



Agenda Date: August 18, 2005
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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 for the Off-Road Diesel Repower Program.

SUMMARY:

The recommendation increases the Off-Road Diesel Repower Program allocation from \$400,000 to \$700,000 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 2005-06 budget.

DISCUSSION:

Since June 19, 2003, your Board has approved a total \$400,000 in Carl Moyer Program and other ITG funds to allocate to our Off-Road Diesel Repower Program. This repower program targets off-road heavy-duty diesel equipment operators to provide incentive funding for new or rebuilt 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. 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 \$303,870 to repower three front-end wheel loaders, two large bulldozers, and one motor grader with low-emission diesel engines generating about 80 tons of emission reductions over the life of the projects. The weighted-average cost effectiveness of the combined projects is about \$4,250 per ton NO_x +ROG+PM₁₀ reduced. We are currently working on a new grant for \$65,000 to repower two wheel loaders, and evaluating applications for repowering a large scrapper and excavator with CARB-certified Tier 2 and Tier 3 diesel engines. Although these projects are still pending, ITG would exceed its current program balance of \$96,130 if we proceed with funding these projects. 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 2005-06 budget amount for ITG.