

Agenda Date: October 19, 2006
Agenda Placement: Regular
Estimated Time: 5 minutes
Continued Item: Yes

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Tom Murphy (961-8857)

SUBJECT: Marine shipping retrofit project – Emissions testing services agreements

RECOMMENDATION:

Authorize the APCO to execute services agreements for the in-use emission testing of an ocean-going vessel retrofitted with emissions control technologies using partner contributions and up to \$22,500 of APCD Innovative Technology Group funds.

SUMMARY:

The Santa Barbara County Air Pollution Control District's (APCD) 2001 and 2004 Clean Air Plans identified emissions from ocean-going vessels as a significant threat to local air quality. In August 2006, your Board approved APCD's role as a recipient and distributor of funds to be used for emissions testing of an in-use, ocean-going vessel retrofitted with emissions control technologies. Staff now recommend that your Board authorize the APCO to execute services agreements with the emissions testing contractors for this demonstration project and authorize the use of \$22,500 of Innovative Technology Group funds.

DISCUSSION:

Both the 2001 and 2004 Clean Air Plans identified marine shipping as a significant contributor to our existing emissions and as an emission source that is anticipated to grow substantially in future years, and your Board directed staff to "take aggressive actions to influence the United States Environmental Protection Agency (EPA) to reduce the air quality impacts of emissions from marine shipping." In an update to your Board in April 2002, we discussed the fact that much of the effort to reduce emissions from marine shipping is focused on new ships and emissions at ports. Therefore, we presented our plan to reduce emissions from the existing fleet

by participating in and promoting ship retrofit programs. In October 2003, your Board received another update on marine shipping activities and approved APCD participation in a Marine Shipping Retrofit Program (MSRP) using up to \$100,000 in Innovative Technology Group (ITG) Funds.

On August 17, 2006, your Board received updates on ocean-going vessel emissions in Santa Barbara County waters and the marine shipping retrofit project. At this meeting, your Board approved the APCD's role in the project as recipient and distributor of funds for the emissions testing by authorizing the Air Pollution Control Officer (APCO) to execute a Memorandum of Agreement (MOA) between the contributing agencies. Your Board continued items pertaining to a budget revision, signature authority for emissions testing contracts, and the use of \$22,500 in APCD ITG funds for the testing. Since that meeting, staff consulted with the APCD fiscal manager, evaluated anticipated ITG project expenditures, and concluded that we have sufficient budget appropriation within the FY06-07 budget to proceed without a budget revision. Therefore, a budget revision is no longer included in the recommendations of this continued Board item.

The Bourns College of Engineering, Center for Environment Research and Technology (CE-CERT) University of California Riverside and international marine engine manufacturer MAN B&W were selected as the emissions testing contractors for this project by the project partners and were chosen because of their familiarity with the maritime industry, technological expertise and emissions testing experience.

As of the docket date for this Board meeting, staff was still working with the contractors, County Counsel, and Risk Management to finalize the details of the contracts. In an effort to avoid project delays, staff recommend that your Board authorize the APCO to execute the services agreements with the emissions testing contractors for this project and authorize the use of \$22,500 of Innovative Technology Group funds. The terms of the contracts will essentially be those of the standard agreement used in the contract for services used by the District and the County. The total value of the emissions testing contracts will be for a not-to-exceed amount of \$100,000 and is based on an emissions testing protocol developed for this project by the agencies involved. Staff will continue to work with County Counsel and Risk Management to finalize the terms of the agreements and the APCO will not execute the services agreements without the concurrence of both County Counsel and Risk Management.

FISCAL IMPACT:

Funds contributed by the APCD for this Marine Shipping Retrofit Program will be taken from the Chevron Trust Funds held in the ITG Projects designation. No taxpayer or general permit fees will be used to fund this program. The funds that the APCD will be passing through for other agencies will not require an increase in budgeted revenues or expenditures.