



Our Vision  Clean Air

Agenda Date:	January 15, 2009
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: Al Ronyecz, 961-8877

SUBJECT: Off-Road Diesel Repower Program

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### 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 \$1,000,000 to \$1,300,000 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 2008-09 budget.

### DISCUSSION:

Since June 2003, your Board has approved a total \$1,000,000 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. To be eligible for funding under the Carl Moyer Program, all repower projects must be surplus (provide emission reductions early and beyond what is required by regulations) to the state's new In-Use Off-Road Diesel Vehicle Regulation adopted in June 2008.

Off-road diesel engines are commonly used in construction, mining, agriculture, rental, airport ground support and other industries. These vehicles cannot be registered and licensed to drive on-road. Examples include farm tractors, earth movers, road graders, backhoes, trenchers, air compressors, crawler tractors, forklifts, and airport ground support equipment. These types of equipment are considered mobile sources and thus are exempt from local APCD permits.

To date, ITG has funded \$907,722 to repower fifteen (15) off-road heavy duty engines in dozers, graders, excavators, off-road haul trucks, and mobile drilling rig equipment. These repowers will generate in excess of 170 tons of emission reductions over the life of the projects. The weighted-average cost effectiveness of the combined projects is about \$4,324 per ton of oxides of nitrogen, reactive organic gases, and particulate matter reduced. We are currently reviewing applications requesting funding to repower another large off-highway aggregate haul truck, an off-road scraper, and an off-road crane with CARB-certified diesel engines. While still pending, these projects would exceed our current off-road program balance of \$92,278 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 2008-09 budget amount for ITG.