

**Request for Grant Applications (RFGA)  
Texas Clean Fleet Program (TCFP)**

**Texas Commission on Environmental Quality (TCEQ)  
Texas Emissions Reduction Plan (TERP)  
Solicitation No. 582-25-70086-CF**

Esta es la Aplicación para Solicitud de Subvenciones para el Programa de Flotilla Limpia de Texas (TCFP por sus siglas en inglés). La información en este documento le ayudará a determinar si reúne los requisitos para recibir una subvención. Comuníquese al 800-919-TERP (8377) para obtener ayuda para interpretar esta información.



| <b>Important Dates</b>             | <b>Date</b>      |
|------------------------------------|------------------|
| Program Opening Date               | January 24, 2025 |
| Application Submission Deadline    | March 21, 2025   |
| Request for Reimbursement Deadline | April 30, 2027   |

**Contact Information**

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[terpgrants.org](http://terpgrants.org)

Applications will only be accepted for consideration during this grant period if received **no later than 5:00 p.m., Central Time (CT), 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 a TCFP grant is dependent in part 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 [TCFP webpage](#).

There will be no pre-proposal conference.

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## **1.0 Purpose**

Texas Commission on Environmental Quality (TCEQ) invites applications for the Texas Clean Fleet Program (TCFP). The TCFP was established to encourage a person that has a fleet of diesel-powered vehicles to replace them with alternative fuel or hybrid vehicles.

## **2.0 Program Requirements**

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

TCEQ may waive the requirements of this section on a finding of good cause. Applicants must submit waiver requests with the application to be considered. Please refer to Appendix B for instructions on completing and submitting a waiver request.

### **2.1 Eligible Applicants**

- a) An eligible applicant is an individual or entity with a fleet of 75 or more vehicles that are registered in Texas.
- b) An applicant must submit a minimum of 10 vehicles for replacement in an application. An applicant will still be eligible to receive funding if TCEQ denies an award for one or more of the vehicles included in the application.
- c) All business entities such as corporations or partnerships must have an active registration with the Texas Secretary of State by no later than January 24, 2025, at 5:00 p.m., CT. If awarded a contract, businesses must maintain an active registration during the contract period.
- d) Applicants must disclose known apparent, potential, or actual conflicts of interest to TCEQ in writing at the time the application is submitted. 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.

### **2.2 Vehicles Being Replaced (old vehicle)**

Each vehicle being replaced must:

- a) be an on-road heavy-duty or light-duty diesel-powered vehicle;
  - A heavy-duty vehicle has a gross vehicle weight rating (GVWR) greater than 8,500 pounds (lbs.) and contains an engine certified to the United States (US) Environmental Protection Agency (EPA) heavy-duty engine emissions standards.
  - A light-duty vehicle has a GVWR less than 10,000 lbs. and is certified to the US EPA light-duty vehicle emissions standards.
- b) have been owned, leased, or otherwise commercially financed and registered and operated by the applicant in Texas for at least the two years immediately preceding the application signature date;
- c) have been operated in Texas for the two years immediately preceding the application signature date; and
- d) be in operating condition with at least two years of useful life remaining.

As a condition of receiving a grant, any vehicles being replaced must be rendered permanently inoperable (see 2.5 Disposition).

### **2.3 Qualifying Vehicles (new vehicle)**

The qualifying vehicle must be:

- a) a new motor vehicle that has not been the subject of a retail sale regardless of the mileage of the vehicle (not previously sold or leased prior to purchase);  
TCEQ will consider a lease with a binding commitment to buy and retain ownership of the grant-funded vehicle at the end of the lease (referred to as a lease-purchase agreement) as a qualifying vehicle purchase;
- b) of the same weight classification and used in the same application or vocation as the vehicle being replaced;
- c) a hybrid vehicle or fueled by an alternative fuel including electricity, compressed natural gas (CNG), liquefied natural gas (LNG), hydrogen, propane, or methanol (85% by volume);
- d) certified to the current federal emissions standard applicable to that vehicle and/or engine; and
- e) certified to emit at least 25% less nitrogen oxides (NO<sub>x</sub>) than the certified federal emissions standard applicable to the vehicle being replaced, or a baseline emissions level set by TCEQ.

As a condition of receiving a grant, the new vehicle must be operated in accordance with the usage requirements (see 2.6 Usage).

### **2.4 Non-Qualifying Vehicles**

A new vehicle does not qualify if it:

- a) is a neighborhood electric vehicle as defined in 30 TAC §114.650;
- b) has been used as a qualifying vehicle to TCFP grant for a previous reporting period or by another entity; or
- c) has qualified for a similar grant or tax credit (a grant or tax credit has been awarded to, granted, or used for the vehicle).

### **2.5 Disposition**

If selected for a grant, the vehicles and engines being replaced must be destroyed and rendered permanently inoperable (commonly referred to as disposition) within 90 days of the reimbursement payment being issued by TCEQ.

#### **2.5.1 Standard Disposition**

The grant recipient must dispose of the old vehicle and engine by:

- a) completely crushing the vehicle and engine, or
- b) making a 3-inch or larger hole in the engine block and cutting both frame rails in half.

#### **2.5.2 Alternative Disposition**

TCEQ may consider alternative methods of rendering the vehicle permanently inoperable in lieu of the standard method of disposition. Applicants must request preauthorization by

providing a detailed explanation of the alternative method of disposition at the time of application submission.

## **2.6 Usage**

- a) Each qualifying vehicle must be operated at least 25% of its total annual mileage in the eligible counties of the Clean Transportation Zone (CTZ) and at least 75% of its total annual mileage in Texas. A map of the eligible counties in the CTZ is provided in Appendix A. The applicant is required to indicate in the application the percentage of the qualifying vehicle's total annual miles of operation that will occur in the eligible counties of the CTZ.
- b) Agricultural Product Transportation. Under THSC, Chapter 386, Subchapter (B), §386.0515, projects involving the transport of raw agricultural products may be exempt from the requirements that grant-funded vehicles operate at least 25% of annual mileage in the eligible counties of the CTZ. A raw agricultural product is any agricultural commodity or product in its raw or natural form, including a commodity or product derived from livestock, fruits in their unpeeled natural form, and other commodity or product marketed in the United States for human or livestock consumption. Please see Appendix C for additional requirements and instructions on applying under the Agricultural Product Transportation exemption.

## **2.7 Marketable Emissions Reduction Credits**

A project 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 to the project owner or operator as provided by THSC Section 386.056; and
- b) the reductions are permanently retired.

## **3.0 Available Funding, Grant Amounts, 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.
- b) Funding will initially be allocated based on the following project preferences:
  - 50% of available funding will be allocated for projects that include the purchase of zero-emission vehicles (electricity or hydrogen).
  - All remaining funds not otherwise allocated to projects that include the purchase of zero-emission vehicles will be available to all other projects.
- c) Depending on demand and the requested grant amounts of eligible applications received, TCEQ may redistribute these allocations to best meet the purposes of the TCFP.

### **3.2 Maximum Grant Amounts**

- a) An applicant may request up to 80% of the incremental cost associated with the purchase or qualifying lease-to-purchase of the grant-funded vehicle.

- b) The incremental cost is the actual eligible cost of the grant-funded vehicle (see Section 3.3).

### **3.3 Eligible Costs**

- a) Eligible costs include: the invoice cost (or if lease-to-purchase, the capital lease cost basis) of the grant-funded vehicle, including taxes and government fees, delivery and shipping fees, factory and/or extended warranties, mechanic and safety inspections, cooperative fees, and dealer processing fees not related to financing.
- b) Eligible costs must be paid after the opening of this grant round to be considered for funding.
- c) Grant funds must be spent consistent with all applicable cost principles from 30 TAC §14.10 and the Texas Grant Management Standards (TxGMS), found at <https://comptroller.texas.gov/purchasing/grant-management>.

### **3.4 Ineligible Costs**

Ineligible costs include:

- a) insurance premiums;
- b) finance fees and charges;
- c) salaries and travel expenses for employees of the grantee;
- d) expenses of any lobbyist registered in Texas;
- e) costs associated with the preparation and submission of the application;
- f) administrative costs of the grantee, including overhead and indirect costs (e.g., office supplies, rent, marketing, and advertising);
- g) costs that do not involve an arm's-length transaction, such as the use of existing inventory without a proof of purchase or a transaction with a related business affiliate;

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;

- h) any costs paid prior to the opening of this grant round; and
- i) food and drink.

## **4.0 Grant Application and Administration**

### **4.1 New Application Submission Process**

- a) Applications for funding must be completed and submitted electronically through the TERP Online Single-Use Non-CROMERR Submission System (SUNSS) by 5:00 p.m. Central Time on the application deadline listed on the cover page of this RFGA. Step-by-step instructions for submitting applications electronically through SUNSS can be found on the [TCFP webpage](#).
- b) Applicants may not submit more than 20 activities in a single application. If an applicant has more than 20 activities, additional applications may be submitted.

- c) All applications for funding must be complete and must be submitted online by the application deadline. The online application process will not progress to the electronic signature and submission stage if the application is not complete. A complete application must include:
- 1) all completed sections of the online application;
  - 2) all required attachments, clearly named (e.g., W-9.pdf);
    - color photographs of the vehicle and engine;
    - a copy of the vehicle title or lease agreement, listing the applicant as the owner or lessor for the two years immediately preceding the application signature date;
    - registration receipts for the 12 months immediately preceding the application signature date. An apportioned registration for operation in several states including Texas may be considered as proof of continuous registration and operation in Texas;
    - W-9; and
    - state or federal ID, if applicable.
  - 3) all the information necessary for TCEQ to score and rank the project according to the scoring criteria listed in this RFGA.
- d) Activities that include the purchase of zero-emission vehicles must be submitted on a separate application from all other eligible fuel types.
- e) The online application and this RFGA may be found on the TERP website at [terpgrants.org](http://terpgrants.org).
- f) A Portable Document Format (PDF) version of the draft contract may be viewed and downloaded from the [TCFP webpage](#). The draft contract is for reference only and contains terms and conditions that are standard provisions for grants awarded under this program. 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 TERP website at [terpgrants.org](http://terpgrants.org) and the ESBID.
- g) Applicants must request TCEQ's preauthorization of an alternative method of disposition for the vehicle and engine being replaced by completing the disposition section of the TERP Online application. If approved, the alternative method of disposition will be included in the special conditions of the contract; otherwise, the standard methods described in Section 2.5.1 will be required.
- h) Private consultants may be available to assist an applicant in 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.
- i) The applicant must indicate in the application if the application was prepared by a third party (someone other than the applicant or an employee of an applicant). If a third party prepares the application, the third-party preparer 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.

- j) 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.
- k) By signing the application, the applicant is certifying its understanding and compliance with the statements listed in the certification sections of the online 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.
- l) Upon submission, all proposals become the property of the State of Texas and as such become subject to public disclosure under the Texas Public Information Act (PIA), Texas Government Code, Chapter 552.

## **4.2 Selection and Scoring**

Applications for eligible projects will be evaluated, scored, and ranked according to the scoring criteria provided below. Project scores and ranking will be based upon the representations made in the application at the time of application submission.

Once selected for a grant, any changes made to the representations in the application that reduce the total project score will make any resulting contracts voidable.

### **a) Cost per ton of NO<sub>x</sub> projected to be reduced (up to 50 points)**

Projects with the lowest cost per ton of NO<sub>x</sub> reduced, as compared to all other projects, will receive the most points. The cost per ton of NO<sub>x</sub> reduced will be determined by using the methodology described in Step 5 of the [TCFP Technical Supplement](#). Applicants are not required to compute the cost per ton of NO<sub>x</sub> reduced for their project as it will be determined by TERP staff. For those wishing to perform their own calculations of the cost per ton of NO<sub>x</sub> reduced, instructions are provided in the [TCFP Technical Supplement](#). In addition, a TCFP Grant Estimator for [light-duty](#) and [heavy-duty](#) vehicles is provided on the TERP website.

### **b) Total projected NO<sub>x</sub> reductions (up to 30 points)**

Projects with the highest projected NO<sub>x</sub> reductions (tons of NO<sub>x</sub>), as compared to all other projects, will receive the most points. Projected NO<sub>x</sub> reductions will be determined by using the methodology described in Step 4 of the [TCFP Technical Supplement](#). Applicants are not required to compute the total projected NO<sub>x</sub> reductions as it will be determined by TERP staff. For those wishing to perform their own calculations of the total projected NO<sub>x</sub> reductions, instructions are provided in the [TCFP Technical Supplement](#). In addition, a TCFP Grant Estimator for [light-duty](#) and [heavy-duty](#) vehicles is provided on the TERP website.

### **c) NO<sub>x</sub> Reductions Impacting Ozone Nonattainment Areas (up to 20 points)**

Applicants that will operate vehicles in the following nonattainment areas will receive up to 20 points. Only vehicles whose total annual usage is at least 75% in a nonattainment area will be eligible to receive points. For applications containing vehicles that both qualify and do not qualify for this scoring criterion, points will be awarded on a percentage basis of the total number of vehicles that do qualify. For example, if 5 of the 10 vehicles in the application are operating in a nonattainment area, the maximum points that could be awarded would be 50% of the available 20 points. This would result in the applicant receiving 10 points.

- **Dallas-Fort Worth Area:** Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Parker, Rockwall, Tarrant, Wise
- **El Paso Area:** El Paso
- **Houston-Galveston-Brazoria Area:** Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Waller
- **San Antonio Area:** Bexar

### **4.3 Additional Considerations**

- a) TCEQ provides no assurances that a project will be awarded a grant, and an applicant purchases the grant-funded vehicles at its own risk prior to the execution of a contract.
- b) 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.
- c) TCEQ is not obligated to fund projects from applicants:
  - with an outstanding invoice from TCEQ or who are in non-compliance with existing or prior TERP grants;
  - where the proposed activities are required by any state or federal law, rule or regulation, memorandum of agreement, or other legally binding contract;
  - under federal, state, or local enforcement action for violation of environmental laws or permit conditions; or
  - with an overall compliance history classification of Unsatisfactory (greater than 55.00) on TCEQ's Compliance History Database for applicants that are subject to the rating.
- d) TCEQ may also:
  - require additional conditions or changes to the project pertaining to vehicles, logistical considerations, expenses, and other program elements;
  - make a determination of risks associated with the applicant, the third-party preparer, and/or project, which may result in non-selection of application or the inclusion of additional conditions to the contract to address the identified risks;
  - determine minimum acceptable scores under each scoring category or factor; or
  - hold applications to be funded at a later date.
- e) TCEQ will not consider activities that were included in a project previously awarded a grant from the agency and subsequently cancelled by the grant recipient after the date this grant round opened.

- f) TCEQ may conduct site visits at any point of the application review process or after award of a grant. Applicants must cooperate with TCEQ, the State of Texas, the State Auditor's Office, and any of their authorized representatives to allow access to all vehicles being replaced and all grant-funded vehicles for the purpose of on-site inspections, and/or audit. Failure to respond to or cooperate with any authorized review, inspection, or audit of the grant activities will result in the application being determined ineligible and make any resulting contracts voidable.

#### **4.4 Grant Award and Contracting**

Applicants selected to receive grant funding will be required to sign a contract with TCEQ. The approved activities outlined in the application will be represented in the contract's Scope of Work. Grant recipients commit to taking all actions necessary to ensure the successful completion and subsequent operation of the new vehicles (referred to in the contract as Grant Equipment) within the contract's time frames and funding limitations.

#### **4.5 Reimbursement of Expenses**

- a) Payments will be made on a reimbursement basis for eligible costs paid in full by the grantee.
- b) Grantees will be required to provide documentation in accordance with the contract to show that vehicles have been received and costs have been paid in full before reimbursement will be provided by TCEQ.
- c) All costs must be paid in full by the grantee, new vehicles received, and final requests for reimbursements submitted to TCEQ by April 30, 2027. Grantees experiencing project delays may submit a written extension request to TCEQ via electronic mail at [terp\\_revise@tceq.texas.gov](mailto:terp_revise@tceq.texas.gov). TCEQ's decision to grant or deny an extension request will be provided in writing to the grantee and may depend on the availability of grant funds.
- d) The costs for a new vehicle will not be eligible for reimbursement under TCFP if the grantee has received or expects to receive a similar grant or tax credit for that vehicle.
- e) If the grantee finances the vehicle, the reimbursement will be assigned to the company that provided the financing. To be paid directly, the grantee must show that the grantee paid eligible expenses that are equal to, or greater than, the reimbursement amount with cash on hand (non-borrowed funds).

#### **4.6 Disposition Verification by TCEQ**

The contract will specify requirements for the destruction of the vehicle and the engine, and for submitting disposition verification to TCEQ. Failure to comply with these requirements, including providing TCEQ with disposition verification within 90 days of the reimbursement payment being issued by TCEQ, may invoke the contract's remedies, including termination of the contract and the return of grant funds.

#### **4.7 Annual Usage Reporting**

- a) The time-period used to determine the emissions reductions for each activity is referred to as the Activity Life. The Activity Life will start on the date TCEQ approves disposition for an activity and will end on the earlier of (1) the fifth anniversary of the date of reimbursement for the activity or (2) the date the vehicle reaches 400,000 miles after the date of reimbursement. TCEQ will notify the grantee in writing of the Activity Life start and end dates.

- b) For the duration of the Activity Life, a grantee must:
- own or lease-to-purchase, the grant-funded vehicles;
  - register and operate the grant-funded vehicles in Texas (at least 75% of the vehicle's total annual miles of operation must occur in Texas);
  - operate the grant-funded vehicles in the CTZ as indicated in the application (which must be at least 25% of the vehicle's total annual miles of operation);
  - maintain mileage and location records for the grant-funded vehicles;
  - maintain the grant-funded vehicles in proper operating condition;
  - obtain sufficient commercial insurance for each grant-funded vehicle to protect against loss, damage, or liability (proof of self-insurance will be sufficient for governmental entities); and
  - provide written notification to TCEQ via electronic mail at [terp\\_monitoring\\_team@tceq.texas.gov](mailto:terp_monitoring_team@tceq.texas.gov) within 30 calendar days of any changes to the grant-funded vehicles including:
    - i. termination of use,
    - ii. change in use,
    - iii. repossession,
    - iv. accidental or intentional destruction, or
    - v. the sale or transfer of any grant-funded vehicle. Any sale of a grant-funded vehicle during the contract period will be subject to approval and consent to assignment by TCEQ in accordance with the contract terms.
- c) During the Activity Life, TCEQ will provide grantees with annual usage reports to complete and return via email. The usage reports are used to ensure compliance with the annual usage requirements identified in the contract's Scope of Work.
- d) Failure to meet the requirements of Section 4.7 (b) and (c) above may invoke the contract's remedies, including termination of the contract and the return of all or a pro-rated share of the grant funds.

#### **4.8 Performance Evaluation**

TCEQ may evaluate the grantee's compliance with contract terms, the timeliness of reporting, meeting usage commitments, communication, and providing complete and accurate disposition documentation and request for reimbursement.

# Appendix A: Texas Clean Fleet Program Map



## Clean Transportation Zone

### Eligible Counties

#### Nonattainment Counties

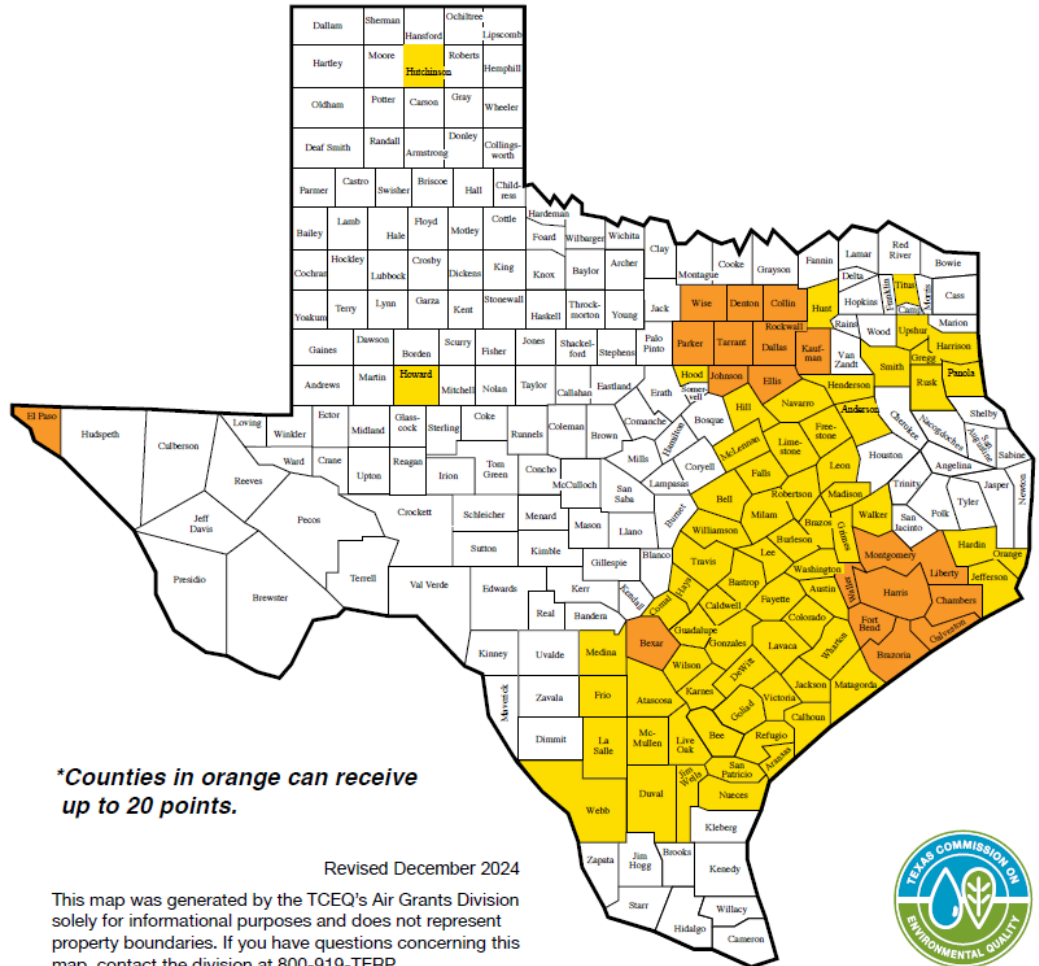
*(highlighted-orange)*

|          |           |            |
|----------|-----------|------------|
| Bexar    | Ellis     | Montgomery |
| Brazoria | Fort Bend | Parker     |
| Chambers | Galveston | Rockwall   |
| Collin   | Harris    | Tarrant    |
| Dallas   | Johnson   | Waller     |
| Denton   | Kaufman   | Wise       |
| El Paso  | Liberty   |            |

#### Other Counties

*(highlighted-yellow)*

|           |            |              |
|-----------|------------|--------------|
| Anderson  | Guadalupe  | McMullen     |
| Aransas   | Hardin     | Medina       |
| Atascosa  | Harrison   | Milam        |
| Austin    | Hays       | Navarro      |
| Bastrop   | Henderson  | Nueces       |
| Bee       | Hill       | Orange       |
| Bell      | Hood       | Panola       |
| Brazos    | Howard     | Refugio      |
| Burleson  | Hunt       | Robertson    |
| Caldwell  | Hutchinson | Rusk         |
| Calhoun   | Jackson    | San Patricio |
| Colorado  | Jefferson  | Smith        |
| Comal     | Jim Wells  | Titus        |
| DeWitt    | Karnes     | Travis       |
| Duval     | La Salle   | Upshur       |
| Falls     | Lavaca     | Victoria     |
| Fayette   | Lee        | Walker       |
| Freestone | Leon       | Washington   |
| Frio      | Limestone  | Webb         |
| Goliad    | Live Oak   | Wharton      |
| Gonzales  | Madison    | Williamson   |
| Gregg     | Matagorda  | Wilson       |
| Grimes    | McLennan   |              |



**\*Counties in orange can receive up to 20 points.**

Revised December 2024

This map was generated by the TCEQ's Air Grants Division solely for informational purposes and does not represent property boundaries. If you have questions concerning this map, contact the division at 800-919-TERP.



## **Appendix B: Waivers of Requirements**

This appendix explains what TCEQ will consider when reviewing a waiver request under Section 2.0, and what an applicant must submit to request a waiver of one or more of the ownership, registration, and use requirements.

### ***Appx. B-1. Good Cause Waiver of Ownership, Registration, and Use Requirements***

Section 2.2 requires that a vehicle replaced under the TCFP must have been owned, leased, or commercially financed; registered; and operated by the applicant in Texas for at least the two years immediately preceding the application signature date. Under Texas Health and Safety Code (THSC), §392.005(i), TCEQ may consider a request to waive one or more of these requirements based on a finding of good cause, which may include short lapses in registration or operation due to economic conditions, seasonal work, or other circumstances. The burden is on the applicant to demonstrate why there is good cause to grant the waiver request.

### ***Appx. B-2. Good Cause Waiver for Ownership – Replacement and Disposition of Third-Party Vehicles***

Applicants who can demonstrate good cause may submit a waiver request to purchase vehicles from another entity (third-party vehicles) for the purpose of replacing and disposing of those vehicles under the TCFP. Applicants applying to replace and dispose of third-party vehicles must:

- a) demonstrate that a replacement activity will result in the projected nitrogen oxides (NO<sub>x</sub>) emissions reductions;
- b) demonstrate that, absent the grant, the vehicle being replaced would have continued to be operated in Texas for the duration of the contract period;
- c) provide the requested information for the vehicles on the activity section of the online application;
- d) attach required documentation and photographs of the vehicles to the application including:
  - color photographs of each vehicle and engine;
  - a copy of the vehicle title or lease agreement for the two years immediately preceding the application signature date; and
  - registration receipts for the 12 months immediately preceding the application signature date (an apportioned registration for operation in several states including Texas may be considered as proof of continuous registration and operation in Texas); and
- e) certify on Supplemental Form - Waiver Request that the vehicles:
  - have been registered in Texas for the two years immediately preceding the application signature date;
  - have been operated in Texas for the two years immediately preceding the application signature date;
  - are in operating condition with at least two years of useful life remaining; and
  - will be replaced with a qualifying vehicle of the same weight classification and used in the same application or vocation.

Applicants that do not currently own the third-party vehicles must establish permission from the vehicle owner on Supplemental Form - Waiver Request to include the vehicles in the application.

If awarded a grant, a grantee must demonstrate ownership of the third-party vehicles before being reimbursed by the TCEQ.

### ***Appx. B-3. Waiver Request Instructions***

Requests for a waiver must be submitted using Supplemental Form - Waiver Request located at [terpgrants.org](http://terpgrants.org). Applicants must complete a separate Supplemental Form for each activity that includes a request to waive one or more the program requirements.

Applicants requesting a waiver to one or more of the program requirements must complete **Part A** of this form. Applicants who have purchased vehicles, or who plan to purchase vehicles, from another entity (third-party vehicles) for the purpose of replacing and disposing those vehicles under the TCFP must complete **Parts A and B** of this form.

#### **Part A**

Applicants must choose the waiver(s) that applies to the activity and provide a detailed explanation of the waiver request including:

- why the vehicle(s) being replaced does not meet the ownership, registration, and/or operation requirements; and
- how the replacement of the vehicle(s) will result in the projected NO<sub>x</sub> emissions reductions.

Applicants must also confirm that the vehicle being replaced will continue to be operated in Texas if it is not awarded a grant.

Applicants may attach documentation to support the waiver request, such as title documents, lease and sales agreements, registration receipts, ownership agreements, etc.

The Authorized Official must sign and date Part A to certify that all information included in the request is accurate.

#### **Part B**

Note: Part B should only be completed if the applicant has purchased vehicles, or plans to purchase vehicles, from another entity (third-party vehicles) for the purpose of replacing and disposing those vehicles under the TCFP.

By signing the form, the applicant and current vehicle owner (if applicable) certifies that the third-party vehicle:

- has been registered in Texas for the two years immediately preceding the application signature date;
- has been operated in Texas for the two years immediately preceding the application signature date;
- are in operating condition with at least two years of useful life remaining; and
- will be replaced with a qualifying vehicle of the same weight classification and used in the same application or vocation.

Applicants who do not currently own the third-party vehicles must establish permission from the vehicle owner to include the vehicles in the application by completing Part B, Section 3 of Supplemental Form - Waiver Request.

#### ***Appx. B-4. Submitting a Waiver Request***

Waiver requests must be submitted as an attachment at the time of application submission via the SUNSS online application portal.

#### ***Appx. B-5. TCEQ's Consideration of Waivers***

All waiver requests will be considered by TCEQ on a case-by-case basis, with no assurance that a waiver will be granted.

#### ***Appx. B-6. Approval of Waiver Requests***

If a grant is awarded and a waiver request is approved, the conditions under which the waiver was granted may be included in the grant contract and agreement documents.

By signing the contract, the applicant attests to the validity of the conditions under which the waiver was granted.

**Please note: Once selected for a grant, any changes made to the representations in the application (including Supplemental Form – Waiver Request) that reduce the total project score will make any resulting contracts voidable.**



## Appendix C: Agricultural Product Transportation

Under THSC, Chapter 386, Subchapter (B), §386.0515, projects involving the transport of raw agricultural products may be exempt from the requirements that grant-funded vehicles operate at least 25% of annual mileage in the eligible counties.

A raw agricultural product is any agricultural commodity or product in its raw or natural form, including a commodity or product derived from livestock, fruits in their unpeeled natural form, and other commodity or product marketed in the United States for human or livestock consumption. To qualify under this provision, the transport of a raw agricultural product must be from the place of production to a final destination in an eligible county or a county adjacent to an eligible county. The adjacent counties include:

|          |           |             |             |
|----------|-----------|-------------|-------------|
| Bandera  | Fannin    | Marion      | Roberts     |
| Blanco   | Franklin  | Martin      | San Jacinto |
| Borden   | Glasscock | Midland     | Scurry      |
| Bosque   | Gray      | Mitchell    | Shelby      |
| Brooks   | Grayson   | Montague    | Sherman     |
| Burnet   | Hansford  | Moore       | Somervell   |
| Camp     | Hopkins   | Morris      | Sterling    |
| Carson   | Houston   | Nacogdoches | Trinity     |
| Cherokee | Hudspeth  | Newton      | Tyler       |
| Cooke    | Jack      | Ochiltree   | Uvalde      |
| Coryell  | Jasper    | Palo Pinto  | Van Zandt   |
| Dawson   | Jim Hogg  | Polk        | Wood        |
| Delta    | Kendall   | Potter      | Zapata      |
| Dimmit   | Kleberg   | Rains       | Zavala      |
| Erath    | Lampasas  | Red River   |             |

For example, a truck dedicated to transporting raw milk from a dairy to a milk processing facility in an eligible county or an adjacent county might qualify under this provision. However, a truck that does not pick up the product from the place of production or that only passes through an eligible county or adjacent county to deliver the product to a facility in another county would not qualify.

Projects that qualify under this provision are not required to travel at least 25% of annual mileage in the eligible counties but must operate a minimum 10% in the eligible area for each activity to be eligible for funding. Mileage in the counties adjacent to the eligible counties does not count towards the usage percentage in determining the grant amount. Instructions for determining the grant amount are provided in the [TCFP Technical Supplement](#). Requesting a lower grant amount may increase the competitiveness of the application. Applicants wishing to qualify under the Agricultural Product Transportation provision may use a separate online application from those activities not involved in the transport of raw agricultural products.