



New Technology Implementation Grant (NTIG) Program

Objective: to offset the incremental cost of emission reduction of pollutants from facilities and other stationary sources in Texas.



Webinar Agenda

- Program Highlights
- Eligibility
- Program Requirements
- Project Scoring & Selection
- Eligible and Ineligible Costs
- Application Submission
- Grant Award Process
- Reimbursement, Compliance, and Reporting
- Questions





Program Highlights

- FY 23 funding is projected to be \$9.8 million.
 - A minimum of \$1 million will be set aside for Electricity Storage Projects related to renewable energy.
- 60-day window to submit grant applications
- Grants will be awarded on a competitive basis





Eligible Applicants



- Individuals, corporations, organizations, governments or governmental subdivisions or agencies, business trusts, partnerships, associations, or other legal entities.
- Business entities with an active registration with the Texas Secretary of State.
- Owner or operator of a stationary source in Texas that emits pollutants (a “facility”).
- Applicants who are not owners of the facility must provide evidence of operational control for the duration of the contract.



Eligible Project Categories

New Technology is defined as emissions-control technology that results in emissions reductions that exceed state or federal requirements in effect at the time of submission of an NTIG application. TCEQ does not intend to fund the development of any technologies under the NTIG program.

Eligible project categories include:

- Electricity storage projects for renewable energy.
- New technology projects that reduce emissions of regulated pollutants from stationary sources.
- New technology projects that reduce emissions from upstream and midstream oil and gas industry activities including production, completions, gathering, storage, processing, and transmission activities.



Requirements for All Project Categories

- The applicant must demonstrate reasonable evidence that the proposed technology is capable of providing a significant reduction in emissions.
- Any claims of emissions reductions must be supported by the information provided in the application.
- A project is not eligible if it is required by state or federal law, rule, regulation, memorandum of agreement, or other binding document unless approved by TCEQ.





Electricity Storage Projects

- Rated power of one (1) megawatt (MW) or greater and clearly demonstrates that it is related to renewable energy in Texas.
- Stored energy available during periods of peak energy use.
- Facility must be owned by the applicant or leased at the time of application submittal.
- Examples:
 - Lithium-ion batteries, Energy-retaining flywheels
 - Compressed-air energy storage, Pumped hydropower or other gravity batteries, Sodium-sulfur storage batteries





Projects that Reduce Emissions from Stationary Sources

Applicants for projects reducing emissions of regulated pollutants from stationary sources must:

- Be the owner or operator of the facility.
- Have an active permit that authorizes that source at the time of application, unless the applicant can affirmatively demonstrate that the source is not required to be permitted.

Regulated pollutants include but are not limited to:

- Criteria pollutants
- Hazardous air pollutants (HAPs)
- Any other pollutants regulated under the Federal Clean Air Act
- Any other pollutants subject to requirements under TCEQ rules, regulations, permits, orders of the commission, or court orders



Projects that Reduce Emissions from Stationary Sources (Continued)

- Demonstrate a net reduction of actual emissions for regulated pollutants affected by the project
 - Emissions reductions must be calculated for each regulated pollutant impacted by the project where these reductions are the difference between the baseline emissions for that pollutant less the projected emissions.
 - In cases where emissions reductions are contingent upon collateral increases in emissions (e.g., decreasing NO_x while increasing CO, NH₃ slip), the increases must be identified, provided as part of the application, and can be demonstrated to be good engineering practice and still be protective of the National Ambient Air Quality Standards (NAAQS), public health and welfare, and physical property.
- See section 2.4 of the Request for Grant Applications (RFGA).



Projects that Reduce Emissions from Oil and Gas Activities

- Replacement, repower, or retrofit of stationary compressor engines used in upstream and midstream oil and gas production, completions, gathering, storage, processing, and transmission activities.
- Installation of systems to reduce or eliminate loss of gas, flaring of gas, or burning of gas using other combustion control devices.
- Installation of systems to reduce flaring and other site emissions.
- See Section 2.5 of the RFGA.



Projects that Reduce Emissions from Oil and Gas Activities (Continued)

- Applicant must be the owner or operator of the facility.
- **Stationary compressor engines** must have been owned or leased by the applicant and operated in Texas for two years prior to the application signature date and have a minimum of five years of useful life remaining.
- Must demonstrate a net reduction of actual emissions for regulated pollutants affected by the project
- Projected emissions must not exceed any applicable local, state, or federal requirements for that facility.
- Grant may not be used to comply with federal or state emission standards.



Oil and Gas Project Types

Replacement of Stationary Compressor with a new or newer compressor

- New engine must be:
 - Of the same type and horsepower and be intended for use in the same application or vocation as the equipment being replaced; and
 - Certified to emit least 25% less NO_x compared with the baseline emissions of engine being replaced.

Repower of Stationary Compressor

- Rebuilt or remanufactured engines must use only components from the original engine manufacturer (OEM) and be purchased from the OEM or its authorized dealers and distributors

Retrofit/Add-on of Emissions Reduction Technology



Requests to Waive Program Requirements

- For stationary compressor engine projects only.
- TCEQ may consider a request to waive the ownership or continuous use requirements on a finding of good cause, which may include:
 - a change in company ownership, name, or incorporation status
 - company assets purchased by another company
 - short lapses in operation due to economic conditions, seasonal work, or other circumstances
- Applicants must complete and submit **Supplemental Form 1: Program Waiver Request** with the application.
- The burden is on the applicant to demonstrate good cause.
- TCEQ will review waiver requests on a case-by-case basis.



Marketable Emission Reduction Credits

- A project involving implementation of emission reduction technology that would otherwise generate marketable credits under state or federal emissions reduction credit averaging, banking, or trading programs is not eligible for funding under this program unless:
 - the project includes the transfer of the reductions that would otherwise be marketable credits to the State Implementation Plan or the owner or operator as provided by Section 386.056, Texas Health and Safety Code (THSC); and
 - the reductions are permanently retired.



Project Scoring and Selection

- Applications for eligible projects will be evaluated, scored, and ranked according to the scoring criteria outlined in the RFGA.
- Projects that are most aligned with the program goals will receive more program alignment points.





Project Scoring and Selection (Continued)

Scoring Preferences:

Projects that include more than one of these criteria will be given a greater preference in the selection for award of a grant under this program.

- Involve the transport, use, recovery for use, or prevention of the loss of natural resources originating or produced in this state;
- Contain an energy efficiency component;
- Include the use of solar, wind, or other renewable energy sources;
- Recover waste heat from the combustion of natural resources and use the heat to generate electricity; or
- Reduce flaring emissions and other site emissions.



Scoring and Selection – Electricity Storage Projects

- Scoring Criteria

25 points – Alignment with Program Goals

- emissions reduction potential;
- relation to renewable energy;
- ability to make the stored energy available during peak energy use;
- the strength of the implementation plan;
- the compliance history of the applicant; and
- the extent to which the proposed project would advance NTIG and air quality goals, outlined in the RFGA.

10 points – Energy Storage Capacity (MWh)

10 points – Technology Lifetime

10 points – Storage System Rate Power

10 points – Cycle Efficiency

10 points – Storage Response Time

10 points – Duration of Discharge

10 points - Cost Per 1 kWh Stored

5 points - Applicant Qualifications



Scoring and Selection - Stationary Source Projects

- Scoring Criteria

30 points – Alignment with Program Goals

- the strength of the implementation plan;
- the compliance history of the applicant; and
- the extent to which the proposed project would advance NTIG and air quality goals, outlined in the RFGA

20 points – Emissions Reduction Capability

15 points – Cost-Effectiveness

10 points – Regulated Pollutants

10 points – Project Location

10 points – Testing Protocol

5 points – Applicant Qualifications



Scoring and Selection – Oil and Gas Projects

- Scoring Criteria

30 points – Alignment with Program Goals

- the strength of the implementation plan;
- the compliance history of the applicant; and
- the extent to which the proposed project would advance NTIG and air quality goals, outlined in the RFGA

20 points – Emissions Reduction Capability

15 points – Cost-Effectiveness

10 points – Regulated Pollutants Reduced

10 points – Project Location

10 points – Testing Protocol

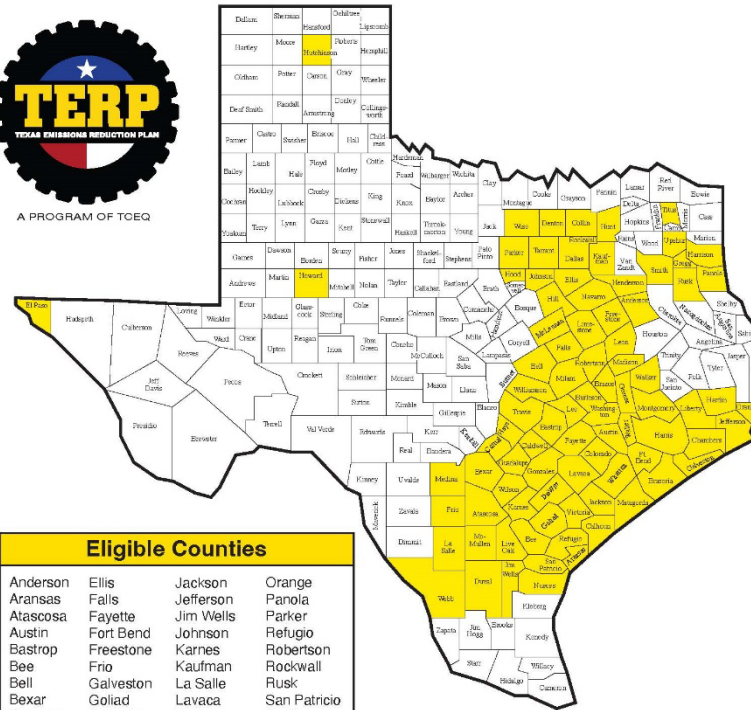
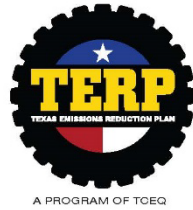
5 points – Applicant Qualifications



New Technology—Oil and Gas Projects Priority Areas

Clean Transportation Zone

Up to 10 points may be awarded to oil and gas projects located within the Clean Transportation Zone counties.



Eligible Counties			
Anderson	Ellis	Jackson	Orange
Aransas	Falls	Jefferson	Panola
Atascosa	Fayette	Jim Wells	Parker
Austin	Fort Bend	Johnson	Refugio
Bastrop	Freestone	Karnes	Robertson
Bee	Frio	Kaufman	Rockwall
Bell	Galveston	La Salle	Rusk
Bexar	Goliad	Lavaca	San Patricio
Brazoria	Gonzales	Lee	Smith
Brazos	Gregg	Leon	Tarrant
Burleson	Gnimes	Liberty	Titus
Caldwell	Guadalupe	Limestone	Travis
Calhoun	Hardin	Live Oak	Upshur
Chambers	Harris	Madison	Victoria
Collin	Harrison	Matagorda	Walker
Colorado	Hays	Medina	Waller
Comal	Henderson	McLennan	Washington
Dallas	Hill	McMullen	Webb
Denton	Hood	Milam	Wharton
DeWitt	Howard	Montgomery	Williamson
Duval	Hunt	Navarro	Wilson
El Paso	Hutchinson	Nueces	Wise



September 2022

This map was prepared by the TCEQ's Air Quality Division solely for informational purposes and does not represent a property boundary. If you have questions concerning this map, contact the division at 502-979-1177.

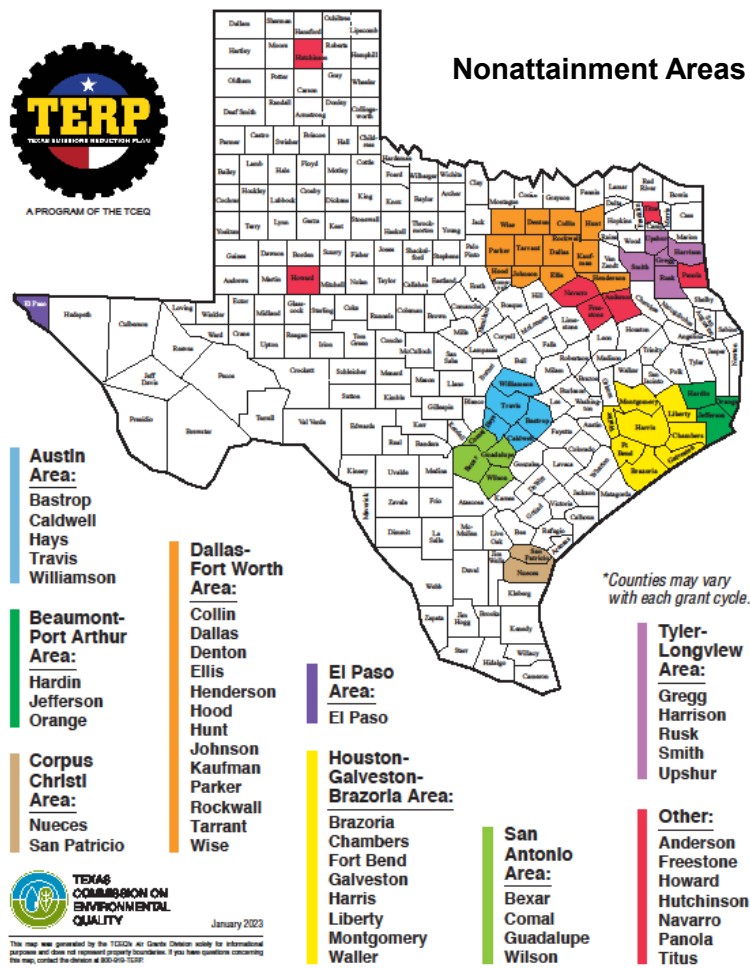


New Technology Stationary Sources Projects Priority Areas

For projects that reduce emissions of regulated pollutants from stationary sources, up to 10 points may be awarded based on the project location.



Nonattainment Areas and Affected Counties





Costs Eligible for Reimbursement

- Applicants awarded a grant must bear at least 50% of the cost to implement the project. TCEQ will reimburse up to 50% of allowable, eligible project costs.
- To be eligible for reimbursement, costs must be directly related to the implementation of the project and specifically detailed in the application budget forms.
- Be sure to include all costs related to the project, broken down so that partial funding could be considered.



Eligible Budget Categories

- Equipment
- Supplies and Materials
- Construction
- Contractual Expenses
- Salaries & Fringe Benefits
- Operation and Maintenance
- Travel



Non-Reimbursable Costs

- Indirect Costs

- Overheads, rent, utilities, administrative
- General office supplies, telephones, tools
- Grant funding work
- Equipment costs that do not involve an arms-length transaction (e.g., use of inventory without a proof of purchase)
- Purchase of testing equipment

- Other costs

- Costs incurred prior to the opening of the grant program
- Permitting costs
- Advertising or marketing
- Salary of any lobbyist
- Supplemental Environmental Projects (SEPs)
- Escalation, inflation, indeterminates & contingencies
- Project insurance
- Food and drinks



Project Implementation

- Implementation plan must demonstrate the applicant's ability to operate and maintain the technology for the duration of the contract, including the 5-year operational reporting period after TCEQ has paid final reimbursement.
- Regardless of the implementation schedule contained within the project implementation plan, if awarded a grant, TCEQ will require the grant-funded project to be implemented no later than **April 30, 2025.**



NTIG Application Process



STEP 1: Review the Request for Grant Applications (RFGA), Guidelines, and example contract



STEP 2: Download the application form, W-9 form, and applicable project proposal instructions.



STEP 3: Complete the application and project proposal



STEP 4: Submit the application, proposal, and supporting documents.



Application Requirements

The application must include:

- All applications and project proposals for funding must be substantially complete and must be submitted by the application deadline. A substantially complete application must include:
 - All pages of the application
 - All required attachments
 - Complete applicant contact information
 - All required signatures
 - All the information necessary for TCEQ to review (award scoring) the application according to the program requirements.
- If the application is found to be incomplete, TCEQ will notify the applicant in writing and provide details about what is missing from the application. Applicants will have three (3) full business days to submit the missing information. If the missing information is not received by TCEQ by 5:00 p.m., CST, on the third full business day, the application will be determined ineligible by TCEQ.



Application Submission

- Application Form 20686
- Completed W-9 Form
- Project Proposal
- Implementation Plan
- Timeline
- Copy of State or Federal ID (individual or sole proprietor only)
- Waiver Request (if applicable)



Application Submission (Continued)

- Applications must be received by no later than 5:00 p.m. Central Time on April 4, 2023.
- Applications may be submitted via mail, email, or if larger than 25MB upload to TCEQ's File Transfer Protocol Secure (FTPS) server and **selecting the share file(s) button**.
- Only one application per email (max file size: 25MB). Submit to NTIG-Apply@tceq.texas.gov. Use the following naming convention for your application file in the subject line: 'FY23 NTIG and [your legal name]'.
- Refer to the submission instructions in Section 4.1 of the RFGA



Public Information

- Application materials such as the budget and implementation plan cannot be held confidential.
- All information received by TCEQ becomes the property of the State of Texas and as such becomes subject to public disclosure under the Texas Public Information Act (PIA), Texas Government Code, Chapter 552.
- Any information the applicant wishes to protect from public disclosure must be clearly marked "**Confidential/ Proprietary: inform applicant & seek AG opinion before releasing**" on **every page**. For additional information, refer to Appendix C of the RFGA.



Contracting

Applicants selected for grant funding will be required to sign a contract with TCEQ.

- The implementation plan will become the contract's Scope of Work.
- All services or work carried out under a contract must be completed within the scope, time frame, and funding limitations specified in the contract. Grant recipients commit to taking all actions necessary to ensure the successful completion and subsequent operation.
- Upon signature and execution of the contract by TCEQ, a signed contract will be returned to the applicant, at which time the grant will be considered awarded.





Notice to Proceed (NTP)

- TCEQ will provide a written NTP to the grantee when/if revenue is available to cover the grant.
- Any expenses incurred by the grantee prior to receiving the NTP will be at the grantee's own risk.
- The execution of a contract will not be the final commitment by TCEQ to provide the funds. The NTP may also include authorization for a lesser reimbursement amount than originally approved in the contract, based on the amount of funds available.
- Documentation of required insurance coverage and property ownership or operational control must be submitted prior to issuance of the NTP.



Required Documentation

The following documentation must be provided to TCEQ within one year of contract execution:

- Proof of Insurance
- Site-Host Agreement or Site Ownership Documentation



Reimbursement of Expenses

- Grantees will be required to provide documentation to show that equipment or services have been received and costs have been paid in full before reimbursement is provided by TCEQ.
- Final requests for reimbursement (RFR) must be received by the purchase expiration date in the contract.
- TCEQ may retain up to 10% of the total reimbursement funds pending the successful completion of the Implementation Period of the Project.



Compliance and Reporting

- Reports on the progress of completing the project deliverables will be required.
 - During the implementation phase of the project, quarterly reports and a final implementation report will be required.
 - Reports will be required annually for the 5-year operational period with a final operational report due at the end of the contract.
- All reports, including quarterly and final implementation and operational reports will be posted to the TCEQ website.
- TCEQ may require the repayment of grant money in the case of noncompliance with certain grant requirements.
- TCEQ, the Texas State Auditor's Office, and the Texas Comptroller of Public Accounts may audit a grantee's progress at any time during the grant. If TCEQ determines that a grantee is not making sufficient progress towards the goal of implementation, the implementation plan will be revised in the contract's Scope of Work given the current circumstances of the project.



CONTACT US

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