Potential Comments on TERP

Talk to TCEQ Staff about the ability to:

1. Pursue Cost Effective Options but offer enough flexibility to offer more incentives for newer zero or near zero emission certified technologies.
   - TCEQ staff response was though they were offered more flexibility following this latest legislative session they believed that as staff they would be more comfortable if this was a directive that came from the legislature.

2. TCEQ when funding projects should actually take into consideration how a vehicle or HD equipment is being used to determine appropriateness of engine fuel usage.
   - Staff response was they were not sure that they could undertake this effort without a lot of push back.

3. Allow TERP to fund technologies like the AMEC (Bonnet or Sock on a Stick) Technologies that would allow more flexibility for capturing smoke stack emissions from ocean going vessels, tankers, etc.
   - TCEQ staff response was that this technology did not really fit within currently defined programs and without legislative guidance they did not believe that they had the flexibility to fund this type of a project.

   - A welcome addition from this past legislative session allowed TCEQ to move monies that were not being utilized in one program to another over-subscribed program. Commenters wanted some recognition that economic timing sometimes prohibited participation and they did not want programs to be permanently defunded.

   - Some of the larger projects that were very cost effective were more stringently capped because the purchase of those engines did not contribute to the TERP funds. There should be recognition that for the greater good of overall air quality that it would be worthwhile to address those projects that can be shown to offer greater emission reductions within the TX nonattainment and near nonattainment areas. (Typically, these types of projects fall within the locomotive and marine sectors.)

     - TCEQ staff response was that there are limited funds available and caution should be exercised in placing too many funds in just a very few projects.

   - Comments were cautious and divergent regarding the New Technology Research and Development Grants (NTRD) Program

     - There was concern regarding taking away from the core TERP Projects, because of other state legislative budgetary concerns.
1. One suggestion was to treat this as a separate budget rider project so that it did not reduce the appropriations to the TERP program.
2. Another suggestion was to treat this not as an R & D Program, but rather as the implementation of newer technology or near stage demonstration implementation that:
   - has already been certified as zero or near zero emission but is still quite cost prohibitive because the technology is so new or
   - is of the type of project that does not quite fit within the definitions of the traditional TERP projects such as the marine bonnet technology.

-These were a later comments or recommendations from interested parties:

- TCEQ should consider adopting the use of US DOEs AFLEET Program (recently updated) when appropriate for the use of on road vehicles as opposed to their current methodology which does not take into account the actual uses of the vehicles.
- The current Alt Fueling Facilities Program (AFFP) has expired; there is still a need for building out additional infrastructure. This program should be renewed with the expanded geographic area that the legislature agreed to this last session.