



## **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.



# Webinar Agenda

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- Program Highlights
- Program Requirements
- Grant Amounts and Eligible Expenses
- Submitting a Grant Application
- Application Scoring & Selection
- Reimbursement, Disposition, & Reporting
- Questions



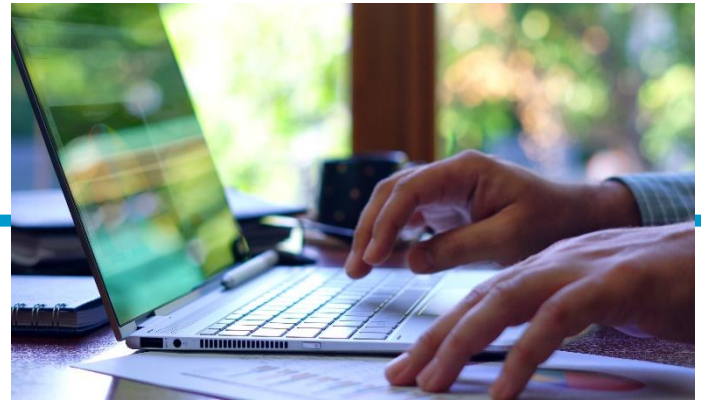
# Program Highlights



- **FY 22-23 Funding** ~\$16 million
  - 50% of available funding will be allocated for projects that include the purchase of Zero-Emission Vehicles
- Competitive
- Reimbursement



# Eligible Applicants



- Individual or entity with a fleet of 75 or more vehicles registered in Texas
- Submit minimum of 10 vehicles for replacement in an application
- All business entities must have an active registration with the Texas Secretary of State by July 18, 2022.



# Vehicles Being Replaced

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- On-road, diesel
  - Heavy-Duty (GVWR > 8,500 lbs.) or
  - Light-Duty (GVWR < 10,000 lbs.)
- Owned, leased, or commercially financed, registered, and operated by the applicant in Texas (at least 75% of total annual mileage) for two years immediately preceding the application signature date
- In operating condition with at least 2 years of useful life remaining



# Waiver Requests

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- TCEQ may waive one or more of the ownership, registration, or operation requirements on a finding of good cause, which may include:
  - short lapses in registration or operation due to economic conditions, seasonal work, or other circumstances.
- Applicants must complete and submit Supplemental Form 4: Waiver Request with the application for a waiver to be considered.
  - The applicant must demonstrate good cause in the waiver request.



# Waiver Requests (continued)

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- TCEQ may also waive the ownership requirement for the replacement and disposition of third-party vehicles, if the applicant can demonstrate good cause and:
  - establish permission from the vehicle owner;
  - demonstrate that, absent the grant, the vehicles being replaced would have continued to be operated in Texas;
  - certify that each vehicle has been registered in Texas and operated at least 75% of its total annual mileage in the state for the two years preceding the application signature date;
  - certify that the vehicles 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.
- If awarded a grant, a grantee must demonstrate ownership of the third-party vehicles before being reimbursed by the TCEQ.



# Qualifying Vehicles

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- A new motor vehicle that has not been the subject of a retail sale
- Of the same weight classification and used in the same vocation as the vehicle being replaced
- 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)
- Certified to the current federal emissions standards applicable to that vehicle and/or engine
- Certified to emit at least 25% less nitrogen oxides ( $\text{NO}_x$ ) than the certified federal emissions standard applicable to the vehicle being replaced.





# Non-Qualifying Vehicles

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- Is a non-road vehicle;
- Is a neighborhood electric vehicle;
- Has been used as a qualifying vehicle for a grant under this program for a previous reporting period or by another entity; or
- Has qualified for a similar grant or tax credit (a grant or tax credit has been awarded to, granted, or used for the vehicle).



# Usage Commitment



- Own or lease to purchase the grant-funded vehicles for the duration of the contract
- Operate vehicles at least:
  - 25% of annual miles in the Clean Transportation Zone (CTZ)
  - 75% of annual miles in Texas
- Maintain mileage and location records for the grant-funded vehicles
- Maintain the grant-funded vehicles in good operating condition





# Grant Amounts

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- Up to 80% of the ***eligible costs*** associated with the purchase of the replacement vehicle.
  - **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, factory and/or extended warranties, mechanic and safety inspections, cooperative fees, and dealer processing fees not related to financing.
  - Eligible costs must be paid after July 18, 2022, to be considered for funding.
  - TCEQ will consider a lease with a binding commitment to buy and retain ownership of the grant-funded vehicle (referred to as a lease-purchase agreement) as a purchase.



# Ineligible Costs

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- Insurance premiums
- Finance fees and charges
- Salaries and travel expenses for employees of the grantee
- Expenses of any lobbyist
- Costs associated with this application
- Administrative costs of the grantee
- Any costs paid before the grant round opened
- Food and drink



# Application Submission

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- Applications will be accepted for consideration during this grant period only if received by TCEQ via email at [TERPapply@tceq.texas.gov](mailto:TERPapply@tceq.texas.gov) or via mail, no later than 5:00 p.m. Central Time on September 16, 2022.
- Only one application per email at a max file size of 25MB. If larger than 25MB, please submit by uploading the file to TCEQ's file transfer protocol secure (FTPS) server.
- TCEQ will provide confirmation that an application has been received.



# Application Process

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A grant application that is not substantially complete will be disqualified from receiving a grant.

A substantially complete application must include:

- all pages of the application;
- all required attachments;
- applicant contact information;
- all required signatures; and
- all the information necessary for TCEQ to score and rank the project.



# List of Attachments

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- W-9
- Copy of State or Federal Identification Card
  - If individual or sole proprietor
- Copy of Registration Documents for Old Vehicle
  - Include registration documentation for the 12 months immediately preceding the application signature date
- Copy of Vehicle Title
  - Indicate ownership for two years immediately preceding the application signature date





# Attachments (continued)

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- Color Photographs of Vehicle
  - Photos of the front, right side, left side, rear, engine and engine data plate of each vehicle being replaced
- New Vehicle Purchase Documentation
  - Only if purchase has already been completed
- Waiver Request (if applicable)



# Grant Scoring and Selection

Applications for eligible projects will be evaluated, scored, and ranked according to the scoring criteria provided below.

## Up to...

- 1. 50 points** - lowest \$/ton of NO<sub>x</sub> reduced
- 2. 30 points** - highest projected NO<sub>x</sub> reductions
- 3. 20 points** - operate at least 75% in nonattainment areas
  - Houston-Galveston-Brazoria Area
  - Dallas-Fort Worth Area
  - San Antonio (Bexar County)
  - El Paso County

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



# Project Calculations

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- Applicants are not required to compute the cost per ton of NO<sub>x</sub> reduced or the total projected NO<sub>x</sub> reductions for their project as they will be determined by TERP staff.
- For those wishing to perform their own calculations, 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.



# Contracting

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- Applicants selected for grant funding will be required to sign a contract with TCEQ.
  - Approved activities 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.



# Reimbursement of Expenses

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- Payments made on a reimbursement basis for eligible costs paid in full by the grantee.
- Grantees will be required to provide documentation to show that equipment or services have been received and costs have been paid in full before reimbursement is provided by TCEQ.
- 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.
- If the grantee finances the vehicle, the reimbursement will be assigned to the company that provided the financing.



# Disposition



After grant selection and reimbursement...

- Within 90 days after reimbursement paid
- Old vehicle & engine rendered permanently inoperable
  - completely crush, or
  - 3-inch hole both sides of engine block + cut both frame rails in half



# Annual Usage Reporting

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- Annual usage reports for the life of the contract are required to ensure compliance with annual usage requirements.
- TCEQ will provide the grantee with the required record keeping start/end dates (Activity Life).
- The Activity Life for each vehicle will begin on the date TCEQ approves disposition (destruction of the old vehicle) and will end on the earlier of:
  - the fifth anniversary of the date of reimbursement for the activity; or
  - the date the vehicle reaches 400,000 miles.



# **CONTACT US**

## **TERP Grant Programs**

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**[www.TERPgrants.org](http://www.TERPgrants.org)**

**800-919-TERP (8377)**





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