

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

**TEXAS CLEAN FLEET PROGRAM (TCFP)
Request for Grant Applications (RFGA)
Fiscal Year 2022-2023**

**Grants for Projects to
Improve Texas Air Quality**

TCFP Solicitation No. 582-22-33046-CF



July 18, 2022

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

Applications will be accepted for consideration during this grant period only if received by TCEQ via electronic mail (email) at TERPapply@tceq.texas.gov or via mail, *no later than 5:00 p.m. Central Time on **September 16, 2022***. Only one application may be submitted per email at a maximum file size of 25MB. If your application is larger than 25MB, please submit by uploading the file to TCEQ's file transfer protocol secure (FTPS) server. Enter TERPapply@tceq.texas.gov as the email address. ([Read how to use TCEQ's FTPS site](#)).

The award of a TCFP grant is dependent upon the availability of funding. Any changes to this solicitation will be made through an addendum in the Electronic State Business Daily (ESBD).

There will not be a pre-proposal conference.

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1.0 Purpose

The Texas Commission on Environmental Quality (TCEQ) invites applications for the Texas Clean Fleet Program (TCFP). The Texas Clean Fleet Program (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 determines that one or more of the vehicles included in the application are not eligible.
- c) All business entities such as corporations or partnerships must have an active registration with the Texas Secretary of State by no later than July 18, 2022, at 5:00 p.m. CST. 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 with at least 75% of the vehicle's total annual miles of operation 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.

Please note that as a condition of receiving a grant you will be required to render the old vehicle 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);
- 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 standards applicable to that vehicle and/or engine; and
- e) certified to emit at least 25% less nitrogen oxides (NO_x) than the certified federal emissions standard applicable to the vehicle being replaced, or a baseline emissions level set by TCEQ.

Please note that as a condition of receiving a grant you will be required to operate the new vehicle 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;
- b) has been used as a qualifying vehicle to qualify for a grant under this chapter 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 vehicle and engine being replaced must be destroyed and rendered permanently inoperable within 90 days of the reimbursement payment being issued by TCEQ (commonly referred to as disposition) by:

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

TCEQ may consider alternative methods of rendering the vehicle permanently inoperable in lieu of the standard method of destruction. See Section 9 of the application.

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).
 - 50% of available funding will be allocated for projects that include the purchase of vehicles fueled by all other eligible fuel types.
- c) Applications for zero-emission vehicles should be submitted on one application. Applications for other eligible fuel types should be submitted separately.
- d) 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 of the grant-funded vehicle.
 - 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 purchase.
- b) The incremental cost is the actual eligible cost of the grant-funded vehicle (see Section 3.3 below).
- c) Emissions reductions achieved by a TCFP grant may not be combined with, or be assigned for use by, other incentive programs.
- d) 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>.

3.3 Eligible Costs

- a) Eligible costs include: the invoice cost (or if leased, the capital lease cost basis) of the grant-funded vehicle, including taxes and government fees, delivery and shipping fees, service contracts, 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 July 18, 2022, to be considered for funding.

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 arms-length transaction, such as the use of existing inventory without a proof of purchase;
- h) any costs paid prior to July 18, 2022; and
- i) food and drink.

4.0 Grant Application and Administration

4.1 Application Process

- a) All applications for funding must be substantially complete and must be submitted by the application deadline. Submission of a grant application that is not substantially complete will disqualify the application from receiving a grant under this RFGA. A substantially complete application must include:
 - all pages of the application;
 - all required attachments;
 - applicant's contact information;
 - all required signatures; and
 - all the information necessary for TCEQ to score and rank the project according to the scoring criteria listed in this RFGA.
- b) Applicants must submit activities that include the purchase of zero-emission vehicles on a separate application from all other eligible fuel types.
- c) The application and this RFGA may be downloaded from TCEQ web site at www.terpgrants.org, or by contacting TERP staff via email at TERP@tceq.texas.gov or by phone at 800-919-TERP (8377).
- d) A PDF of the draft contract may be viewed and downloaded from the TERP website at www.terpgrants.org. The draft contract is for reference only and contains terms and conditions that are standard provisions for grants awarded under this program. Any requested changes to the draft contract must be submitted to the TCEQ in writing at the time the application is submitted. However, the applicant further understands that TCEQ will not normally change the contract language in response to individual requests from grant recipients and is under no obligation to do so. 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 www.terpgrants.org and the ESBD.
- e) To apply for funding, applicants must complete and submit a grant application. Applicants are encouraged to submit applications via e-mail to TERPapply@tceq.texas.gov. Applications may also be submitted to one of these addresses:

Standard Mail:

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

Express Mail:

Texas Commission on Environmental Quality
Air Grants Division, MC-204 (TCFP)
12100 Park 35 Circle, Building F, 1st Floor, Suite 1301
Austin, TX 78753

- f) Applicants will be required to submit documentation and photographs with the application to demonstrate the eligibility of vehicles being replaced including:
- 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; 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.
- g) Applicants must request TCEQ's preauthorization of an alternative method of disposition for the vehicle and engine being replaced by completing Section 9 of the application. If approved, the alternative method of disposition will be included in the special conditions of the contract; otherwise, the standard methods described above will be required.
- h) Private consultants may be available to assist an applicant to complete and submit 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 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) By signing the application, the applicant is certifying its understanding and compliance with the statements listed in Sections 4 and 5 of the 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.
- k) Applications will be accepted for consideration during this grant period only if received by TCEQ via electronic mail at TERPapply@tceq.texas.gov or via mail at TCEQ's physical address, no later than 5:00 p.m. Central Time on September 16, 2022. Only one application may be submitted per electronic mail at a maximum file size of 25MB. If your application is larger than 25 MB, please submit via TCEQ's file transfer protocol secure (FTPS) to TERPapply@tceq.texas.gov. ([Read how to use TCEQ's FTPS site](#)).

Please use the following naming convention for your application file and in the subject line of the email: “FY22 TCFP [and your legal name].”

- 1) 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

4.2.1 Scoring Criteria

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.

1) **Cost per ton of NO_x projected to be reduced (up to 50 points)**

Projects with the lowest cost per ton of NO_x reduced, as compared to all other projects, will receive the most points. The cost per ton of NO_x 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_x 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_x 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.

2) **Total projected NO_x reductions (up to 30 points)**

Projects with the highest projected NO_x reductions (tons of NO_x), as compared to all other projects, will receive the most points. Projected NO_x 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_x reductions as it will be determined by TERP staff. For those wishing to perform their own calculations of the total projected NO_x 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.

3) **NO_x 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.

- a. Houston-Galveston-Brazoria Area
- b. Dallas-Fort Worth Area (nonattainment counties only)
- c. San Antonio Area (Bexar County only)
- d. El Paso County

4.3 Miscellaneous Provisions

- 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 and/or project and may include additional conditions to the contract to address the identified risks;
 - determine minimum acceptable scores under each scoring category or factor;
 - limit or prioritize the number of grants awarded for fueling facilities in a specific area based on the scores assigned to the projects; or
 - hold applications to be funded at a later date.
- e) 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, 2025. Grantees experiencing project delays may submit a written extension request to TCEQ via electronic mail at terp_revise@tceq.texas.gov. TCEQ's decision to grant or deny an extension request will be provided in writing to the grantee and will 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 vehicles 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 within 60 calendar days of any termination of use, change in use, sale, transfer, or accidental or intentional destruction of grant-funded vehicles. Any sale of the 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 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-rata share of the grant funds.

4.8 Performance Evaluation

TCEQ will prepare written evaluations of the grantee's performance upon completion of the life of the project, or more frequently as deemed necessary by TCEQ.

4.9 Consideration of Application in Future Grant Rounds

TCEQ may, at its discretion, retain applications not selected for funding under this RFGA for consideration under a new RFGA issued for 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.

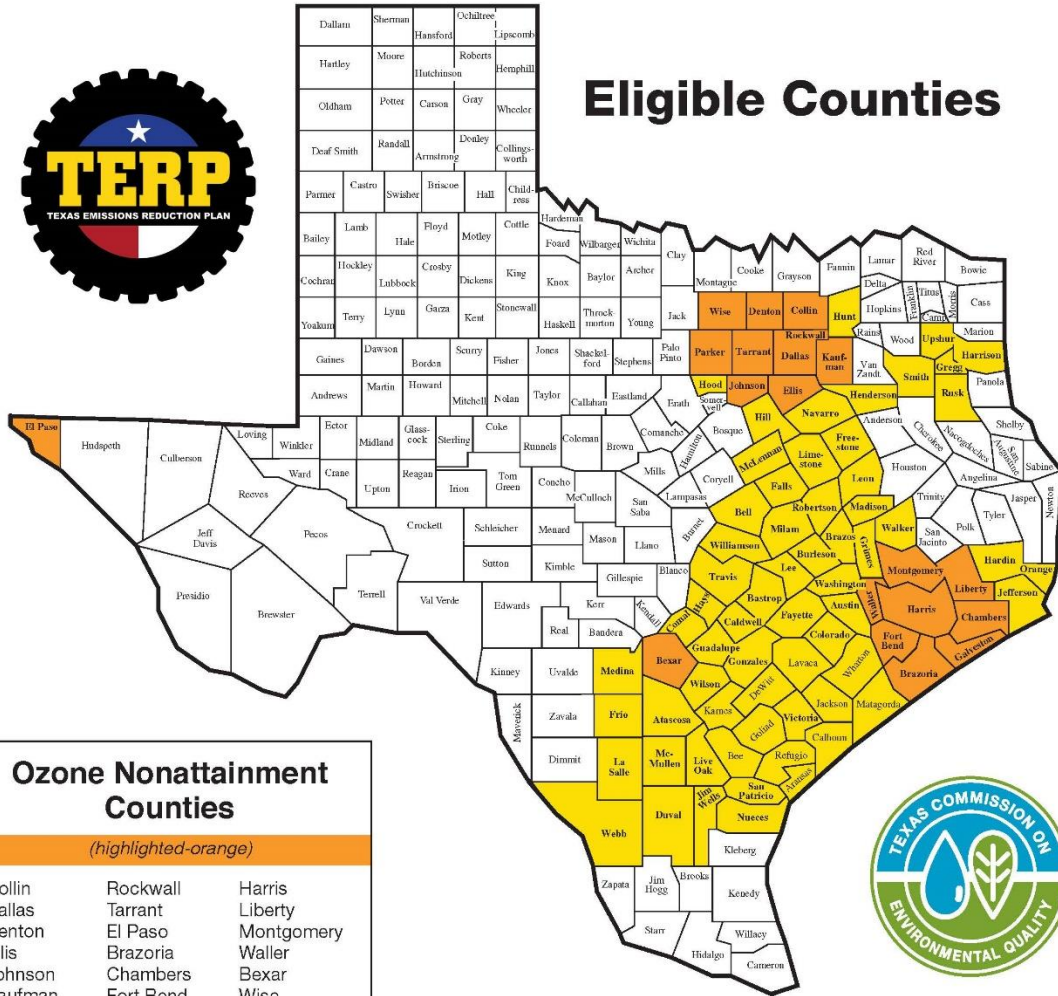
Appendix A: TCFP Map

Clean Transportation Zone

revised (6/22)



Eligible Counties



Ozone Nonattainment Counties

(highlighted-orange)

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

Other Counties

(highlighted-yellow)

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

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:

- demonstrate that a replacement activity will result in the projected nitrogen oxides (NO_x) emissions reductions;
- demonstrate that, absent the grant, the vehicle being replaced would have continued to be operated in Texas for the duration of the contract period;
- provide the requested information for the vehicles on Section 6 of the application;
- 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
- certify on Supplemental Form 4: Program Waiver Request that the vehicles:
 - have been registered in Texas for the two years immediately preceding the application signature date;
 - have been operated at least 75% of each vehicle's total annual miles of operation 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 4: Program 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 4: Program Waiver Request located at www.terpgrants.org. Applicants must complete a separate Supplemental Form 4 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_x 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 who plan 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 at least 75% of each vehicle's total annual miles of operation 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 to include the vehicles in the application by completing Part B, Section 3 of Supplemental Form 4: Program Waiver Request.

Appx. B-4. Submitting a Waiver Request

Waiver requests must be submitted with the application via email to TERPapply@tceq.texas.gov or via mail to the following:

Regular Mail:

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

Express Mail:

Texas Commission on Environmental Quality
Air Grants Division, MC-204 (TCFP)
12100 Park 35 Circle, Building F, Room 1301
Austin, TX 78753

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 4) 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:

Anderson	Dimmit	Kleberg	San Jacinto
Bandera	Erath	Lampasas	Shelby
Blanco	Fannin	Marion	Somervell
Bosque	Grayson	Montague	Trinity
Brooks	Hopkins	Morris	Tyler
Burnet	Houston	Nacogdoches	Uvalde
Camp	Hudspeth	Newton	Van Zandt
Cherokee	Jack	Palo Pinto	Wood
Cooke	Jasper	Panola	Zapata
Coryell	Jim Hogg	Polk	Zavala
Delta	Kendall	Rains	

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 in order 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 must use a separate application from those activities not involved in the transport of raw agricultural products.