

Grants

Keep your eyes peeled for federal and state grants that can help you and your customers

By Laura Mohammad



As a Texas taxpayer, Lon Holloway of Northwest Propane asked himself the question: “Where is all this money going to?”

He figured out pretty early on that if grant money was going somewhere, it might as well benefit him. “It can be the difference between giving it to a propane consumer and giving it to an electric consumer,” Holloway says.

So, Holloway set about learning as much as he could about what grants were out there, propane-wise. His secret? “You have to be involved,” he says. “You have to take advantage of the training.” He encourages marketers to get involved with the agencies that give out grants. He served on the first AFRED Advisory Committee, for example.

He pointed to the much-touted Texas Department of Transportation’s 70 conversions currently under way. Northwest is doing all of the conversions, throughout the state, which have benefited from grant money.

Holloway said networking is critical, and pointed to his involvement in the Texas Propane Gas Association, Clean Cities and AFRED, for example. “Those organizations may not have money directly, but they know if somebody is going to have money,” he says.

Richard Sandifer Sr., of Port Arthur’s Sandifer’s LP Gas & Service, also takes full advantage of the monetary opportunities out there. For example, he was a big proponent of the 50 cents a gallon alternative fuel tax credit. He has made customers aware of

rebates for hot water heaters, bus grants and forklift rebates for new forklifts.

Sandifer educates his drivers on what is available so they can share with customers, and Sandifer himself beats the pavement, sharing with potential clients what is available. In fact, he beat out a competitor three years ago for a new customer, a chemical processing company, because he told the business about the 50 cents rebate and the other propane company didn’t. Three years later, he still has that customer.

In addition to informal sharing with customers, he sends letters to get the word out. Sandifer keeps track of grant opportunities via the Internet and through his AFRED representative. “If I have questions, I follow up,” he says.

“You’ve got to chase the money,” Holloway says.

How much money is available?

In 2009, AFRED (Texas’ Alternative Fuels Research & Education Division) managed \$25 million in grant dollars, pooling from the state and federal government. AFRED received funding from such sources as the U.S. Department of Energy, the Texas Emissions Reduction Plan and the State Energy Conservation Office. Also, it collects \$2 million a year from each delivery made of propane. About \$1 million of that goes to consumer rebates for propane residential applications.

The money is used for education and to ensure that propane replaces petroleum – and ultimately, to reduce emissions. With a budget of about \$22.5 million, AFRED finances education, grants and research for propane.

A side note: AFRED has merged with the LP Gas Safety Division, and the two are now under the umbrella of the Alternative Energy Division.

What is available now?

Right now, AFRED is looking to recruit public fleets to retrofit or buy new vehicles, and buy or upgrade refueling infrastructure. There is about \$1.7 million in grant money available until the beginning of 2012. Provided by DOE and the State Energy Conservation Office, the money became available because several grant partners have pulled out.

Also, the 34 counties included in the air-quality non-attainment areas may be eligible for additional funding from the Railroad Commission’s Texas Emission Reduction Program-funded (TERP) propane school bus program. Fleet operators can get up to \$30,000 of their matching funds for new buses that replace older diesel buses.

Also, in the works is the 50 cents a gallon Alternative Motor Fuel Tax Credit from the federal government. While it expired Dec. 31, new legislation has passed in both houses of the U.S. Congress. The next step is for the houses to reconcile the two bills. Updates will be posted on the Texas Railroad Commission’s blog as they come available.

There are periodically grants available that will have a short application timeframe – as little as three weeks. You can keep up on those by reading the Railroad Commission’s blog at <http://blogs.rrc.state.tx.us/TPF>, which is updated twice a week, or by contacting Heather Ball at 512-463-7359 or heather.ball@rrc.state.tx.us.

A Comparison: Funding Opportunities for Propane Vehicles in Texas

For more detailed information on the incentives, contact AFRED's Heather Ball at 512-463-7359 or email heather.ball@rrc.state.tx.us.

The chart provides an overview of current major funding opportunities for propane vehicles in Texas.

Funding Type	Amount Available/ Deadline	Funding for	Old Vehicle Destroyed?
RRC Propane Vehicle Initiative (part of TERP - Texas Emission Reduction Program)	\$10 million in 2010	Propane Forklifts, Medium Duty Trucks and School Buses	Yes
RRC/Department of Energy (DOE)	\$12.6 million. Funds are already allocated, but additional fleets will be put on a waiting list for unused funds.	Propane School Buses, Light Duty Vehicles, and Refueling Stations	No
RRC/State Energy Conservation Office (SECO) Program	\$3.1 million Statewide. Funds are already allocated, but additional fleets will be put on a waiting list for unused funds.	Propane School buses, Light Duty Vehicles, and Refueling Station Upgrades	No
Houston Galveston Area Council (HGAC) Supplemental Environmental Projects (SEP)	\$4.2 million at the discretion of HGAC.	Targeted toward School Buses and Refueling Infrastructure	No
HGAC TERP Program (Texas Emission Reduction Program)		Targeted toward School Buses and Refueling Infrastructure	Yes
Texas Parent Teacher Association	\$500,000 in 2010	School Buses	No
Texas Commission on Environmental Quality (TCEQ) Clean Fleet Program	\$2.5 million in 2010	Light, Medium and Heavy Duty Alternative Fuel Vehicles	Yes
Rush Bus Sales Cash Reimbursement	\$7,000 per bus	Propane School buses	No



Combined with other grants?	Who can receive funding?	Eligible Counties
Yes with RRC's DOE or SECO funds	Public and Private Fleets	Bastrop, Bexar, Brazoria, Caldwell, Chambers, Collin, Comal, Dallas, Denton, Ellis, Ft. Bend, Galveston, Gregg, Guadalupe, Harris, Hardin, Harrison, Hays, Jefferson, Johnson, Kaufman, Liberty, Montgomery, Orange, Parker, Rockwall, Rusk, Smith, Tarrant, Travis, Upshur, Waller, Williamson and Wilson
Yes with RRC's TERP program, but not with DOE or SECO program funds	Public Fleets Only	Statewide
Yes with RRC's TERP program, but not with DOE or SECO program funds	Public Fleets Only	Statewide
Yes with RRC's DOE or SECO funds	Public Fleets Only	Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller
If TERP is taken for refueling, then it cannot be taken for vehicles. Can be used with RRC's DOE or SECO Programs	Public and Private Fleets	Statewide
Yes with RRC's DOE or SECO funds	Public Fleets Only	Statewide
Yes with RRC's DOE or SECO funds	Owners of fleets of 100 or more vehicles operated in Texas, at least 25 of which are diesel-powered vehicles	Bastrop, Bexar, Brazoria, Caldwell, Chambers, Collin, Comal, Dallas, Denton, Ellis, Ft. Bend, Galveston, Gregg, Guadalupe, Harris, Hardin, Harrison, Hays, Jefferson, Johnson, Kaufman, Liberty, Montgomery, Orange, Parker, Rockwall, Rusk, Smith, Tarrant, Travis, Upshur, Waller, Williamson and Wilson
Yes, except with RRC's DOE grant	Public fleets	Only in Rush distribution territory