Air Grants 101

Michael Wilson, P.E.
Director, Air Grants Division

Presented to Regional Air Quality Planning Advisory Committee (RAQPAC)
February 27, 2020
Office of Air Organizational Chart

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Daniel Menendez, Manager

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Emission Assessment
Kevin Cauble, Manager
The Air Grants Division (AGD) was created in recognition of the significant increase in funding and expected growth for the TERP program.

AGD administers:
- Texas Emissions Reduction Plan (TERP); and
- Texas Volkswagen Environmental Mitigation Program (TxVEMP).
The TERP program:

- provides grants to reduce emissions of nitrogen oxides (NO\textsubscript{X}) from mobile sources;
- supports programs to encourage the use of alternative fuels for transportation in Texas; and
- helps keep the air in Texas clean.

AGD administers 11 TERP grant programs, with approximately $154 million in funding available in state fiscal years (FY) 2020 and 2021.
## TERP Funding and Implementation
### FY 2020 – 2021

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 20 Funding</th>
<th>FY 21 Funding</th>
<th>Opening Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel Emissions Reduction Incentive</td>
<td>$30.2M</td>
<td>$30.2M</td>
<td>Summer of 2020 (ERIG) Winter of 2021 (Rebate)</td>
</tr>
<tr>
<td>• Emissions Reduction Incentive Grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Rebate Grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Texas Natural Gas Vehicle Grants Program</td>
<td>$7.7M</td>
<td>$7.7M</td>
<td>October 15, 2019</td>
</tr>
<tr>
<td>Seaport and Rail Yard Areas Emissions Reduction Program</td>
<td>$4.6M</td>
<td>$4.6M</td>
<td>February 13, 2020</td>
</tr>
<tr>
<td>Texas Clean Fleet Program</td>
<td>$3.9M</td>
<td>$3.9M</td>
<td>Early Spring 2020</td>
</tr>
<tr>
<td>Light-Duty Motor Vehicle Purchase or Lease Incentive Program</td>
<td>$3.8M</td>
<td>$3.8M</td>
<td>September 3, 2019</td>
</tr>
<tr>
<td>Port Authorities Studies and Pilot Programs</td>
<td>$500K</td>
<td>$500K</td>
<td>Winter 2020</td>
</tr>
<tr>
<td>Texas Clean School Bus Program</td>
<td>$3.1M</td>
<td>$3.1M</td>
<td>January 7, 2020</td>
</tr>
<tr>
<td>Alternative Fueling Facilities Program</td>
<td>$6M</td>
<td>$6M</td>
<td>November 22, 2019</td>
</tr>
<tr>
<td>New Technology Implementation Grant</td>
<td>$2.3M</td>
<td>$2.3M</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>Governmental Alternative Fuel Fleet Grant Program</td>
<td>$3M</td>
<td>$3M</td>
<td>Spring 2020</td>
</tr>
</tbody>
</table>

Program opening dates are tentative and may be subject to change. Visit the TERP website or call 800-919-TERP (8377) for the latest information about program openings and workshops.
FY 20-21 TERP Program Updates

• **86th Texas Legislature**

  - **House Bill 3745**
    - extended the TERP fees until all areas of the state are in attainment beginning September 2019;
    - increased administrative appropriations from $8 to $16 million beginning September 2021;
    - created the TERP Trust Fund beginning September 2021; and
    - authorized the TCEQ to award grant funds from the TERP Trust Fund comprised of the TERP fee revenue received in the biennium beginning September 2021.

  - **House Bill 1346** lowered the minimum percentage of usage required to take place in eligible areas for equipment funded under the DERI grants beginning September 2019.

  - **House Bill 1627** removed Victoria County from the list of affected counties eligible for DERI grants beginning September 2019.
FY 20-21 TERP Program Updates

- Implementation of the Governmental Alternative Fuel Fleet (GAFF) Program to provide grants for state agencies and political subdivisions to upgrade, replace, or expand their vehicle fleets to alternative fuel, and to purchase, lease, or install refueling infrastructure for grant-funded vehicles.
Volkswagen entered into settlements with the U.S Environmental Protection Agency and California Air Resources Board to resolve violations for installing devices on 2.0 and 3.0 liter diesel vehicles to emit NO\textsubscript{X} above the federal standards in normal operation.

As part of the settlement agreements, VW must pay approximately $2.9 billion into the Environmental Mitigation Trust Agreement for State Beneficiaries (Trust).

Texas is designated as a state beneficiary under the Trust.

Governor Abbott designated the TCEQ as the Lead Agency for Texas.

TCEQ must administer the funds, submit funding requests, track and monitor the use of the funds, and submit semi-annual reports to the Trustee.
TxVEMP Priority Areas
## TxEVEMP Funding and Implementation

<table>
<thead>
<tr>
<th>Grant Round</th>
<th>Total Funding Amount</th>
<th>Opening Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>School, Transit, &amp; Shuttle Buses</td>
<td>$58.7M</td>
<td>May 8, 2019</td>
</tr>
<tr>
<td>Class 7-8 Refuse Vehicles</td>
<td>$41.9M</td>
<td>October 8, 2019</td>
</tr>
<tr>
<td>Class 4-8 Local Freight &amp; Drayage Trucks</td>
<td>$33.5M</td>
<td>February 6, 2020</td>
</tr>
<tr>
<td>Electric Forklifts &amp; Port Cargo-Handling Equipment</td>
<td>$16.8M</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>Electric Airport Ground Support Equipment</td>
<td>$16.8M</td>
<td>Spring 2020</td>
</tr>
<tr>
<td>Light-Duty Zero Emission Vehicle Supply Equipment</td>
<td>$31.4M</td>
<td>Summer 2020</td>
</tr>
<tr>
<td>Ocean-Going Vessel Shore Power</td>
<td>$1.9M</td>
<td>Fall 2020</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$201M</strong></td>
<td></td>
</tr>
</tbody>
</table>

¹Does not include 4% of total funding for administrative expenses.
AGD Contact Information

- **Website:**
  - www.terpgrants.org
  - www.txvwfunds.org

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  - (800) 919-TERP (8377)
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Air Grants Division

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