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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: Marine Diesel Engine Repower Program

RECOMMENDATION:

Approve \$200,000 in additional funding allocation for the Marine Diesel Engine Repower Program.

SUMMARY:

The recommendation increases the Marine Diesel Engine Repower Program allocation to \$311,848 by approving an additional \$200,000 in Carl Moyer or Innovative Technologies Group (ITG) funds to repower diesel marine equipment with new low emissions engines. This program allocation does not change the fiscal year 2010-2011 budget.

DISCUSSION:

On June 17, 1999, your Board approved the use of Carl Moyer Air Quality Standard Attainment Program funds and ITG funds for a Diesel Marine Vessel Repower Program. The original purpose of this program was to reduce Nitrogen Oxide (NOx) emissions from commercial marine vessels operating out of the Santa Barbara Harbor by providing boat owners with funding to replace their older diesel engines with modern low-NOx engines. Changes made by the California Air Resources Board (ARB) to the Carl Moyer Program guidelines have expanded the target pollutants to include Particulate Matter (PM) and Reactive Organic Gases (ROG) in addition to NOx emissions. In 1999, the program allocation for this program was \$675,000. The program allocation was increased by \$150,000 in August of 2005, by \$400,000 in March of

2006, by \$250,000 in March of 2007, and by \$200,000 in October 2008 totalling \$1,675,000. Since 1999 your Board has approved \$1,563,152 in grant funding for marine projects.

Repowering marine diesel engines has proven to be a cost-effective means of reducing emissions in our County. Currently this program has a demand for grant funds that is anticipated to exceed the existing program allocation. Our current marine diesel repower program budget has \$111,848 of remaining funds allocated to it. We have received an increased interest in the District's Carl Moyer Program from local commercial fisherman. In addition, we are now able to fund grants for a maximum five year project life resulting in an increased per project grant award. Therefore, funding of pending and anticipated marine projects would almost deplete the current budget and we recommend that your Board earmark an additional \$200,000 in Carl Moyer Program funds. We will continue to follow ARB Carl Moyer Program guidelines when selecting future marine diesel repower projects.

This additional \$200,000 allocation for the Marine Diesel Engine Repower Program will derive from the Carl Moyer Program or alternative ITG revenue designations, and will be expended during the following fiscal year(s). This request for an increased program allocation does not change the District's fiscal year 2010/2011 budget amount for ITG.