



TERP

TEXAS EMISSIONS REDUCTION PLAN



Air Grants 101

Bethany Blackstone
Air Grants Division
Environmental Trade Fair 2025

Air Grants Division

The Air Grants Division (AGD) administers the Texas Emissions Reduction Plan (TERP) Program and the Texas Volkswagen Environmental Mitigation Program (TxVEMP) which provide incentive funding to reduce emissions from mobile sources operating in Texas.

Outline

- Introduction to TERP
 - What We Do
 - How it Works
- TERP Grant Programs
- TERP Fees
- TERP Fund



Outline (Cont.)

- Introduction to TxVEMP
 - Background
 - Funds Available to Texas
 - TCEQ's Role
- TxVEMP Eligible Mitigation Actions
- TxVEMP All-Electric Grant Program
- TxVEMP Priority Areas



Introduction to TERP

What We Do

Provide grants to:

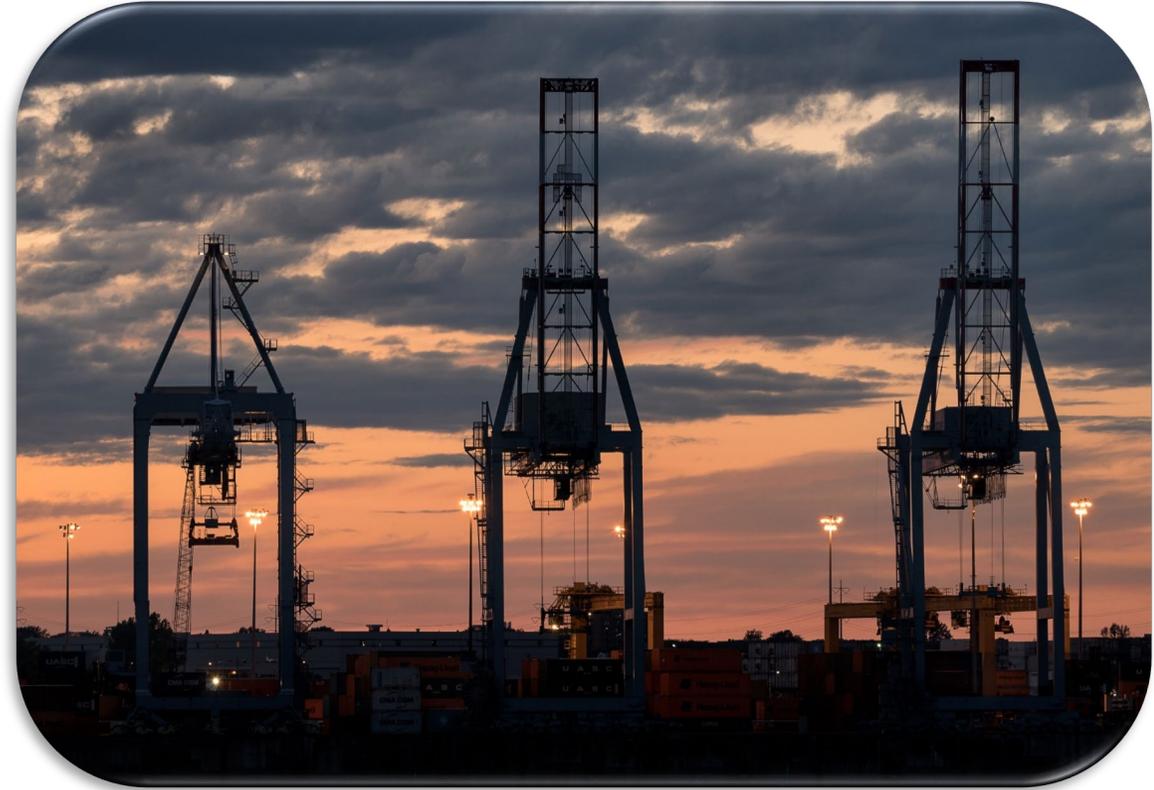
- Reduce nitrogen oxides (NO_x) emissions, a precursor to the formation of ground-level ozone, from mobile sources.
- Encourage the use of alternative fuels for transportation in Texas.
- Support reductions in emissions from school bus diesel exhaust.



Introduction to TERP

What We Do (Cont.)

- Fund studies of and pilot programs for incentives for Port Authorities to encourage cargo movement that reduces emissions.
- Fund new technologies to reduce emissions from stationary sources, and oil and gas operations.



Introduction to TERP

How it Works

- TERP provides grants to replace older vehicles and equipment with newer, cleaner models.
- Older vehicles and equipment are rendered permanently inoperable.
- Grantees commit to operating newer, cleaner models in designated areas of Texas to reduce NO_x emissions in those areas.



Introduction to TERP

How it Works (Cont.)

Depending on the Program, TERP also provides grants for:

- New purchases
- Repower or retrofit
- Refueling infrastructure



TERP Grant Programs

**Save Money and
the Environment**

Get funding for a new vehicle through TERP.



APPLY FOR A TERP GRANT TODAY

TexasVehicleGrants.org



Funding for the Road Ahead



TERP Grant Programs

Rebate Grants Program

Provides grants for the replacement or repower of diesel-powered heavy-duty on-road vehicles and select non-road equipment.



TERP Grant Programs

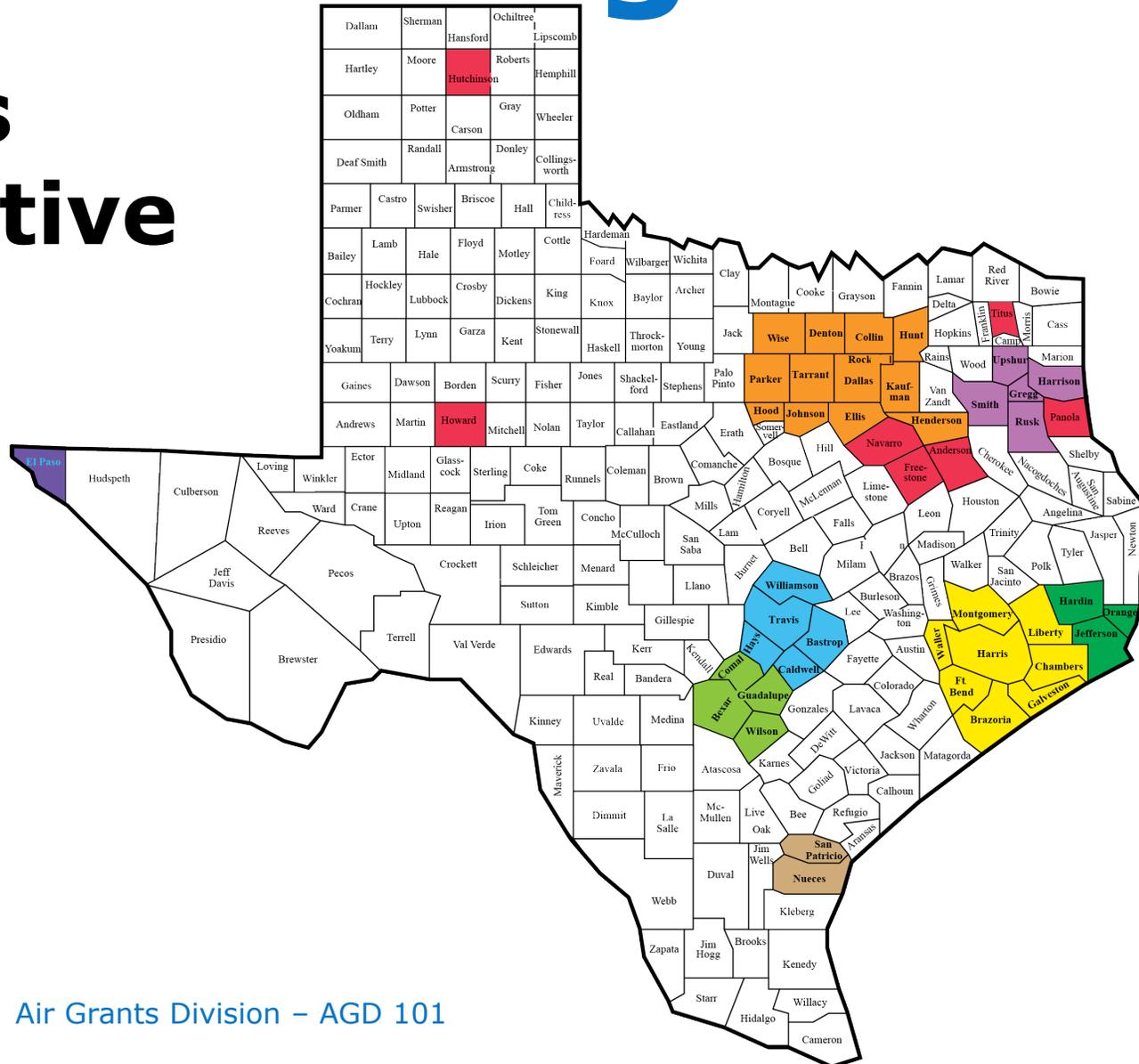
Emissions Reduction Incentive Grants Program (ERIG)

Provides grants to upgrade or replace select non-road equipment, locomotives, marine vessels, and stationary equipment.



TERP Grant Programs

Diesel Emissions Reduction Incentive (DERI) Eligible Counties



TERP Grant Programs

Seaport and Rail Yards Areas Emissions Reduction Program (SPRY)

Provides grants for the replacement or repower of older drayage trucks and cargo handling equipment operating at seaports and rail yards in areas of Texas designated as nonattainment.

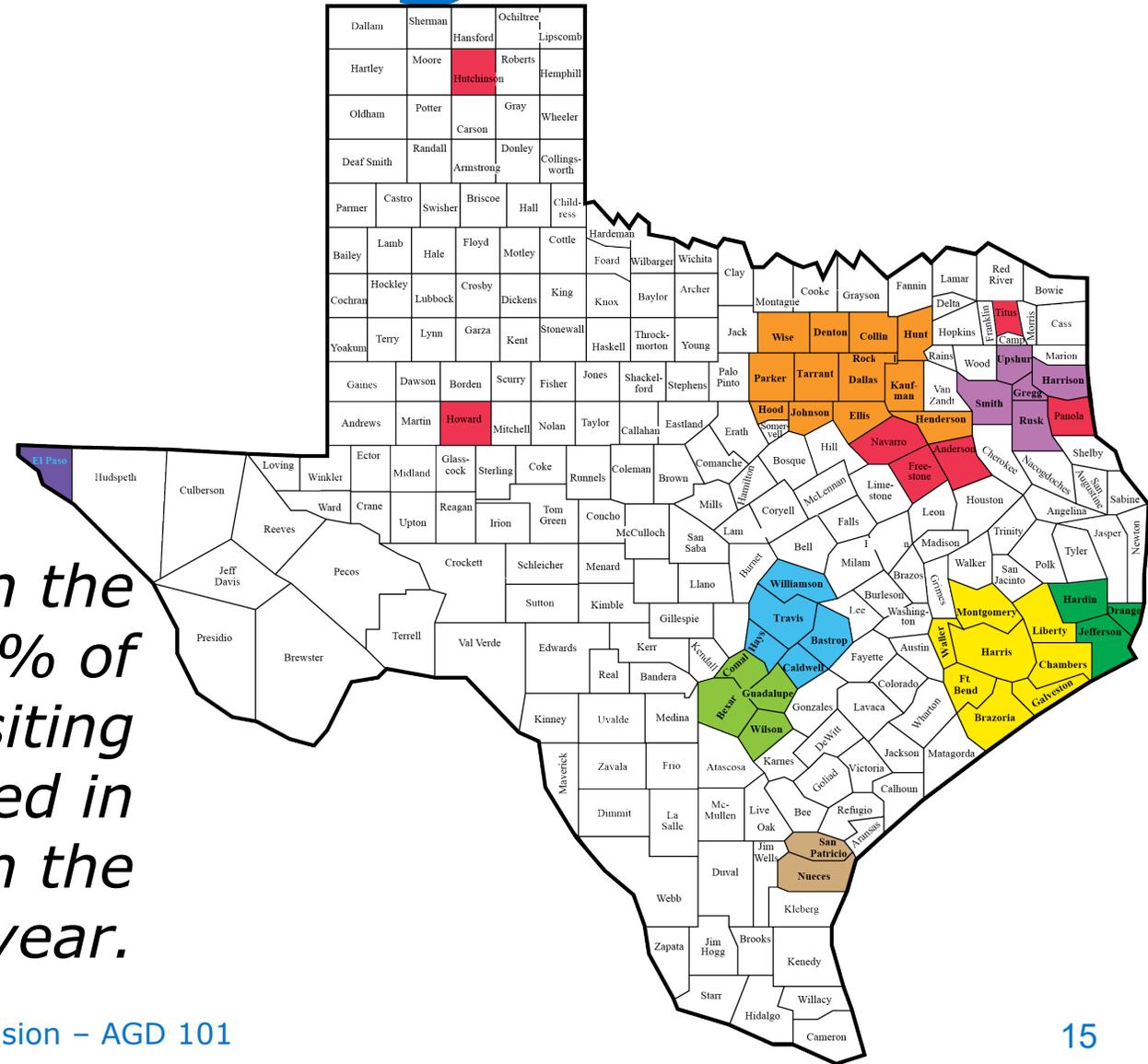


TERP Grant Programs

SPRY Eligible Counties*

Seaports and rail yards in areas of Texas designated as nonattainment

**Grantees are required to operate in the DERI eligible counties at least 50% of annual operation in addition to visiting eligible seaports and rail yards located in nonattainment areas (as shown on the map) at least 200 visits per year.*



TERP Grant Programs

Texas Hydrogen Infrastructure, Vehicle, and Equipment Grant Program (THIVE)

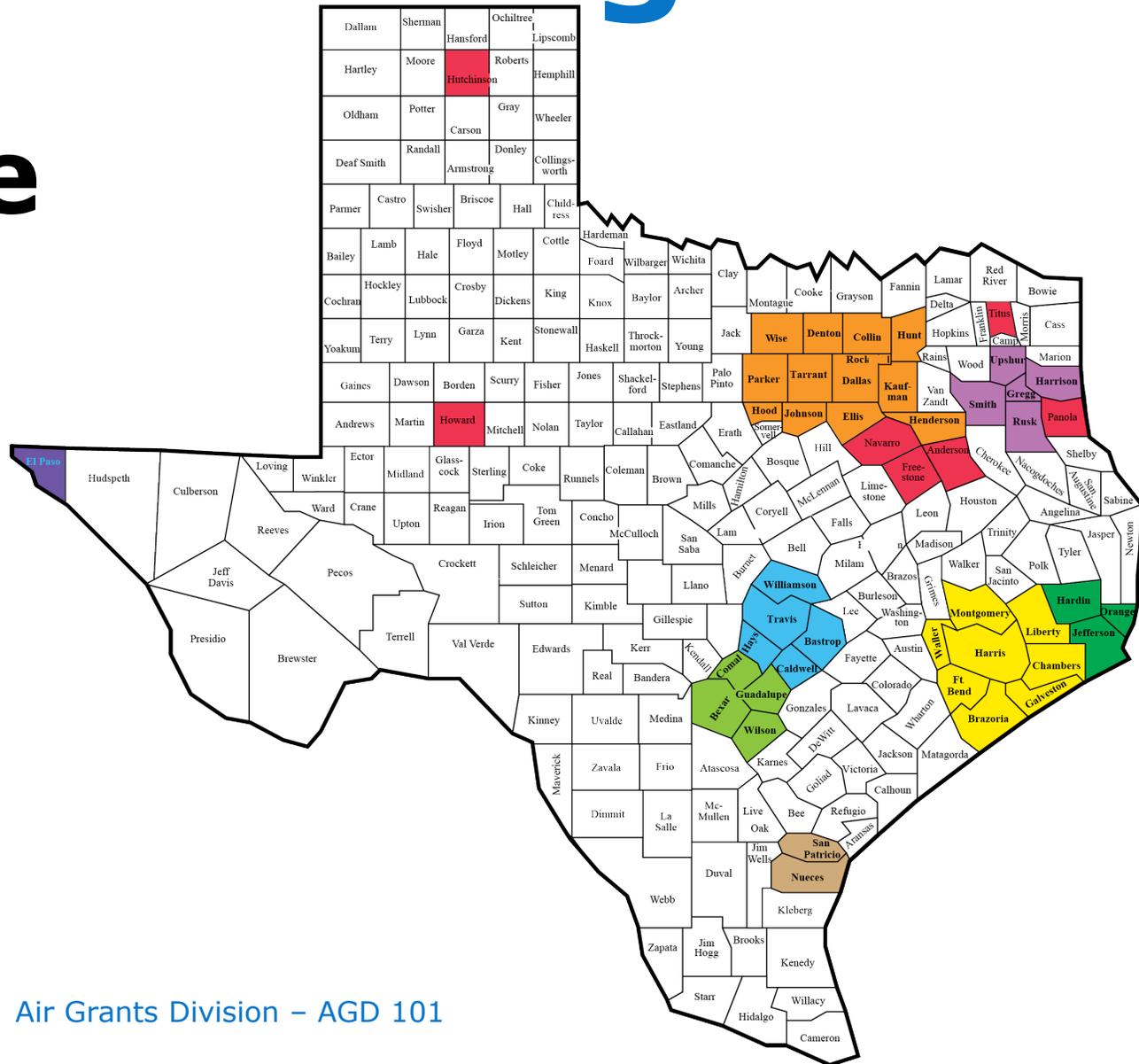


Provides grants to incentivize hydrogen infrastructure, heavy-duty vehicles, and heavy-duty equipment that reduce NO_x emissions from high-emitting sources in Texas nonattainment areas and affected counties (“eligible counties”).



TERP Grant Programs

THIVE Eligible Counties



TERP Grant Programs

Texas Natural Gas Vehicle Grant Program (TNGVGP)

Provides grants in eligible counties to repower heavy-duty or medium-duty vehicles with natural gas engines or replace the vehicles with natural gas vehicles.



TERP Grant Programs

Texas Clean Fleet Program (TCFP)

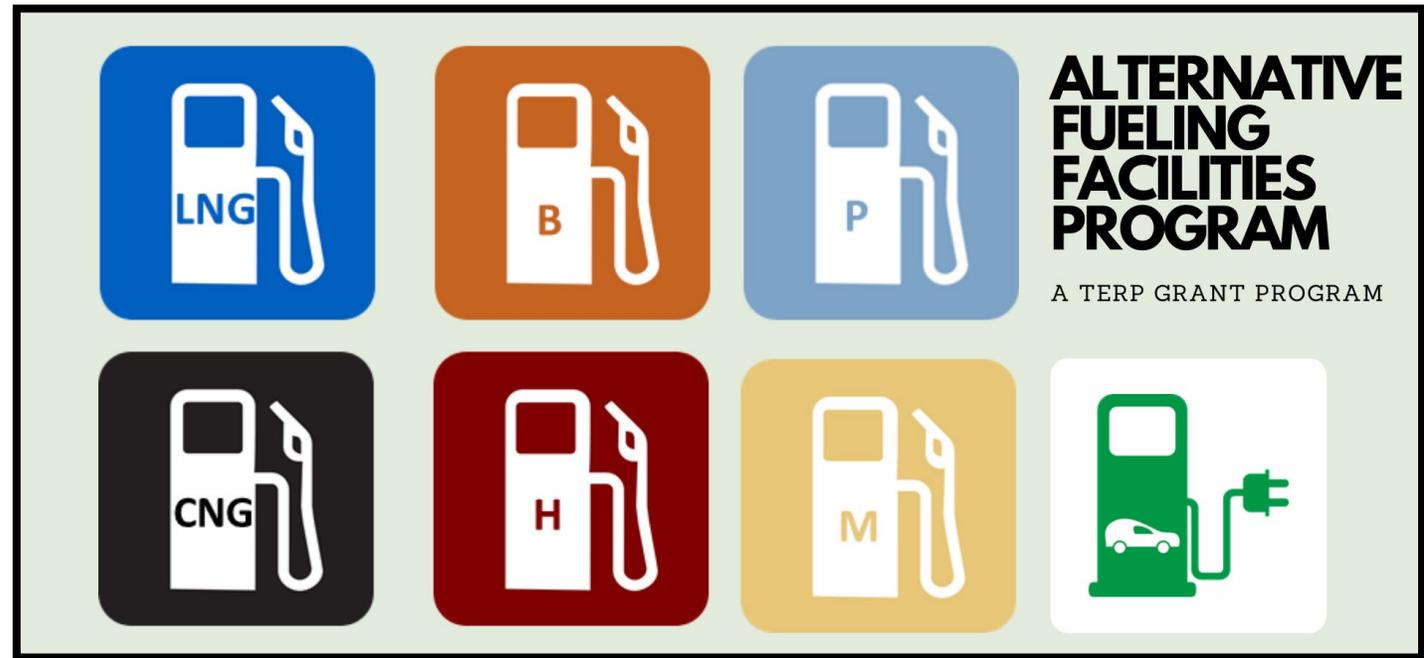
Provides grants for entities with large fleets to replace heavy-duty and light-duty on-road diesel vehicles with new alternative fuel or hybrid vehicles.



TERP Grant Programs

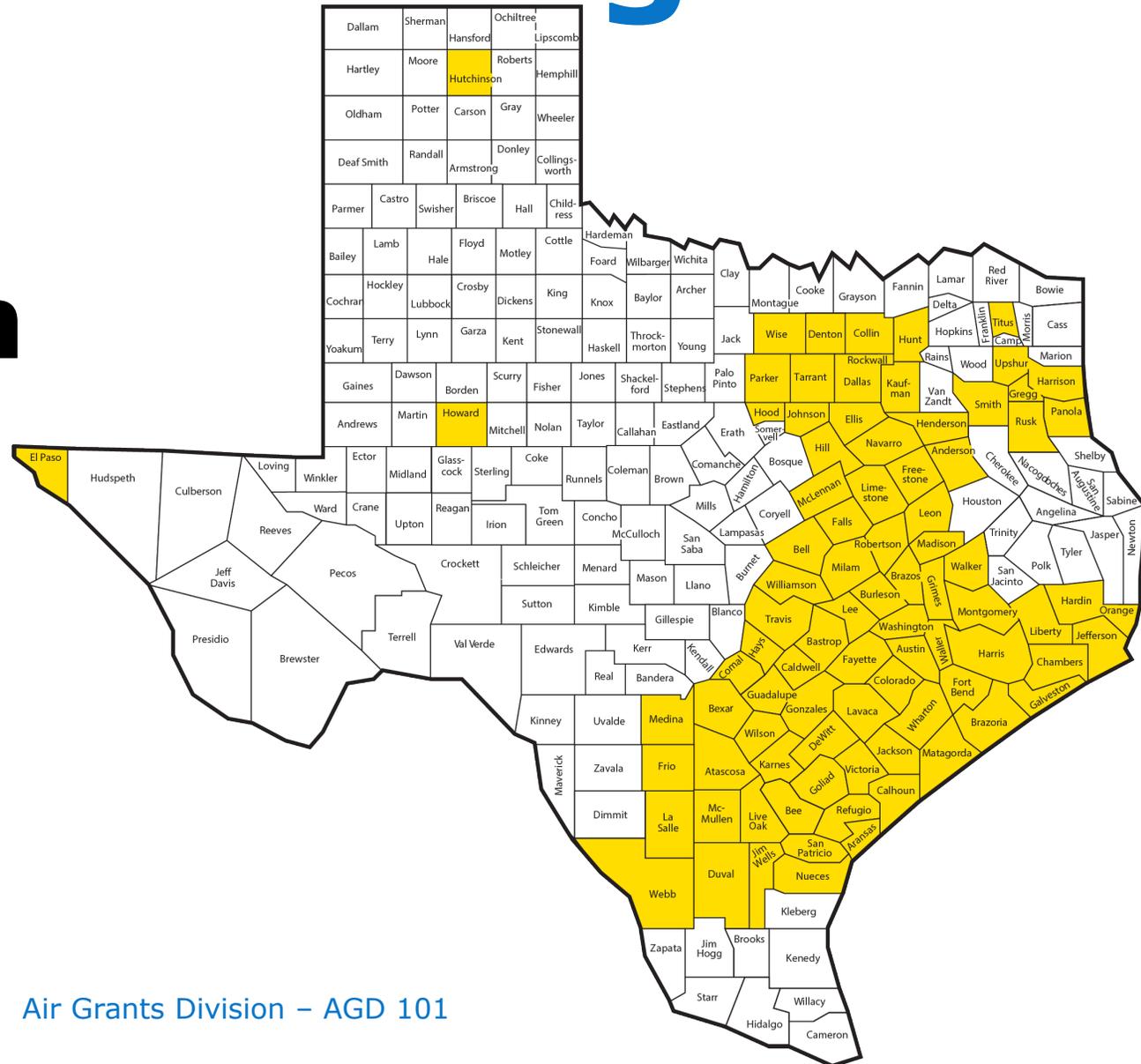
Alternative Fueling Facilities Program (AFFF)

Provides grants for the construction or expansion of natural gas and other alternative fueling stations in the Clean Transportation Zone.



TERP Grant Programs

Clean Transportation Zone



TERP Grant Programs

Light-Duty Motor Vehicle Purchase or Lease Incentive Program (LDPLIP)

Provides grants for the purchase or lease of eligible new light-duty motor vehicles powered by compressed natural gas, liquified petroleum gas, hydrogen fuel cell or other electric drive (plug-in or plug-in hybrid). This is a statewide program.



TERP Grant Programs

Governmental Alternative Fuel Fleet Program (GAFF)

Provides grants for state agencies and political subdivisions to:

- purchase or lease new vehicles that operate primarily on an alternative fuel, and
- purchase, lease, or install refueling infrastructure for grant-funded vehicles.



TERP Grant Programs

Texas Clean School Bus Program (TCSB)

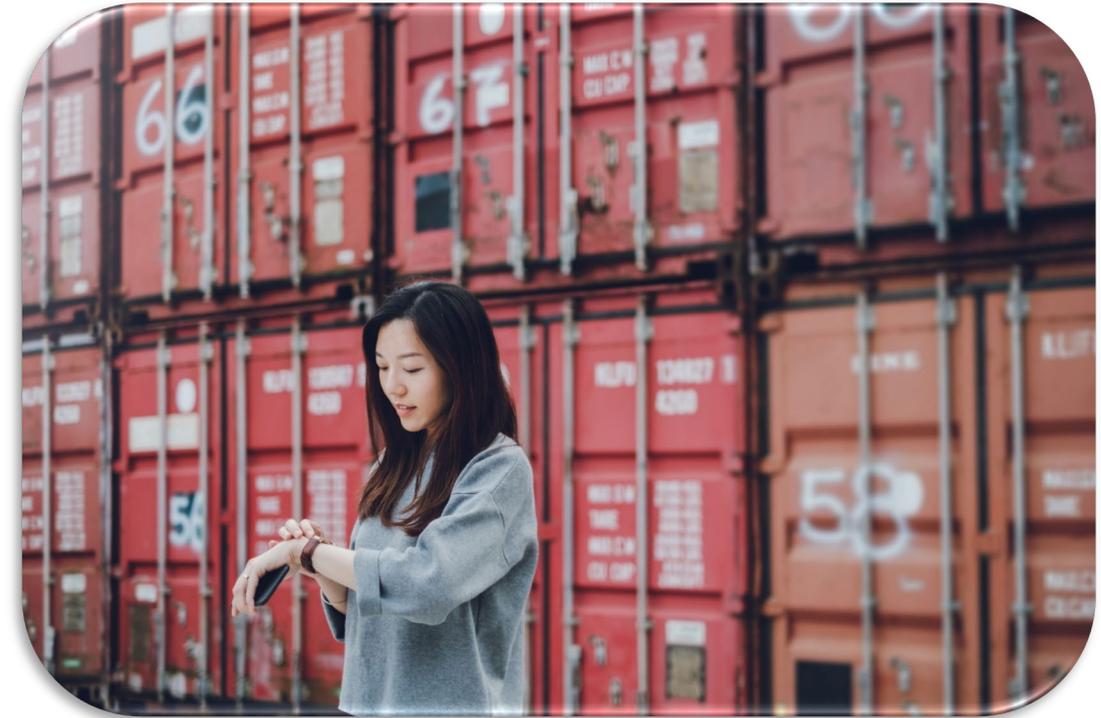
Provides grants statewide to offset the cost of projects that reduce emissions from diesel exhaust. Eligible projects include replacing or retrofitting diesel-fueled school buses.



TERP Grant Programs

Port Authority Studies and Pilot Projects Program (PASPP)

Provides grants for studies of and pilot programs for incentives for port authorities in Texas' nonattainment areas or affected counties to encourage cargo movement that reduces NO_x and particulate matter emissions.



TERP Grant Programs

New Technology Implementation Grant Program (NTIG)

Provides grants to offset the cost of the implementation of existing technologies that reduce emissions from facilities and other stationary sources in Texas.



TERP Fees



Tax Code Section 151.0515(b): A 1.5% surcharge on the sale price or lease/rental amount of off-road heavy-duty diesel equipment sold, rented, or leased in the state. (A surcharge is also applied to the storage, use, or consumption of this equipment in Texas).



Tax Code Section 152.0215(a): A surcharge of the total consideration on the sale or lease of on-road diesel vehicles over 14,000 pounds. A 2.5% surcharge for pre-1997 vehicle model years and a 1% surcharge for 1997 and newer vehicle model years.



Texas Transportation Code Section 502.358(a): A 10% surcharge of the total fees due for the registration of truck-tractors and certain commercial motor vehicles.

TERP Fees – Cont.



Texas Transportation Code Section 501.138(a) and (b): A portion of the vehicle certificate of title fee, \$20 of the \$33 fee for applicants in the nonattainment areas and affected counties, and \$15 of the \$28 fee for applicants in all other counties.



Texas Transportation Code Section 548.5055(a): A \$10 fee on commercial motor vehicles required to have an annual safety inspection.

TERP Trust Fund

- **House Bill 3745, 86th Texas Legislature, 2019,** established the TERP Fund as a trust fund, outside of the state treasury, to be held by the comptroller and administered by TCEQ as trustee. The creation of the TERP Fund became effective September 1, 2021.
- **House Bill 4472, 87th Texas Legislature, 2021,** required that the TCEQ remit not less than 35% of the TERP Trust Fund to the state highway fund for the Texas Department of Transportation (TxDOT) to administer congestion mitigation projects.

TCEQ SUNSS



New for 2025 - Submit your application online!

 **TEXAS COMMISSION ON ENVIRONMENTAL QUALITY** Questions or Comments >>
TCEQ Home

Welcome to TCEQ SUNSS,

the TCEQ Single-Use Non-CROMERR Submission System.

Here is what you can do online in SUNSS:

- » License Exam Registration (LEXR)
- » Occupational Licensing Electronic Applications (OLEA)
- » Online Registration of Boat Sewage and Pumpout Stations (ORBPS)
- » Regulatory Assessment Fee (RAF)
- » Surface Water Rights Data (SWRD) Annual Water Use Reports (WUR)
- » Texas Emissions Reduction Plan (TERP) Online Usage Report and Grant Applications

This is SUNSS version 1.3. See [details of what you can do](#) or log into SUNSS by entering your name and email address in the box to the right.

Find Out When SUNSS Will Be Offline

We do our best to ensure that SUNSS is online when you need it. But for upgrades, security measures, and other maintenance, we must bring SUNSS or one of its modules offline. We cannot predict emergency outages, but for scheduled downtimes, see our [SUNSS maintenance schedule](#).

Enter TCEQ SUNSS: 

Your First and Last Name: 

E-mail:

Confirm E-mail:

TCEQ SUNSS (cont.)

Highlights

- You don't need to create an account— use only your name and email address.
- Reduces errors/mistakes in the application.
- Easier for Third-Party Preparers and Authorized Officials to electronically sign it.
- Faster application processing.
- More secure (vs. email).

TCEQ SUNSS QR Codes



SUNSS Web Page



SUNSS User Guides

Introduction to TxVEMP



TxVEMP - Background

The United States Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) determined that Volkswagen and related entities installed devices on its 2.0 and 3.0-liter diesel vehicles to emit NO_x above the federal standards in normal operation.

JOHN C. CRUDEN
Assistant Attorney General
Environment and Natural Resources Division

JOSHUA H. VAN EATON (WA-39871)
BETHANY ENGEL (MA-660840)
Trial Attorneys
Environmental Enforcement Section

U.S. Department of Justice
P.O. Box 7611
Washington DC 20044-7611
Telephone: (202) 514-5474
Facsimile: (202) 514-0097
Email: Josh.Van.Eaton@usdoj.gov

Attorneys for Plaintiff United States of America

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE: VOLKSWAGEN "CLEAN
DIESEL" MARKETING, SALES
PRACTICES, AND PRODUCTS
LIABILITY LITIGATION

WHEREAS, Plaintiff United States of America, on behalf of the United States Environmental Protection Agency, filed a complaint in this action on January 4, 2016, against Volkswagen AG, Volkswagen Group of America, Inc., Volkswagen Group of America Chattanooga Operations, LLC, Audi AG, Dr. Ing. h.c. F. Porsche AG, and Porsche Cars North America, Inc. alleging that Defendants violated Sections 203(a)(1), (2), (3)(A), and (3)(B) of the Clean Air Act, 42 U.S.C. §§ 7522(a)(1), (2), (3)(A), and (3)(B), with regard to approximately 500,000 model year 2009 to 2015 motor vehicles containing 2.0 liter diesel engines (more specifically defined elsewhere as "2.0 Liter Subject Vehicles") and approximately 80,000 model year 2009 to 2016 motor vehicles containing 3.0 liter diesel engines (more specifically defined elsewhere as "3.0 Liter Subject Vehicles"), for a total of approximately 580,000 motor vehicles (collectively, "Subject Vehicles");

Funds Available to Texas

- VW settled with the EPA and CARB to resolve the violations.
 - \$2.9 billion was divided into two trusts: one for Indian tribes; and one for states, the District of Columbia, and Puerto Rico.
 - \$10 billion for vehicle repair or buyback program.
 - \$2 billion for National Zero Emission Vehicle (ZEV) Investment Plan.
- A minimum of \$209,319,163 is available to Texas from the Trust for projects that reduce NO_x.

TCEQ's Role

- Texas is designated as a state beneficiary under the Trust Agreement.
- Governor Abbott designated the TCEQ as the Lead Agency for Texas.
- The Lead Agency must administer the funds, submit funding requests, track and monitor use of the funds, and submit semi-annual reports to the Trustee.



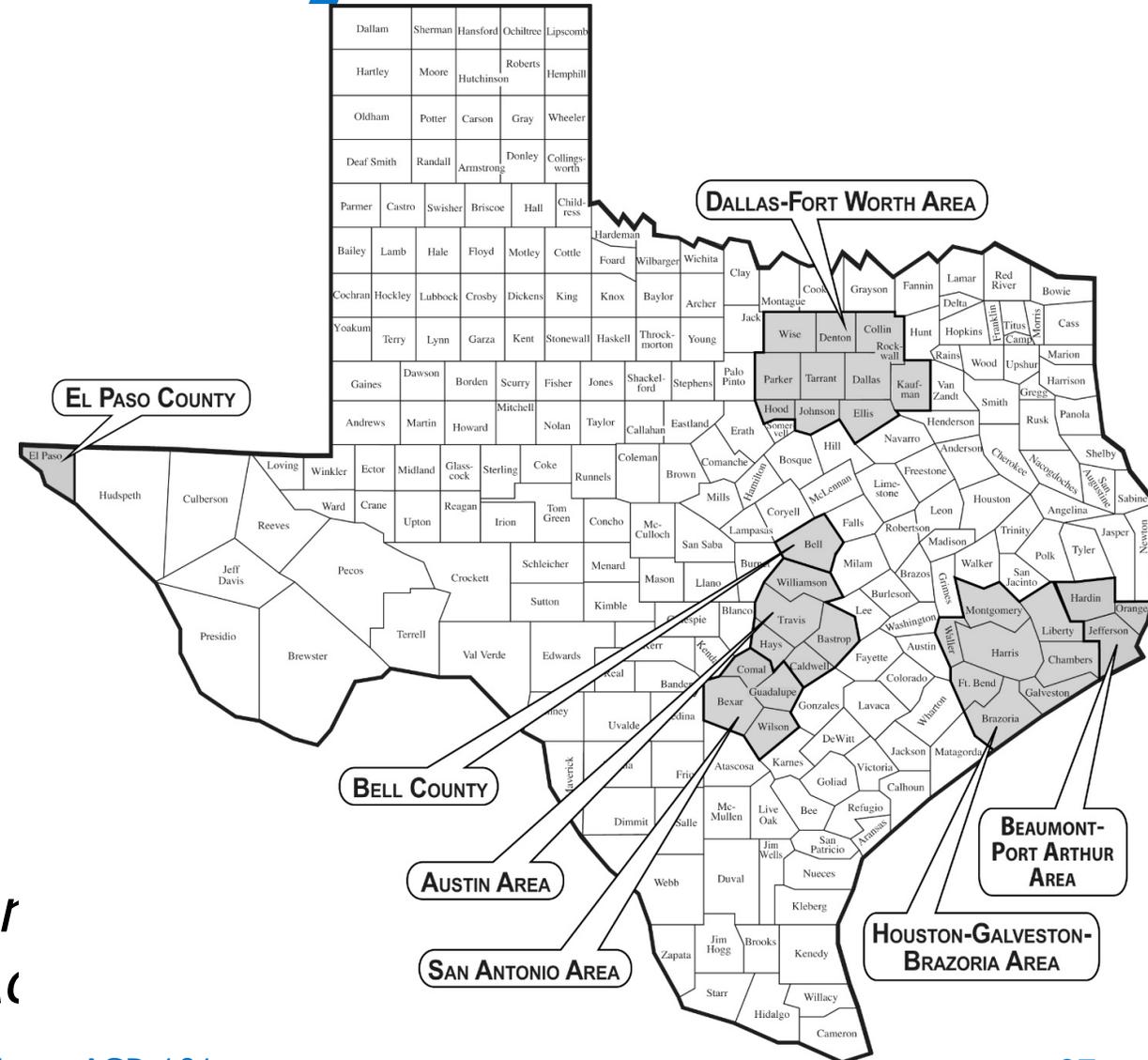
TxVEMP Priority Areas

Initial Allocation*

| | |
|---------------------------------|---------------|
| Dallas-Fort Worth Area | \$ 33,385,160 |
| Houston-Galveston-Brazoria Area | \$ 31,826,279 |
| San Antonio Area | \$ 61,585,516 |
| Austin Area | \$ 16,297,602 |
| El Paso County | \$ 16,814,031 |
| Bell County | \$ 2,083,065 |
| Beaumont-Port Arthur Area | \$ 7,556,869 |
| Statewide | \$ 31,397,874 |

TOTAL \$ 200,946,396

**TCEQ may adjust allocations by area on demand for Eligible Mitigation Activities*



TxVEMP Eligible Mitigation Actions

Replacement and Repower

- Class 4 - 7 Local Freight Trucks
- Class 8 Local Freight Trucks and Port Drayage Trucks
- Class 7 – 8 Refuse Vehicles
- School Buses
- Transit and Shuttle Buses
- Forklifts and Port Cargo Handling Equipment (Electric)
- Airport Ground Support Equipment (Electric)
- Freight Switchers
- Ferries/Tugs (Repower only)

Other

- Shore Power for Ocean Going Vessels
- Light-Duty Zero Emission Vehicle Supply Equipment



TxVEMP All-Electric Grant Program

Provides grants for replacing and repowering diesel vehicles and equipment with electric-drive vehicles and equipment for the following Eligible Mitigation Actions (EMA's).



- **First-Come, First-Served solicitation for the following Eligible Mitigation Actions (EMAs):**

- Class 4 - 7 Local Freight Trucks
- Class 8 Local Freight Trucks and Port Drayage Trucks
- School Buses, Transit Buses, and Shuttle Buses
- Forklifts and Port Cargo Handling Equipment
- Airport Ground Support Equipment

*Note: Both electric and hydrogen are eligible



TxVEMP All-Electric Grant Program Funding

Approximately **\$34 million** available to replace or repower vehicles and equipment that are powered by electric motors, and to purchase or install refueling infrastructure for grant-funded vehicles and equipment.

Grant funding available up to the following cost limits:

| Government-Owned | |
|-------------------------------------|------|
| Replacement | 100% |
| Repower | 100% |
| Supporting Refueling Infrastructure | 100% |
| Non-Government-Owned | |
| Replacement | 75% |
| Repower | 75% |
| Supporting Refueling Infrastructure | 75% |

TERP & TxVEMP QR Codes

TERP



TxVEMP



Questions?

TERP

- (800) 919-TERP (8377)
- TERP@tceq.texas.gov

TxVEMP

- (833) 215-TXVW (8989)
- VWsettle@tceq.texas.gov

