewed and downloaded from the TERP website www.terpgrants.org. Completed and signed forms may be submitted via electronic mail to TERPapply@tceq.texas.gov or by mail to one of the addresses below:

Regular Mail:

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

Express Mail:

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

Application Submission Deadline. Applications will be accepted and considered on a first-come, first-served basis during this grant period. 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 on the premises of TCEQ or via electronic mail to TERPapply@tceq.texas.gov no later than 5:00 p.m., Central Time, November 22, 2022.

Additional Program Information. For further information, contact TERP staff at TERP@tceq.texas.gov or 1-800-919-TERP (8377).

Public Information. Upon submission, all proposals become the property of the State of Texas and as such become subject to the Texas Public Information Act, Texas Government Code Chapter 552.

Personal Information Policy. 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 TERP@tceq.texas.gov or 1-800-919-TERP (8377).

5.0 CALCULATIONS OF NO_x EMISSIONS REDUCTIONS

For this RFGA a primary selection factor will be the amount of NO_x emissions reductions projected to be achieved by the project in the eligible counties.

- a) Default annual mileage rates will be used for each equipment weight classification. The calculations will be based on operation of the grant-funded equipment for 50%, 75%, or 100% of the annual mileage or hourly usage in the eligible counties, as marked in the application.
- b) Baseline NO_x emission rates for the equipment being replaced will be the NO_x emissions standard to which the equipment or engine is certified, based on the standards applicable to that classification and model year of the equipment or engine. The NO_x emissions of the equipment being purchased will be based on the certified NO_x emissions standard of that equipment and/or engine.

6.0 APPLICATION REVIEW AND SELECTION

6.1 APPLICATION REVIEW

Applications will be date stamped as they are received by TERP program staff.

Subject to the additional criteria in this section, properly completed and eligible projects will be processed for approval on a first-come, first-served basis. Incomplete or ineligible applications may be returned to the applicant. TCEQ will work with applicants, to the extent possible, to correct problems with applications and to obtain all necessary information and documentation to consider the application complete. However, the amount of time available for this will be limited, and TCEQ is not obligated to wait for all corrections to be completed before making the grant selections. Corrected or changed applications will be considered based on the date and time at which the corrected or changed versions are received by TERP program staff.

TCEQ may base funding decisions on other factors associated with best achieving the goals of the program. As part of this consideration, TCEQ may give priority to projects in certain areas and/or for certain emission sources.

6.2 PROJECT SELECTION

- a) TCEQ will review the applications for selection pending receipt of all needed information or documentation. The issuance of a contract may be contingent upon receipt of the additional information.
- b) TCEQ may make selection for funding contingent upon agreement by the grant applicant to additional conditions or changes to the project pertaining to equipment, logistical considerations, expenses, and other program elements. These provisions may be included in the contract.
- c) Based on the number and types of applications received, TCEQ may establish a cut-off level for grant selections that is less than the available funding, and projects may be offered a smaller amount of funding or may be held until a later date.
- d) TCEQ is not obligated to select an application:
 - i. From an applicant that has demonstrated marginal or unsatisfactory performance on previous grants and contracts with the TCEQ and other state agencies, or who has an outstanding invoice from a TERP program.
 - ii. From an applicant or for a project based on a determination of the risks associated with the applicant and/or project, including the financial condition of the applicant, the extent to which application information is verified by supporting documentation and pre-award site visit evaluation, and other risk factors as may be determined by TCEQ.
 - iii. From an applicant that is under federal, state, or local enforcement action for violation of environmental laws or permit conditions.
- e) The Authorized Official submitting the application must also certify in the

application that the individual or business entity named in the application is eligible to receive the grant based on a number of state statutory requirements, including Section 231.006 of the Texas Family Code regarding delinquent child support. Any contract may be terminated, and payment may be withheld if the certification is inaccurate. Grant applicants must also complete a W-9 Form (Request for Taxpayer Identification Number and Certification Form) as part of the application.

6.3 GRANT AWARD AND CONTRACTING

An example contract shell is available on the TERP website, www.terpgrants.org. Successful applicants will be notified by phone, or other means, of their selection and the amount of grant funds that may be awarded. Applicants selected to receive grant funding will be required to sign a contract with TCEQ if they wish to proceed with the grant. Upon signature and execution of the contract by TCEQ, a copy of the signed contract will be returned to the applicant, at which time the grant will be considered awarded.

All services or work carried out under a contract awarded under this RFGA must be completed within the scope, time frames, and funding limitations specified in the contract. TCEQ reserves the right to modify the terms in the example contract due to changes in law, rules, or policy.

6.4 TAXES

Grant recipients are responsible for complying with all U.S. Internal Revenue Service (IRS) laws and rules regarding the taxable status of grants. The grant payments are Form 1099 reportable.

7.0 CONSIDERATION OF APPLICATION IN FUTURE GRANT ROUNDS

TCEQ may, at its discretion, retain applications not selected for funding under this notice for consideration under a future grant round. Applicants will be notified by TCEQ if their application is retained for consideration under a future grant round and will be given the option of withdrawing their application from consideration.

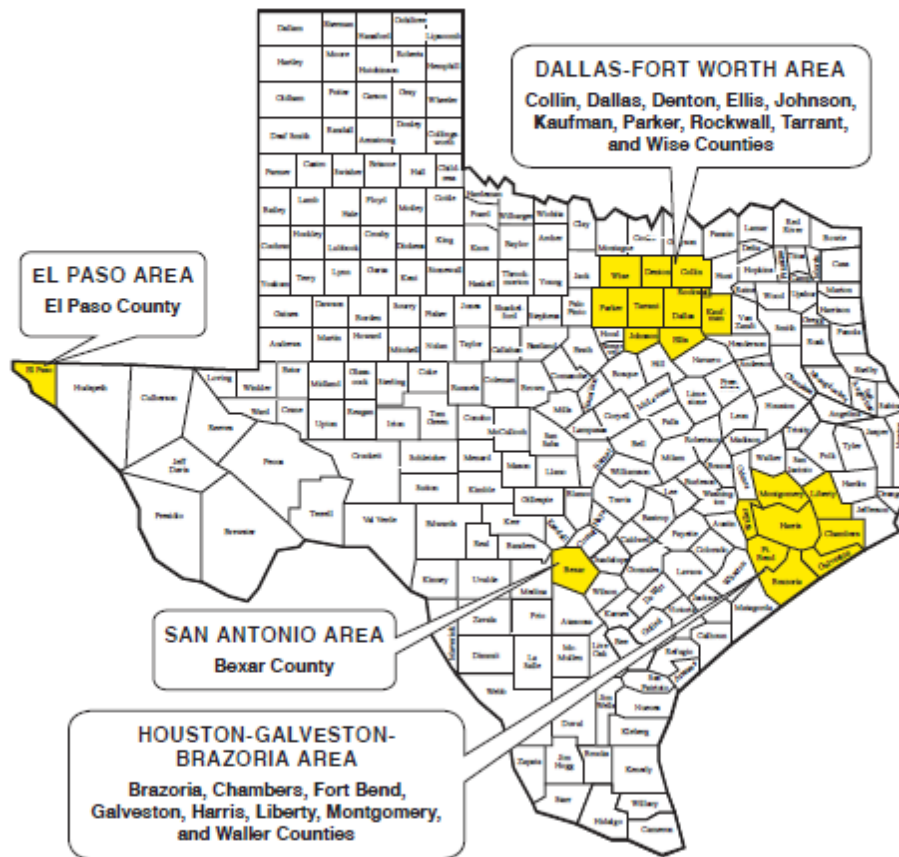
APPENDIX A: MAPS

Seaport and Rail Yard Areas Emissions Reduction Program

Eligible Counties for Location of Seaports and Rail Yards



A PROGRAM OF TCEQ



July 2019

This map was generated by the TCEQ's Air Quality Division solely for informational purposes and does not represent property boundaries. If you have questions concerning this map, contact the division at 505.027.7594.

Seaport and Rail Yard Grants Program



A PROGRAM OF TCEQ

Eligible Counties for Usage

- Austin Area:**
- Bastrop
- Caldwell
- Hays
- Travis
- Williamson

- Beaumont-Port Arthur:**
- Hardin
- Jefferson
- Orange

- Corpus Christi Area:**
- Nueces
- San Patricio

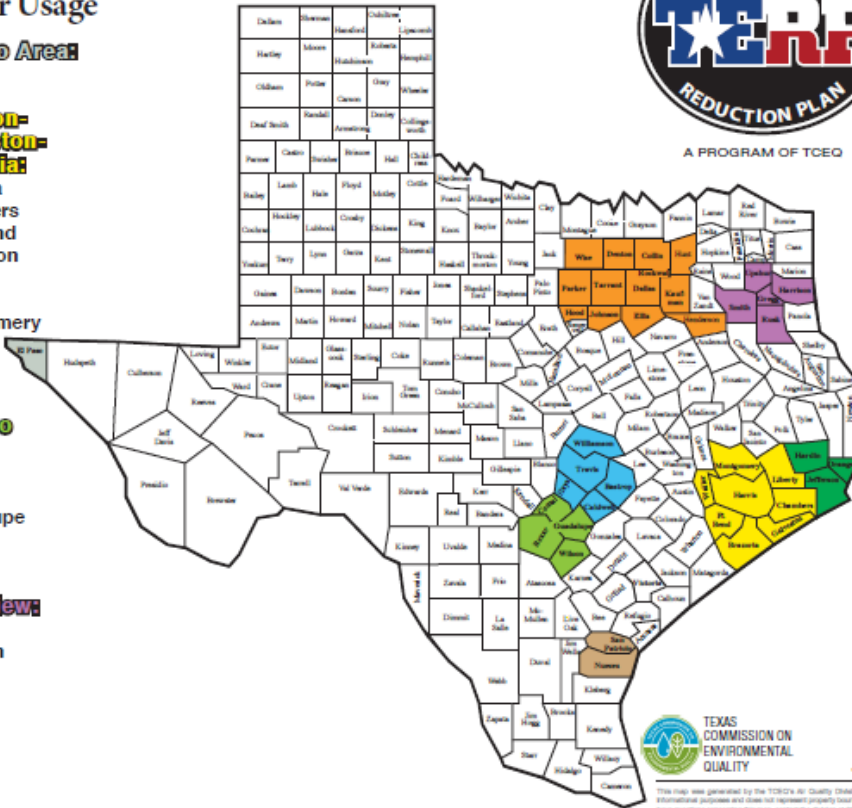
- Dallas-Fort Worth:**
- Collin
- Dallas
- Denton
- Ellis
- Henderson
- Hood
- Hunt
- Johnson
- Kaufman
- Parker
- Rockwall
- Tarrant
- Wise

- El Paso Area:**
- El Paso

- Houston-Galveston-Brazoria:**
- Brazoria
- Chambers
- Fort Bend
- Galveston
- Harris
- Liberty
- Montgomery
- Waller

- San Antonio Area:**
- Bexar
- Comal
- Guadalupe
- Wilson

- Tyler-Longview:**
- Gregg
- Harrison
- Rusk
- Smith
- Upshur



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

July 2019

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APPENDIX B: GROSS VEHICLE/EQUIPMENT WEIGHT RATING INSTRUCTIONS

Gross Vehicle Weight Rating (GVWR). The weight listed for the equipment may not exceed the maximum weight allowed by the Texas Department of Transportation (TxDOT). In general, the maximum weight listed for the equipment may not exceed 20,000 pounds (lbs.) per axle.

The gross combined weight rating (GCWR) of the equipment and trailer may be used for haul trucks or similar trucks that permanently operate in combination with a trailer. An applicant should contact the TCEQ if unsure whether an equipment and trailer combination meets these conditions.

TCEQ may, at its discretion, accept a weight over 20,000 lbs. per axle for equipment operating under an annual over the weight tolerance permit or other annual specialty permit issued by TxDOT for certain uses. **A copy of the annual permit and/or other documentation of permanent operation in the higher weight category must be provided with the application.** Registration of the equipment at a higher weight and/or a temporary overweight permit will not be sufficient documentation that the equipment is permanently operated at the higher weight.

Proof of the registered GVWR is required with the grant application.

Examples

- **Class 7:** 26,001-33,000 pounds GVWR
- **Class 8a:** 33,001-60,000 pounds GVWR
- **Class 8b:** Greater than 60,000 pounds GVWR or GCWR