



FORKLIFT GRANT INITIATIVE

INCENTIVE PROGRAM TO BUYERS OF 2008 EPA COMPLIANT PROPANE FORKLIFTS

WHAT IS THIS INCENTIVE PROGRAM?

This is a part of the Texas Emissions Reduction Plan (TERP) that offers incentives to buyers who wish to replace older pre-2008 internal combustion forklifts with new propane forklifts that meet or exceed the Environmental Protection Agency’s 2008 emissions standards. Alternatively, owners may choose to retrofit pre-2004 forklifts with approved low NOx emissions control systems. The amount of the incentive grant varies depending on the calculated reduction in emissions. On average, replacement forklift grants have averaged over \$9,000 per application.

WHAT COUNTIES IN TEXAS MUST I OPERATE IN TO QUALIFY FOR THE GRANT?

If you operate forklifts in any of the following 34 counties, you are eligible to apply for this incentive grant: 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.

WHAT IS THE PURPOSE OF THE PROGRAM?

In Texas and across the nation, air pollution is a major problem. The State of Texas is working closely with industry to reduce NOx emissions in an effort to meet the air quality standards established by the EPA for major metropolitan areas. By offering financial incentives to forklift owners to either replace pre-2008 or retrofit existing pre-2004 internal combustion forklifts, this program provides a means for owners to cost-effectively upgrade their equipment with new fuel-efficient EPA emission-compliant forklifts, or alternatively, with approved retrofit engine emission control systems. Both result in fuel savings and improved indoor and outdoor air quality that benefits employees as well as the local community.

WHERE CAN I LEARN MORE ABOUT THIS PROGRAM?

The information is available on the Railroad Commission of Texas website. Go to www.propane.tx.gov and click on “REBATES,” or call 1-800-64CLEAR (1-800-642-5327).



RAILROAD COMMISSION OF TEXAS

(800) 64-CLEAR

WWW.PROPANE.TX.GOV

Revised 8/2008



FREQUENTLY ASKED QUESTIONS

Q: Is this program replacing Texas Commission on Environmental Quality TERP program for forklifts?

A: You may apply for a grant from TCEQ or you may submit an application to the Railroad Commission under the Forklift Initiative Grant Program. However, you are NOT eligible for grants from both programs for the same equipment.

Q: What equipment is eligible?

A: Pre-2008 internal combustion engine forklifts may be replaced by propane forklifts that meet or exceed EPA's 2008 emissions standards.

Q: Do I have to own the old forklift?

A: Yes. The old forklift must have been owned by you for the past two years, operated in Texas listed during that time, be in operating condition, and would continue to be used for the activity life of the new equipment.

Q: Is leasing a new forklift an eligible project?

A: Leasing a new forklift to replace an older forklift that the applicant has leased or owned for the past two years is an eligible project. Only "dollar option" leases are permitted under the rules of the program. The grant must be used to pay down the lease and the terms of the lease contract must reflect this. The lease on the new equipment must extend to the end of the activity life of your equipment under the grant.

Q: If my distributor offers a "zero down payment" plan, can I still receive the grant?

A: The grant only covers cost the owner has actually expended to-date. For example, if you make zero down payment and have 84 months to pay, you will not receive your grant until your payments equal the grant amount.

Q: Can I apply the grant toward the down payment?

A: Yes. For example, if you purchased an \$18,000 forklift, you could apply the grant amount as reimbursement for the down payment. If you lease the equipment, your finance company must agree if you are using the grant as a front-end lease buy down. The grant may not exceed 80% of the new truck invoice value.

Q: Must the new forklifts be insured?

A: Yes. You must maintain sufficient property insurance to cover repair or replacement of the forklifts funded under this grant. Insurance proceeds must be used to obtain a forklift or engine with equivalent or lower emissions than the one funded.

Q: Can I assign the grant to my forklift distributor?

A: Yes, as long as the distributor has a participation agreement on file with the Railroad Commission of Texas and holds a current RRC Category L license.

Q: What if I don't have good maintenance records to establish the historical average annual hours operation of my old forklift?

A: Under certain circumstances, the Railroad Commission will accept a digital photograph of the working hourmeter and proof of age of the old truck in order to determine the average annual usage.

Q: May I trade in two old trucks for one new one?

A: At present the program allows only a one-for-one exchange.

Q: How long does the new forklift have to operate in the eligible counties?

A: The term is five, six or seven years at the option of the applicant. The forklifts must operate in the eligible counties for the number of years you commit to on the Grant Application form, which is a binding contract when the grant incentive is issued.

Q: Must I purchase my forklifts from a participating forklift distributor?

A: Yes. The company from which you purchase the forklifts must have a participation agreement on file with the Railroad Commission of Texas and hold a current RRC Category L license.

Q: What happens to the emission reductions from the new forklifts?

A: The emissions reductions are transferred to the Texas Commission on Environmental Quality for the state implementation plan, and are permanently retired.

Q: What happens to the old forklift?

A: Old equipment must be scrapped.

Q: What documentation do I need to submit with the application form?

A: The application is a two-step process. Forklift distributors **must** fax in an application form with as many fields as possible filled out in order to receive a preliminary estimate from the Railroad Commission. The request for an estimate should be as accurate as possible when reporting horsepower, average annual hours and fuel type. Once the sale of the replacement forklift is completed, the new truck delivered and the old one scrapped, distributors will need to submit a completed, signed application with appropriate documentation to include the following:

- Original signed copy of the Forklift Initiative Application form
- Maintenance records for the past two years with dates, hour meter readings and serial number of the old forklift. This is required to establish ownership and to document annual hourly usage. In some cases and with prior approval, alternative methods of establishing ownership may be provided.
- Copy of the purchase or financing agreement and/or invoice showing the price paid for the new equipment and a copy of payment received indicating the payment from the applicant. In the event the purchase is financed, the down payment must be equal to or greater than the grant amount. The customer must have equity in a downpayment or upfront lease buydown equal to the amount of the grant and this must be indicated on the installment agreement or the lease agreement.
- Manufacturer's statement of specifications or printed brochure of horsepower specifications for both the old and new units.
- Documentation of the age of the old forklift.
- Copy of a scrap receipt for the old truck with the chassis serial number noted.
- Photo of the destroyed engine showing engine SN if possible.
- Photo of the disabled chassis.
- Photo of the hourmeter.
- A maintenance contract for the new equipment.
- Proof of property insurance (ACORD form).