

## TEXAS EMISSION REDUCTION PROGRAM AGREEMENT

### Background

The Texas Emission Reduction Program (TERP) was established by the Texas Legislature in 2001 to ensure that air quality in Texas meets standards established under the Federal Clean Air Act by reducing nitrogen oxides (NO<sub>x</sub>). TERP provides grants and other incentives for purchase and retrofit of diesel engines using cleaner technology.

For the last fifteen years, H-GAC has been pursuing similar goals by helping governments and businesses within the Houston region to replace or retrofit old vehicles with newer, cleaner models through its Clean Vehicles and Clean School Bus programs.

H-GAC recently completed the first TERP contract with TCEQ. The H-GAC TERP program provided \$3,587,490 in grant funds to replace 72 diesel powered engines and will create a NO<sub>x</sub> reduction of 407.18 tons over the next 7 years. Local governments that received H-GAC TERP grants include Harris County (Lynchburg Ferries), Port of Houston Authority (Yard Trucks), Waller County (Graders), Chambers County (Loader). Numerous drayage truck owners and operators also received H-GAC TERP grants.

### Current Situation

H-GAC recently requested and will soon receive approval from the Texas Commission on Environmental Quality (TCEQ) to enter into another agreement to expand its slate of vehicle retrofit and replacement programs and administer funds from the Texas Emission Reduction Program locally through third-party grants. TERP funds must be used primarily within the non-attainment counties in the H-GAC region.

This agreement will result in at least \$3,000,000 in new funds to assist local governments in replacing older diesel powered vehicles or engines with new, cleaner vehicles or engines to help improve air quality. TERP funds may also be awarded to private industries to help replace diesel powered drayage trucks, distribution trucks, and forklifts. These TERP monies will supplement existing H-GAC programs.

**Funding Source:** TCEQ state appropriated TERP funds  
**Budgeted:** No, amends 2012 budget

### Action Requested

Request authorization to enter into an agreement with TCEQ to administer a TERP grant program within the Houston-Galveston-Brazoria non-attainment region; amount not to exceed \$3,000,000.