



Texas Emissions Reduction Plan (TERP)

Texas Commission on Environmental Quality

April 30, 2004

Northeast Texas Air Care (NETAC)

Ozone Season Kickoff



Overview

- ◆ TERP was created in 2001 by SB 5 (77th Texas Legislature) to provide grants and other incentives for improving air quality throughout the state
- ◆ The program was amended by HB 1365, enacted in 2003
- ◆ Focus is on voluntary incentives for projects to reduce emissions of nitrogen oxides (NO_x) in the nonattainment and near-nonattainment areas of Texas.



Funding to Date

◆ FY02/03:

- 60+ projects funded for \$26 million
- Projected NOx reductions – 4,100 tons
- Average projected cost/ton - \$6,300

◆ FY04:

- 1st Round –
 - 50+ projects recommended for \$18.2 million
 - Projected NOx reductions - 3,500 tons
 - Average projected cost/ton - \$5,000
- 2nd Round –
 - 470+ applications requesting \$350 million+;
 - Estimated NOx reductions – 67,000 tons
 - Estimated average projected cost/ton - \$5,300



Counties Eligible for Grant Funding

Bastrop, Bexar, Brazoria, Caldwell, Chambers, Collin, Comal,
Dallas, Denton, Ellis, El Paso, Fort Bend,
Galveston, Gregg, Guadalupe, Hardin, Harris,
Harrison, Hays, Jefferson, Johnson,
Kaufman, Liberty, Montgomery, Nueces, Orange, Parker,
Rockwall, Rusk, San Patricio, Smith, Tarrant, Travis, Upshur,
Victoria, Waller, Williamson, Wilson

Counties added by HB 1365 include: Henderson, Hood, Hunt.



What does the Program Pay For?

- ◆ Grant programs pay for the incremental cost of obtaining and using cleaner equipment
- ◆ Example:
 - The cost to purchase a diesel excavator is \$200,000
 - The cost to purchase an excavator with a reduced-emission engine is \$215,000.
 - TERP might pay \$15,000 towards the purchase of the cleaner equipment



Eligible Projects

- ◆ New Purchases and Leases
- ◆ Repowers of existing vehicles and equipment
- ◆ Retrofit and Add-On of devices to vehicles and equipment
- ◆ Replacement of old vehicles and equipment with new or newer models
- ◆ Infrastructure for qualifying fuel
- ◆ On-site electrification and idle reduction infrastructure
- ◆ On-vehicle electrification and idle reduction infrastructure
- ◆ Incremental costs for qualifying fuel purchases
- ◆ Demonstration Projects (program under development)

- ◆ All projects, except demonstration and infrastructure projects, must meet a cost effectiveness threshold of \$13,000 per ton of NOx reduced.



Technologies funded to date

Some of the technologies funded to date include:

- ◆ New purchases of equipment with engines cleaner than current standards
- ◆ Repower with cleaner new or remanufactured engines
- ◆ Retrofit to alternative fuel operation
- ◆ Retrofit with EGR system + Particulate Filter
- ◆ Retrofit with SCR system
- ◆ Use of Emulsified Diesel
- ◆ Use of Texas Low Emission Diesel



Next Steps

- ◆ Current Request for Application deadline was March 12, 2004
 - Finish initial review of applications and obtain supplemental information from applicants by late April
 - Complete grant selection process by June

- ◆ Next RFA most likely fall or winter 2004



TCEQ Contact Information

Web Sites: <http://www.terpgrants.org>
scroll down to “Emissions Reduction Incentive Grant”

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