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TECHNICAL ADVISORY GROUP CHAIR — JIM MCHARGUE
AMADOR COUNTY
TAG VICE CHAIR — GRETCHEN OLSEN, TUOLUMNE COUNTY

MEMORANDUM

To:

ESJPA Board of Directors

From:

Mary Pitto

Regulatory Affairs Advocate

Date:

August 10, 2009

Re:

Air Resource Board Diesel Activities Update

On-Road Heavy-Duty Diesel-Fueled Public and Utility Fleets

The On-Road Heavy-Duty Diesel-Fueled Public and Utility Fleets regulation (Public Fleet Rule) became effective January 5, 2007. As a reminder, all county on-road diesel vehicles should have been inventoried and labeled with specified information by December 31, 2007. In addition, vehicle records, as specified in the regulation, are required to be maintained and kept in the terminal, available for inspection upon request. Beginning December 31, 2007, and renewed each December 31 thereafter until final compliance, each public agency is required to prepare and keep a statement of compliance certifying that the public agency's engines are in compliance as required.

All public agencies and public utilities will be required to retrofit on-road heavy-duty diesels (manufacturer's gross vehicle weight greater than 14,000 pounds) from 1960 to 2006 model-year engines with ARB verified best available diesel emission control technology (BACT). The retrofit compliance dates began December 31, 2007, with 20% of the Group 1 (1960-1987) engines and 20% of the Group 2 (1988-2002) engines required to be retrofit with BACT. December 31 of 2009 the percentage increases to 60% of the vehicles for both Groups.

However, for counties that qualify as low-population counties (all except El Dorado) those dates are extended. For those counties selecting the implementation schedule option, 20% of Group 2 vehicles were required to be retrofit by December 31, 2008 and 20 % of Group 1 vehicles are required to be retrofit by December 31, 2009. For those counties that chose the Accelerated Turnover Option, all 1960 - 1993 engines need to be replaced with a 1994 or newer engine by 2020, and then all 1994 - 2006 engines are required to be retrofitted by 2025. (To use this option, a local agency had to send a letter of intent to ARB by July 31, 2008.)

More information on the Public Fleet Rule is available on the ARB website, located at: http://www.arb.ca.gov/msprog/publicfleets/publicfleets.htm

In-Use Off-Road Diesel Vehicle Regulation

The In-Use Off-Road Diesel Vehicle Regulation (Off-Road Rule) became effective on June 15, 2008. This rule requires both public and private fleets to reduce emissions of oxides of nitrogen (NOx) and particulate matter (PM) from off-road diesel vehicles.

Beginning in 2010 for large fleets (5,001 and greater horsepower) and 2013 for medium fleets (2,501-5,000 horsepower), each year, the regulation requires fleets to meet the fleet average emission rate target for PM or apply the highest level verified diesel emission control system to 20 percent of its horsepower. The regulation also requires each large fleet to meet the fleet average emission rate target for NOx or to turn over a certain percent of its horsepower (8 percent in early years, and 10 percent in later years).

Beginning in 2015, each year, the regulation requires each small fleet (25-2,500 horsepower and all public agencies in low-population counties) to meet the fleet average emission rate target for particulate matter (PM) or apply the highest level verified diesel emission control system to 20 percent of its horsepower.

At this point, all fleets should have reported their vehicles to ARB to receive their Equipment Identification Numbers (EINs). The large fleets reporting deadline was April 1, 2009. The medium fleets reporting deadline was June 1, 2009 and small fleets (which includes public agencies in low population counties) was August 1, 2009. For more information on reporting, please visit the DOORS webpage at: https://secure.arb.ca.gov/ssldoors/doors-reporting/reporting.php

On January 22, 2009, the Air Resources Board amended the Off-Road Rule to extend the deadline for double credit for installing exhaust retrofits by 10 months to January 1, 2010 and to also allow fleets to receive credit for retrofits which were ordered, but delayed due to the manufacturer or installer, if the retrofits were ordered by September 1, 2009. There were also several minor clarifying changes made. These amendments have not as yet been formally adopted by the Board or submitted to OAL for approval.

In addition, as part of the adopted California budget early this year, AB 8 2X (Nestande), the California legislature directed the ARB to make several changes to the in-use off-road diesel vehicle regulation to add some flexibility for compliance for large fleets, acknowledging the distressed economy. These changes required ARB staff to develop regulation language.

On July 23, 2009, the Air Resources Board amended the off-road regulation to (1) provide new credits for fleets that have experienced drops in vehicle activity and/or that

have reduced their fleet size, (2) delay some of the 2011 and 2012 requirements until 2013, and (3) add new incentives to spur early retrofits and repowers.

The new incentives were proposed to spur early actions by fleets to mitigate potential losses in emission benefits due to the legislatively directed amendments and include the following:

- Allow fleets to claim an exemption for up to 15 percent of their total horsepower (hp) from future turnover if they install a retrofit prior to March 1, 2011;
- Allow fleets to claim double credit for NOx retrofits installed by March 1, 2011;
- Allow medium and small fleets to claim double credit for PM retrofits installed by March 1, 2012; and
- Allow fleets to accumulate NOx carryover turnover credit for early repowers installed, regardless of the total amount of fleet hp that is repowered.

For additional information go to: http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm