



## Subtask 2.1

# TWG Air Quality Planning Technical Issues Analysis – Investigation of Funding Sources for Texas Transportation Air Quality Improvement Projects – FY2018 Updates

## TECHNICAL MEMORANDUM

Prepared for the Texas Department of Transportation  
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## Environment and Air Quality Division

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## TECHNICAL MEMORANDUM

Inter-Agency Contract (Contract No: IAC 0000015198)

Subtask 2.1 Investigation of Funding Sources for Texas  
Transportation Air Quality Improvement Projects –  
FY2018 Updates

**DATE:** October 30, 2018

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# INVESTIGATION OF FUNDING SOURCES FOR TEXAS TRANSPORTATION AIR QUALITY IMPROVEMENT PROJECTS – FY2018 UPDATES

## INTRODUCTION

This memorandum provides a brief summary of work performed in FY2018 under the investigation into funding opportunities for air quality improvement projects in Texas. The work was conducted as part of Subtask 2.1 (Technical Working Group [TWG] Air Quality Planning Technical Issues Analysis) of the Air Quality and Conformity Interagency Contract (IAC).

The overall goal of this ongoing effort (begun in FY2014) is to assist TxDOT, the TWG, and other stakeholders as they identify and pursue funding for transportation air quality improvements that could result in emissions reductions in Texas, and potentially lead to gaining emissions credits for regional emissions reduction efforts. In FY2018, this task was kept in “maintenance mode” – i.e. no significant new activities were conducted, but TTI remained on standby to assist stakeholders, and continued to investigate relevant funding opportunities that emerged.

## BACKGROUND

The activities conducted in past years, which served as the basis for this continuing assistance included:

- A review of the air quality funding environment and opportunities under state and federal programs, including federal programs such as the congestion mitigation and air quality improvement program (CMAQ), and the United States Environmental Protection Agency’s (EPA’s) Clean Diesel National Grants, and local programs such as the Texas Emissions Reduction Program (TERP). Development of a “funding opportunity framework” based on this information.
- Conducting a workshop with practitioners in Texas to identify ideas and recommendations for systematically pursuing air quality funding opportunities. Some recommendations from the workshop included
  - offering assistance in preparation of grant applications,
  - promoting standardized analytical methods,

- identifying sources of matching funds, and
- using the TWG as a platform for collaboration and communication in this area.

In line with these findings and recommendations, future task efforts were focused on 1) tracking and disseminating information about opportunities for funding of air quality improvement projects in Texas; and 2) pursuing targeted initiatives focused on specific transportation air-quality related grant opportunities and projects.

## FY 2018 ACTIVITIES AND VW SETTLEMENT INVESTIGATION

As mentioned in the introduction, the FY2018 activities were a continuation or maintenance of past assistance. It included tracking and dissemination of information on relevant grant opportunities, such as the Texas Commission on Environmental Quality (TCEQ) Texas Clean School Bus program and other TERP grant opportunities, and the EPA Clean Diesel National Grants. However, TTI was not requested to assist with any grant applications for these opportunities in FY2018.

In addition, TTI also investigated the potential funding from the Volkswagen Environmental Mitigation Trust in collaboration with TWG members. TCEQ staff also made a presentation on this subject at the February 2018 TWG meeting. TCEQ is the lead agency for administering the funds received by the State of Texas. TCEQ's plan for allocating the funds through grant programs and other means is provided in a Draft Beneficiary Mitigation Plan<sup>1</sup>. This plan is open for public comment through October 8, 2018, and will be finalized thereafter. The plan lists the Dallas-Fort Worth area, the Houston-Galveston-Brazoria Area, the San Antonio Area, the Beaumont-Port Arthur Area, and El Paso County as priority areas in Texas for implementation. The eligible mitigation actions in the plan include light-duty zero emissions vehicle supply equipment, 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, electric forklifts

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<sup>1</sup> Available at:

<https://www.tceq.texas.gov/assets/public/implementation/air/terp/VW/RG-537-Draft-for-Public-Review-180801.pdf>

and port cargo handling equipment, electric airport ground support equipment, and shore power for ocean going vehicles.

## **NEXT STEPS/FY2019 ACTIVITIES**

This report summarizes the results of activities conducted in FY2018 on ongoing efforts to track and pursue transportation air quality funding opportunities in Texas. TTI has developed a systematic support function that can track opportunities, disseminate information via the TWG, and offer assistance to stakeholders. Activities for FY2019 will be continued in discussion with TxDOT and TWG members, and are anticipated to include continued tracking of opportunities and assistance in developing grant applications.