



Our Vision  Clean Air

Agenda Date: August 17, 2006
Agenda Placement: Admin.
Estimated Time: NA
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board
FROM: Terry Dressler, Air Pollution Control Officer
CONTACT: Gary Hoffman, 961-8818
SUBJECT: Off-Road Diesel Repower Program

RECOMMENDATION:

Approve \$300,000 in additional funding allocation for the Off-Road Diesel Repower Program.

SUMMARY:

The recommendation increases the Off-Road Diesel Repower Program allocation from \$700,000 to \$1,000,000 by approving an additional \$300,000 in Innovative Technologies Group (ITG) funds to repower heavy-duty off-road equipment with new low emissions engines. This program allocation does not change the Fiscal Year 2006-07 budget.

DISCUSSION:

Since August 2005, your Board has approved a total \$700,000 in Carl Moyer Program and other ITG funds to allocate to our Off-Road Diesel Repower Program. This program targets off-road heavy-duty diesel equipment to provide incentive funding for repowers with new or remanufactured low-emission engines, or to purchase new equipment with optionally clean low-emission engines. The new engines must be certified to current off-road emission standards by the Air Resources Board (CARB) for sale in California. All repower projects funded by the Carl

Moyer Program are also now required to install a CARB-verified diesel particulate (PM) retrofit device, if available, feasible, and not cost-prohibitive for the equipment being repowered. Off-road engines are used in an array of applications such as farm tractors, earth movers, road graders, backhoes, trenchers, air compressors, and other agricultural and construction equipment. These types of equipment are considered mobile sources and thus are exempt from APCD permits.

To date, ITG has funded \$659,329 to repower twelve (12) off-road heavy duty engines in dozers, graders, excavators, and mobile drilling rig equipment. This amount includes a pending grant to repower a large off-highway aggregate haul truck at a local asphalt firm. These repowers will generate in excess of 150 tons of emission reductions over the life of the projects. The weighted-average cost effectiveness of the combined projects is about \$4,030 per ton of oxides of nitrogen, reactive organic gases, and particulate matter reduced. We are reviewing new applications requesting funding to repower another large off-road truck and a dual-engine scraper with CARB-certified Tier 2 and Tier 3 diesel engines. While still pending, these projects would exceed our current off-road program balance of \$40,671 if we proceed with funding. Therefore, we are recommending that your Board approve an additional \$300,000 allocation in ITG funds toward our off-road program, so that we can proceed with additional cost-effective repower projects. We will continue to apply the Carl Moyer Program guidelines to all future projects to ensure their eligibility for funding.

This additional \$300,000 allocation for the Off-Road Diesel Repower Program will derive from the Carl Moyer Program or alternative ITG revenue designations, and may be expended over several fiscal years. This program allocation does not change the District's fiscal year 2006-07 budget amount for ITG.