

Texas Emissions Reduction Plan (TERP) Grant Programs

What is the Texas Emission Reduction Plan (TERP)?

- Provides grants to reduce nitrogen oxides (NO_x) emissions from mobile sources
- Supports programs to encourage the use of alternative fuels for transportation in Texas
- Helps to keep the air in Texas clean

How does TERP reduce NO_x emissions from Mobile Sources?

Provides financial incentives for the **early retirement** of heavy-duty vehicles and equipment, particularly those with large diesel engines, that have been operating in Texas.

- Retired vehicles and equipment are rendered permanently inoperable.
- Retired vehicles and equipment are replaced with newer, cleaner models.
- Grantees commit to operating newer, cleaner models in designated areas of Texas.

TERP and the State Implementation Plan (SIP)

Since 2001, emissions reductions from the TERP have been included in certain SIP revisions to help demonstrate attainment and progress toward attainment of the NAAQS under the FCAA. TERP programs continue to support attainment demonstrations in SIP revisions as additional measures called "*Weight of Evidence*," which includes activities that are expected to further reduce ozone levels in the nonattainment areas.

TERP Program Descriptions:

- The **Emissions Reduction Incentive Grants (ERIG)** program offers grants to upgrade or replace on-road vehicles, non-road equipment, stationary equipment, marine vessels, locomotives, on-vehicle electrification and idle reduction infrastructure, and rail relocation and improvement projects, which must result in a reduction of emissions of nitrogen oxides (NO_x) of at least 25%.
- The **Rebate Grants** program is a simplified first-come, first-served grant program to upgrade or replace diesel heavy-duty vehicles and/or non-road equipment.
- The **Texas Natural Gas Vehicle Grants Program (TNGVGP)** provides grants to replace or repower existing diesel or gasoline vehicles with natural gas vehicles and engines.
- The purpose of the **Seaport and Rail Yard Areas Emissions Reduction (SPRY)** program is to provide financial incentives for the replacement of older drayage trucks and equipment operating at eligible seaports and Class I rail yards in areas of Texas designated as nonattainment under the Federal Clean Air Act.
- The **Texas Clean Fleet Program (TCFP)** provides grants to owners of at least 75 vehicles in Texas to replace a minimum of 10 diesel vehicles with new alternative-fuel or hybrid vehicles. Alternative fuels include: natural gas, propane, hydrogen, methanol (85% by volume) and electricity.
- The **Light-Duty Motor Vehicle Purchase or Lease Incentive Program (LDPLIP)** provides rebates for the purchase of light-duty vehicles operating on natural gas, propane, or electricity.
- The **Texas Clean School Bus (TCSB)** program provides grants to replace or retrofit older school buses to reduce emissions of particulate matter in diesel exhaust and throughout the state.
- The **Alternative Fueling Facilities Program (AFFP)** provides grants for the construction or expansion of facilities to store, compress, or dispense alternative fuels. Alternative fuels eligible for funding under this program include biodiesel, hydrogen, methanol, natural gas, propane, and/or electricity.
- The **New Technology Implementation Grant (NTIG)** program provides grants to offset the incremental cost of emissions reductions of pollutants from facilities and other stationary sources in Texas.

- The **Port Authority Studies and Pilot Programs (PASPP)** provides grants to port authorities in Texas' nonattainment areas for incentives to encourage cargo movement that reduces NO_x emissions and particulate matter (PM).
- The **Governmental Alternative Fuel Fleet Grant Program (GAFF)** will provide grants to assist governmental entities and political subdivisions in purchasing or leasing new motor vehicles that operate primarily on CNG, LNG, LPG, hydrogen fuel cells, or electricity.

Program Name	Area	FY20-21 Funding Allocation	First-Come, First-Served or Competitive
Emissions Reduction Incentive Grants (ERIG)	Nonattainment areas	\$50.3M	Competitive
Rebate Grants	Nonattainment areas	\$10M	First-Come, First-Served
Texas Natural Gas Vehicle Grants Program (TNGVGP)	Clean Transportation Zone	\$15.4M	First-Come, First-Served
Seaport and Rail Yard Areas Emissions Reduction (SPRY) program	Eligible counties only	\$9.2M	First-Come, First-Served
Texas Clean Fleet Program (TCFP)	Clean Transportation Zone	\$7.7M	Competitive
Light-Duty Motor Vehicle Purchase or Lease Incentive Program (LDPLIP)	State Wide	\$7.7M	First-Come, First-Served
Texas Clean School Bus (TCSB)	State Wide	\$6.2M	First-Come, First-Served
Alternative Fueling Facilities Program (AFFP)	Clean Transportation Zone	\$12M	Competitive
New Technology Implementation Grant (NTIG)	State Wide	\$4.6M	Competitive
Port Authorities Studies and Pilot Programs	Nonattainment areas	\$1M	Competitive
Governmental Alternative Fuel Fleet Grant Program	State Wide	\$6M	TBD

For more information on the grant programs including opening and closing dates, workshop dates and times, please call 1-800-919-8377 (TERP) or visit www.terpgrants.org.

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