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Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Al Ronyecz, 961-8877

SUBJECT: On-Road Heavy-Duty Vehicle Repower Program

RECOMMENDATION:

Approve an additional \$200,000 funding allocation for the On-Road Heavy-Duty Vehicle Repower Program

SUMMARY:

The resolution increases the currently available On-Road Heavy-Duty Vehicle Repower Program allocation to \$346,326 by approving an additional \$200,000 in Carl Moyer, DMV, or other Innovative Technologies Group (ITG) funds to repower or retrofit heavy-duty on-road diesel vehicles with new low emissions engines or emission control devices. This program allocation does not change the fiscal year 2008-2009 budget.

DISCUSSION:

In November 2000, your Board approved APCD participation in an On-Road Heavy-Duty Vehicle Repower Program, generally following the guidelines of the California Air Resources Board's (ARB) Carl Moyer Air Quality Standards Attainment Program (Carl Moyer Program). At that time the program was focused on reducing NO_x emissions from heavy-duty diesel equipment. Recent revisions to the Carl Moyer Program guidelines have included provisions to allow for funding of retrofit control devices, mainly to target Particulate Matter (PM) emissions from diesel engines. The original program allocation for this program was \$200,000 and was increased by \$200,000 in February of 2002 and an additional \$200,000 in December, 2006

(\$600,000 to date). Since 2000, your Board has approved \$453,673 in grant funding for 10 projects yielding reductions of approximately 100 tons of NOx and almost 8 tons of PM (see Table 1 below).

Table 1: On-Road Heavy-Duty Vehicle Repower Program Grants

| Grant Approved | Grantee | Grant Funding | NOx Reductions ton/project | PM Reductions ton/ project |
|----------------|--------------------------------|---------------|----------------------------|----------------------------|
| Nov-00 | Gaither Tours | \$ 20,818.00 | 7.72 | 0.75 |
| Mar-01 | V. Lopez & Sons | \$ 18,945.00 | 2.84 | 0.28 |
| Jun-01 | Western Propane | \$ 7,000.00 | 0.94 | 0.05 |
| May-01 | MarBorg Industries 1 | \$ 74,214.00 | 17.99 | 0.50 |
| Feb-02 | MarBorg Industries 2 | \$ 128,315.00 | 18.99 | 1.75 |
| Jun-03 | MarBorg Industries 3 | \$ 35,248.22 | 45.71 | 3.53 |
| Jun-03 | Ball Trucking | \$ 26,533.00 | 3.50 | 0.28 |
| Nov-05 | SB County Public Works | \$ 88,900.00 | 0.00 | 0.53 |
| Mar-06 | R. Williams Construction, Inc. | \$ 40,700.00 | 0.57 | 0.18 |
| Oct-07 | MarBorg Industries | \$ 13,000.00 | 1.08 | 0.00 |
| | | \$ 453,673.22 | 99.34 | 7.84 |

Repowering and retrofitting on-road diesel engines have proven to be a cost-effective means of reducing emissions in our County. The District is currently funding grants under Year 10 of the Carl Moyer Program. As such, we have over \$100,000 in prospective on-road projects waiting to receive funding. These include grant funds toward purchasing 4 new Compressed Natural Gas (CNG) solid waste collection vehicles owned by local waste haulers. After these projects are completed, we expect similar projects to follow.

Our current on-road program budget has about \$146,000 of remaining funds allocated to it. Funding our pending projects would almost deplete this budget. Therefore, we recommend that your Board earmark an additional \$200,000 in ITG funds so that we can proceed with funding additional on-road diesel emission reduction projects. We will continue to follow ARB Carl Moyer Program guidelines when selecting future projects.

This additional \$200,000 allocation for the On-Road Heavy-Duty Vehicle Repower Program will draw from the Carl Moyer Program, DMV funds, or alternative ITG revenue designations, and may be expended over several fiscal years. This new program allocation does not change the District’s fiscal year 2008/2009 budget.