

Appendix 9.19

TERP

Texas Emission Reduction Plan

In 2001, the 77th Texas Legislature passed Senate Bill 5 which established the Texas Emission Reduction Plan (TERP). The bill provided funding mechanisms for the program and the state anticipated that about \$130 million in new fees would be collected to fund the emission reductions contemplated. However, the major funding source was found to be in violation of the commerce clause. The 78th Texas Legislature enacted House Bill 1365 restoring funding to the TERP and providing a dedicated revenue mechanism for the TERP through an increase in the vehicle title fee and changes to existing surcharges on the sale, lease or use of on-road heavy-duty diesel vehicles and nonroad equipment. The TERP was also enhanced through the enactment of House Bill 1365 by the authorization of funding for projects that include stationary engines and equipment that use fuels other than diesel. Out of the \$140 million per fiscal year in projected revenue through FY 2008, the Emissions Reduction Incentive Grants Program is allocated 87.5 percent of that total, or about \$120.5 million per fiscal year. As a result, projected revenue for the program is expected to average about \$140 million per fiscal year through FY 2008.

To date, the TERP program has awarded more than \$128.3 million to grant projects in nonattainment areas. These grants are projected to result in reductions in NO_x emissions of more than 21,616 tons, at an average cost per ton of NO_x reduced of approximately \$5,900. Accounting for the projects already funded and, based on the approach established for allocating future TERP funds, the TERP funding will be sufficient to achieve more than 32.9 tpd of reductions in the HGB area by 2007, and may be enough to achieve more than 38.8 tpd. Of the tonnage assigned to the Houston-Galveston area, 3 tpd of the emissions are allocated to come from the on-road sector. The benefits of this program are utilized in this conformity analysis for the 2007 Attainment Demonstration year.

The table below lists the on-road projects that have been funded to date. For the full table of on-road and nonroad funding in the Houston-Galveston area, as well as further information on recent TERP activities, please visit the TERP Web site, <http://www.terpgrants.org>.

TEXAS COMMISSION ON ENVIRONMENTAL PLANNING
TEXAS EMISSIONS REDUCTION PLAN (TERP)
EMISSIONS REDUCTION INCENTIVE GRANTS
GRANTS TO DATE (sort by Emission Source)
January 19, 2005

	APPNO	APPLICANT	CONTRACT STATUS	PRIMARY AREA	GRANT AMOUNT	PROJECTED NOx REDUCTIONS (tons)	PROJECTED TONS PER DAY OF NOx REDUCTION IN 2007 (tpd)	PROJECTED COST PER TON OF NOx REDUCED	PROJECT TYPE	PROJECT LIFE	EMISSION SOURCE	NO. OF ACTIVITIES	FUEL TYPE	PROJECT DESCRIPTION	ORG**
2	20031002	DMG EQUIPMENT COMPANY	CLOSED	Houston/Galveston	\$2,642.92	0.2344	0.0000	\$11,275	QUALIFYING FUEL	1	ON-ROAD	1		1 USE OF QUALIFYING FUEL, PURINOX	B
3	20031012	CITY OF HOUSTON	OPEN	Houston/Galveston	\$306,500.00	26.2870	0.0210	\$11,660	RETRO-FIT/ADD-ON	5	ON-ROAD	17	ULSD	13-RETROFITS, MY 2000 GARBAGE TRUCKS, EGR SYSTEMS, 3-RETROFITS MY 2001 GARBAGE TRUCKS, EGR SYSTEMS, AND 1 USE OF QUALIFYING FUEL, ULSD	G
4	20031025	METROPOLITAN TRANSIT AUTHORITY	OPEN	Houston/Galveston	\$11,190,131.80	1435.4040	0.4693	\$7,796	RETRO-FIT/ADD-ON	11	ON-ROAD	221	ULSD/LED	220 RETROFITS (EGR SYSTEMS ON BUSES), 1 USE OF QUALIFYING FUEL (LED/ULSD), AND 1 INFRASTRUCTURE (TANK CLEANING)	G
5	20031027	WISMER DISTRIBUTING	OPEN	Houston/Galveston	\$4,725.84	0.3900	0.0000	\$12,118	QUALIFYING FUEL	1	ON-ROAD	1	ULSD/LED	1 USE OF QUALIFYING FUEL ONROAD/NONROAD, LOW EMISSION DIESEL (LED)	B
6	20032004	HOUSTON INDEPENDENT SCHOOL DISTRICT	OPEN	Houston/Galveston	\$340,987.47	27.6147	0.0000	\$12,348	QUALIFYING FUEL	5	ON-ROAD	1	ULSD/TXLED	1 USE OF QUALIFYING FUEL (ULSD/TXLED)	G
7	20032010	CITY OF HOUSTON	OPEN	Houston/Galveston	\$512,140.11	40.9136	0.0000	\$12,518	QUALIFYING FUEL	1	ON-ROAD	1	DIESEL	USE OF TXLED IN SOLID WASTE DEPT. - # OF VEHICLES UNKNOWN	G
8	20032011	RUSTIN TRANSPORTATION COMPANY LP	OPEN	Houston/Galveston	\$261,540.42	21.5430	0.0000	\$12,140	QUALIFYING FUEL	5	ON-ROAD	1		QUALIFYING FUEL USE (EMULSIFIED DIESEL)	B
9	20041017	TEXAS DEPARTMENT OF TRANSPORTATION	OPEN	Houston/Galveston	\$661,922.67	51.3600	0.2054	\$12,888	REFUELING INFRASTRUCTURE	1	ON-ROAD	2	Tx-LED	Qualifying fuel for on road and non road applications	G
10	20041023	PELTIER BROTHERS CONSTRUCTION LTD	CLOSED	Houston/Galveston	\$456,704.00	55.4040	0.0369	\$8,243	RETRO-FIT/ADD-ON	6	ON-ROAD	13	DIESEL	Retrofit (6) Linkbelt Cranes, (1) Boom truck, (2) backhoes, (1) Excavator, (1) Dozer, (1) Fortlift, (1) International 4900	B
11	20041050	GMJ PAVING COMPANY	CLOSED	Houston/Galveston	\$9,591.69	1.4572	0.0012	\$6,583	PURCHASE	5	ON-ROAD	1		Purchase (2) backhoes-ONE CANCELLED	B
12	20041069	WASTE MANAGEMENT INC	OPEN	Houston/Galveston	\$471,984.00	46.2500	0.0308	\$10,205	RETRO-FIT/ADD-ON	6	ON-ROAD	12	DIESEL	Put extengine systems on refuse trucks	B
13	20021006	HEB GROCERY COMPANY LP	CLOSED	Houston/Galveston	\$438,978.60	45.4608	0.0303	\$9,656	RETRO-FIT/ADD-ON	6	ON-ROAD	12	LNG/DIESEL	RETROFIT 12 TRUCKS W/CAT 2002 C12 ENGINES	B
14	20021007	SYSCO FOOD SERVICEING OF HOUSTON LP	CLOSED	Houston/Galveston	\$577,800.00	50.7600	0.0254	\$11,383	RETRO-FIT/ADD-ON	8	ON-ROAD	27	LNG/diesel	retrofit 27 355hp engines	B
15	20022018	RUSTIN TRANSPORTATION LLP	CLOSED	Houston/Galveston	\$83,456.10	6.9105	0.0000	\$12,077	QUALIFYING FUEL	1	ON-ROAD	1	DIESEL	USED 320,985 GALLONS OF PURINOX FUEL FOR ONROAD AND NONROAD	B
16	20022020	JAM DISTRIBUTING COMPANY	CLOSED	Houston/Galveston	\$28,804.88	2.7337	0.0000	\$10,537	QUALIFYING FUEL	1	ON-ROAD	1	DIESEL	Use of PuriNOx fuel	B
17	20042440	BREATHWIT MARINE CONTRACTORS INC	OPEN	Houston/Galveston	\$503,497.49	154.9100	0.0885	\$3,250	RE-POWER	7	ON-ROAD, MARINE	15	DIESEL	Repower of dragline excavator and repower auxiliary and propulsion engines on push boats and bow boats	B
ON-ROAD TOTALS					\$15,851,407.99	1967.6329	0.9089	\$8,056							