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Board Agenda Item

TO: Air Pollution Control District Board

FROM: Terry Dressler, Air Pollution Control Officer

CONTACT: Anthony Fournier, 961-8874

SUBJECT: Marine Diesel Engine Repower Program

RECOMMENDATION:

Approve \$400,000 in additional funding allocation for the Marine Diesel Engine Repower Program.

SUMMARY:

The recommendation increases the Marine Diesel Engine Repower Program allocation to \$407,863 by approving an additional \$400,000 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 2005-2006 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. Recent 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. Since 1999 your Board has approved over \$825,000 in grant funding to repower 31 marine engines.

Repowering marine diesel engines has proven to be a cost-effective means of reducing emissions in our County. Marine engines do not have to meet the same emissions standards as land-based equipment, have just recently been subject to emissions regulations, typically remain in operation for decades, and are one of the few emission sources that falls outside the jurisdiction of the ARB. Currently this program has a demand for funds that exceeds the existing program allocation; therefore, we recommend that your Board earmark an additional \$400,000 in ITG funds so that we can proceed with funding diesel marine engine repowers. We will continue to follow ARB Carl Moyer Program guidelines when selecting future marine engine repower projects.

This additional \$400,000 allocation for the Marine Diesel Engine Repower Program will derive from the Carl Moyer Program 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 2005/2006 budget amount for ITG.