

Texas Natural Gas Vehicle Grants Program (TNGVGP)

Response to Comments

September 13, 2022

The Texas Commission on Environmental Quality (TCEQ) received the following comments regarding the implementation of the Fiscal Year 2022 – 2023 Texas Natural Gas Vehicle Grants Program (TNGVGP). TCEQ is providing the following response to comments, which are summarized below. TCEQ will publish the final TNGVGP requirements in the Request for Grant Applications (RFGA) once the program opens.

1. **TCEQ should not provide financial incentives for fossil-fuel vehicles, but should instead provide financial incentives for battery-electric vehicles.**

Statute requires TCEQ to establish and administer the Texas Natural Gas Vehicle Grant program to encourage an entity that has a heavy-duty or medium-duty motor vehicle to repower the vehicle with a natural gas engine or replace the vehicle with a natural gas vehicle. (THSC, §394.002)

Statute directs TCEQ to provide financial incentives under nine additional grant programs, eight of which offer funding for qualifying battery-electric or hydrogen vehicles or equipment, in addition to other fuel types. (THSC, §386.051)

2. **TCEQ should allow grantees to purchase used natural gas vehicles that were funded under a previous Texas Natural Gas Vehicle Grant Program (TNGVGP) grant round or another similar grant or tax credit.**

Statute prohibits consideration of a TNGVGP grant for the purchase of a new or used natural gas vehicle if that vehicle has received a grant under a previous TNGVGP grant round; or has received a similar grant or tax credit in another jurisdiction if that grant or tax credit program is relied on for credit in the state implementation plan. (THSC, §394.003)

3. **TCEQ should not limit its consideration for a TNGVGP grant to the replacement of a vehicle that has been operated within the Clean Transportation Zone, but should consider vehicles that have been operated anywhere in Texas.**

TCEQ will consider for a TNGVGP grant a vehicle that has 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 submission of a grant application, not limited to a county within the Clean Transportation Zone. (THSC, §394.005(b)(1))

Statute requires that a vehicle that has not been owned by the applicant, but has been owned, leased, or otherwise commercially financed and operated in Texas as a fleet vehicle for the two years immediately preceding the submission of a grant application must have been registered in a county within the Clean Transportation Zone. (THSC, §394.005(b)(2))

4. **TCEQ should not limit the model year of the vehicle being repowered or replaced under the program.**

TCEQ will consider for a TNGVGP grant a new vehicle of any model year, provided it has not been subject to any prior retail sale.

Statute requires that a used natural gas vehicle that is proposed to replace an on-road heavy-duty or medium-duty motor vehicle must be of model year 2017 or later, provided that the model year may not be more than six years older than the current model year at the time of the submission of the grant application. (THSC, §394.003(c))