



Seaport and Rail Yard Areas Emissions Reduction (SPRY) Program

Air Grants Division
April 2022

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Webinar Agenda

- Program Overview
- Project Criteria
- Submitting a Grant Application
- Questions and Answers



Program Overview

- Grants are awarded on a **first-come, first-served** basis.
- Applications will be accepted until **November 22, 2022**, or until all grant funds have been awarded.
- Maximum Grant Amount Tables are provided on the TERP website at www.terpgrants.org.
- Applicants may be eligible for the maximum grant amount provided in the applicable table or 80% of the eligible costs, whichever is less.



Eligible Applicants

For the **two years immediately preceding the application signature date**, applicants must have:

- owned or leased the vehicle or equipment;
- operated the equipment at an eligible seaport or rail yard for a **minimum of 200 days per year for the last two years**; and
- continuously registered the equipment (on-road only).



Eligible Seaports & Rail Yards

- 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.
- 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.
- Eligible seaports also include publicly or privately owned property within the Houston Ship Channel Security District.



Eligible Seaports & Rail Yards (cont.)

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.

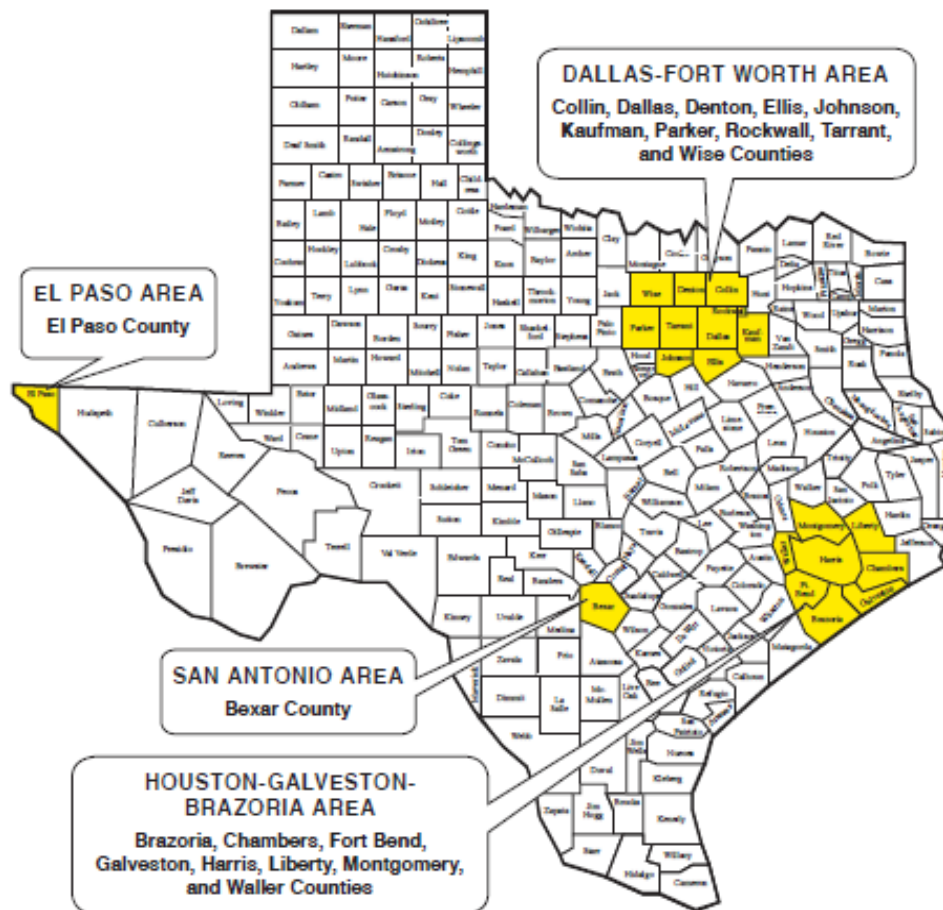


Eligible Equipment

- Drayage trucks and cargo handling equipment eligible for replacement or repower under this program include:
 - a heavy-duty vehicle with a gross vehicle weight rating (GVWR) of 26,000 lbs. or greater;
 - a yard truck or terminal tractor; or
 - other cargo handling equipment.
- Equipment must be in good operating condition, used in its primary function in the routine operations of the applicant, and be capable of performing that function for at least **five more years.**



Air Quality Nonattainment Areas





Types of Cargo Handling Equipment

Cargo handling equipment is defined as any heavy-duty non-road, self-propelled vehicle or equipment used at a seaport or rail yard to lift or move cargo such as containerized, bulk, or break-bulk goods, including, but not limited to:

- rubber-tired gantry cranes;
- top handlers;
- side handlers;
- reach stackers;
- forklifts;
- loaders;
- aerial lifts; and
- **container handling equipment.**



Container Handling Equipment

- Equipment used primarily for container handling must be classified as “**container handling equipment**” in the grant application for purposes of determining maximum grant amounts, for example:
 - rough terrain forklifts and some rubber tire loaders with certain affixtures may be used specifically for **container handling** as opposed to other cargo and drayage activities.



Replacement Projects

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

- be powered by an electric motor or contain an engine certified to the current federal emissions standards applicable to that type of engine, as determined by the TCEQ;
- emit NO_x at a rate that is at least 25% less than the emissions rate of the engine on the equipment being replaced; and
- generally, be of the same type, HP range, weight category, and body and axle configuration as the equipment being replaced.



Repower Projects

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 emissions rate of the engine on the equipment being replaced.



Maximum Eligible Grant Amount

Maximum Eligible Grant Amounts are:

- posted in tables on the TERP website at www.terpgrants.org;
- based on the age and certified NO_x emissions rate of the engine in the equipment being replaced or repowered, and the total percentage of annual use in the eligible usage areas; and
- the lesser of the estimated amount posted in the applicable table on the TERP website or 80% of the eligible cost and may not exceed the limit of \$25,000 per ton of NO_x reduced.



Supporting Documentation

Complete applications must include:

- color photos of the equipment and engine;
- a copy of a valid photo ID if applying as an individual;
- a signed and completed Form 10 (W-9 Form); and
- documentation of ownership or lease and continuous registration for the 12 months immediately preceding the application signature date (on-road equipment).



Apportioned Registration

- Apportioned registration for operation in several states will not normally be accepted as proof of continuous registration.
- Applicants with apportioned registration must complete Form 8: Quarterly Mileage Summary Form to document that at least 75% of operation occurred in Texas for the two years immediately preceding the application signature date.



Submitting the Grant Application

Completed applications 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 Program, MC-204
P.O. Box 13087
Austin, TX 78711-3087

Express Mail:

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



What happens next if my project is selected for award?

1. A contract will be sent to the grantee selected for award to sign and return.
2. Once the contract is signed by the TCEQ, the grantee may purchase the equipment and then request reimbursement for eligible expenses.
 - Goods and services must have been paid for and received by the grantee before reimbursement can be requested.
3. Grant recipients may assign the grant payment to a dealer or financing entity.



Activity Life Commitment

- The Activity Life is the period used to determine the emissions reductions and is set at five years under this program.
- Grantees must track and report annually on the use and location of all grant funded equipment over the **five-year** Activity Life of the project.



Usage Commitment

All grant-funded equipment under this program must operate **at an eligible seaport or rail yard** a minimum of **200 days per year** throughout the five-year Activity Life of the project.



Usage Commitment (cont.)

For at least the **five-year** Activity Life of the project:

- ***on-road*** grant recipients must agree to operate the grant-funded equipment for **50%, 75%, or 100%** of its annual usage in the nonattainment areas and affected counties; and
- ***non-road*** 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.



Areas of Operation

Seaport and Rail Yard Grants Program

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:

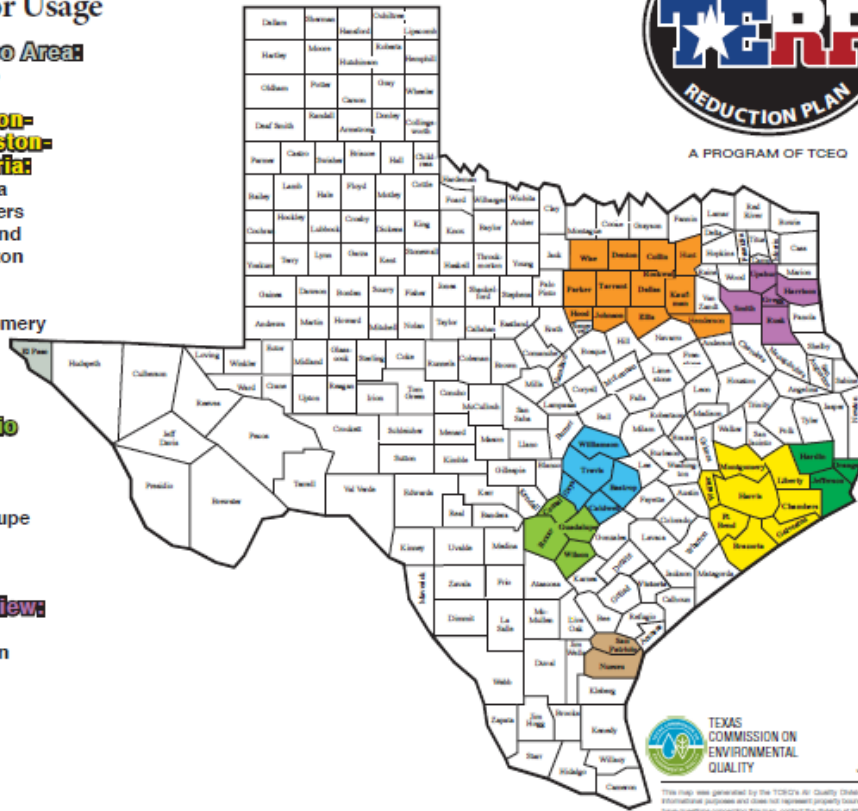
- Brazoria
- Chambers
- Fort Bend
- Galveston
- Harris
- Liberty
- Montgomery
- Waller

San Antonio Area:

- Bexar
- Comal
- Guadalupe
- Wilson

Tyler-Longview:

- Gregg
- Harrison
- Rusk
- Smith
- Upshur



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 Director at 800-675-7589.



Reporting Requirements

- The grant recipient must submit usage reports on an annual basis for the duration of the **five-year** Activity Life.
- TCEQ may conduct **on-site visits** to view the equipment and ensure usage records are being maintained.
- Failure to report or failure to meet the usage commitments may result in the recipient having to repay a share or all of the grant funds.



Global Positioning System (GPS)

- The purchase and installation of a GPS unit is optional.
- The costs to purchase and install a GPS unit to track and log the location and use of the equipment may be included in the incremental cost calculation for the grant.
- The applicant will be responsible for ongoing operational and maintenance charges.
- If the applicant uses the TCEQ-authorized service provider, the TCEQ may allow the vendor to provide the required usage reports.

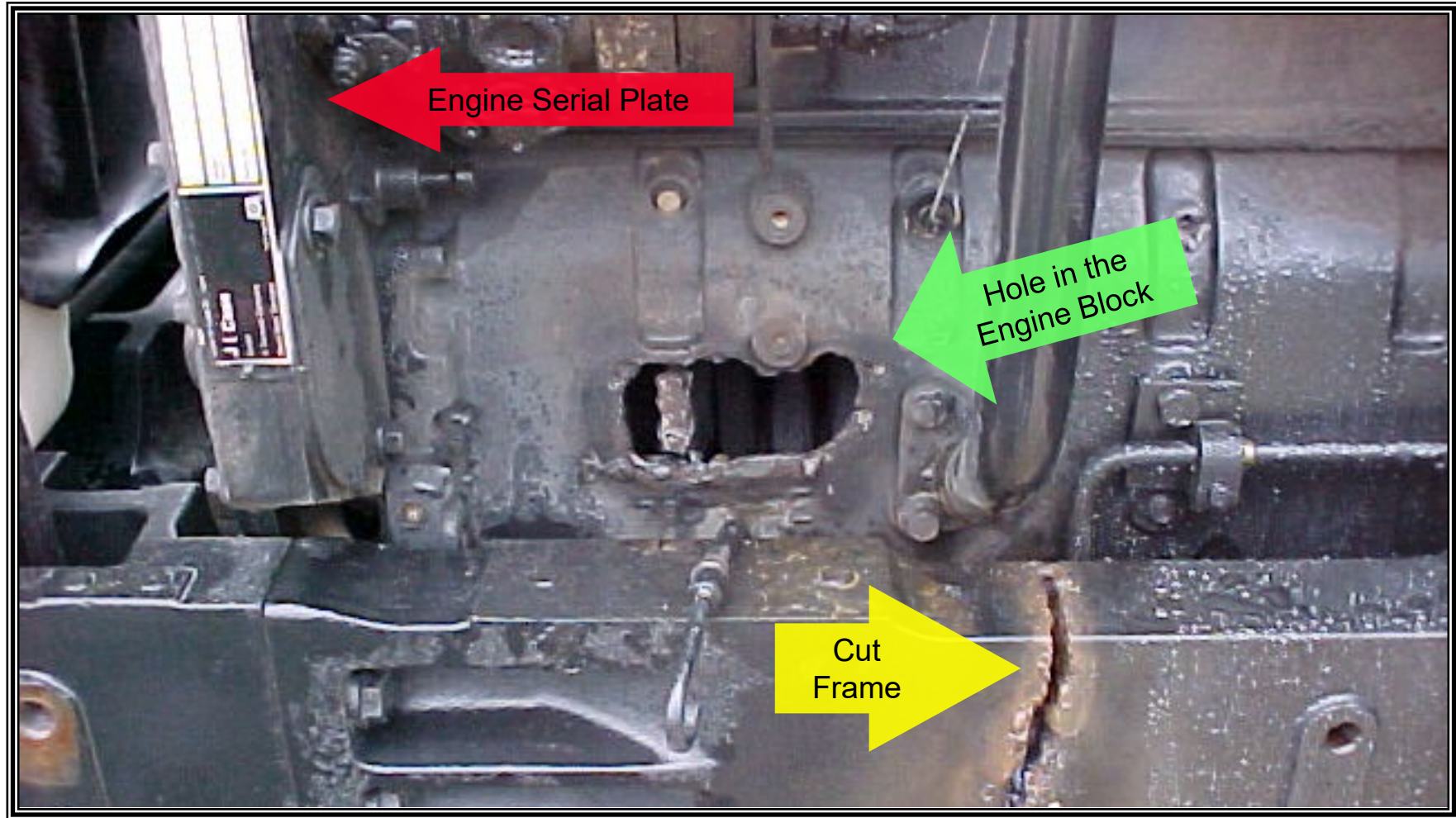


Disposition

- The grantee must **destroy the old equipment** by:
 - crushing the equipment and engine; or
 - cutting a hole in the engine block on both sides and both frame rails in half.
- The grantee must submit a Non-Repairable Vehicle Title for each on-road vehicle destroyed.
- Disposition must occur within 90 days of receiving payment from TCEQ or the grant funds may be rescinded.
- Every destruction is verified by TERP staff through photos, documents, and site visits (as needed).



Sample Disposition Photo





Sample Disposition Photo (cont.)





Use of Consultants

- TCEQ has no business relationship with private consultants.
- It is the applicant's choice to work with a consultant or not.
- Consultant fees may not be paid with grant funds, nor can the cost basis for determining the total costs include consultant fees, even if those fees are to be paid by the dealer.



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Questions or Comments:
terp@tceq.texas.gov

Texas Emissions Reduction Plan (TERP)

The TERP program provides financial incentives to eligible individuals, businesses, or local governments to reduce emissions from polluting vehicles and equipment.

Learn More About TERP

Texas Emissions Reduction Plan (TERP) Introduction Video

Watch later Share

The TERP program offers grants for new and upgraded equipment, to reduce pollution and improve the air quality in Texas. Each grant has specific eligibility requirements and may have different application periods.

Now Accepting Applications

- Texas Natural Gas Vehicle Grant Program (TNGVGP)

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I Have a TERP Grant

- Request a Contract Change
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- Report Your Usage

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Air Grants Division

Website: www.terpgrants.org

E-mail: terp@tceq.texas.gov

Toll Free: 800-919-TERP (8377)