

WRAP Diesel Retrofit Program Update

WRAP Board Meeting
December 14, 2005
Palm Springs, CA

Interest In Diesel Retrofits Continues To Grow

- Diesel engines vital to economy
- Growing recognition of their impacts on health, visibility, and climate
- Slow fleet turnover
- Retrofit technologies are available today and continue to improve

Support From Federal Government Continues to Grow

- One of EPA's highest enviro. priorities
- Accelerating verification of retrofit technologies
- Developing emission reduction calculators
- Publishing guidance on how to provide retrofit incentives for the construction sector and other industries
- New policies to provide greater SIP and conformity credit for diesel retrofits

Federal Funding

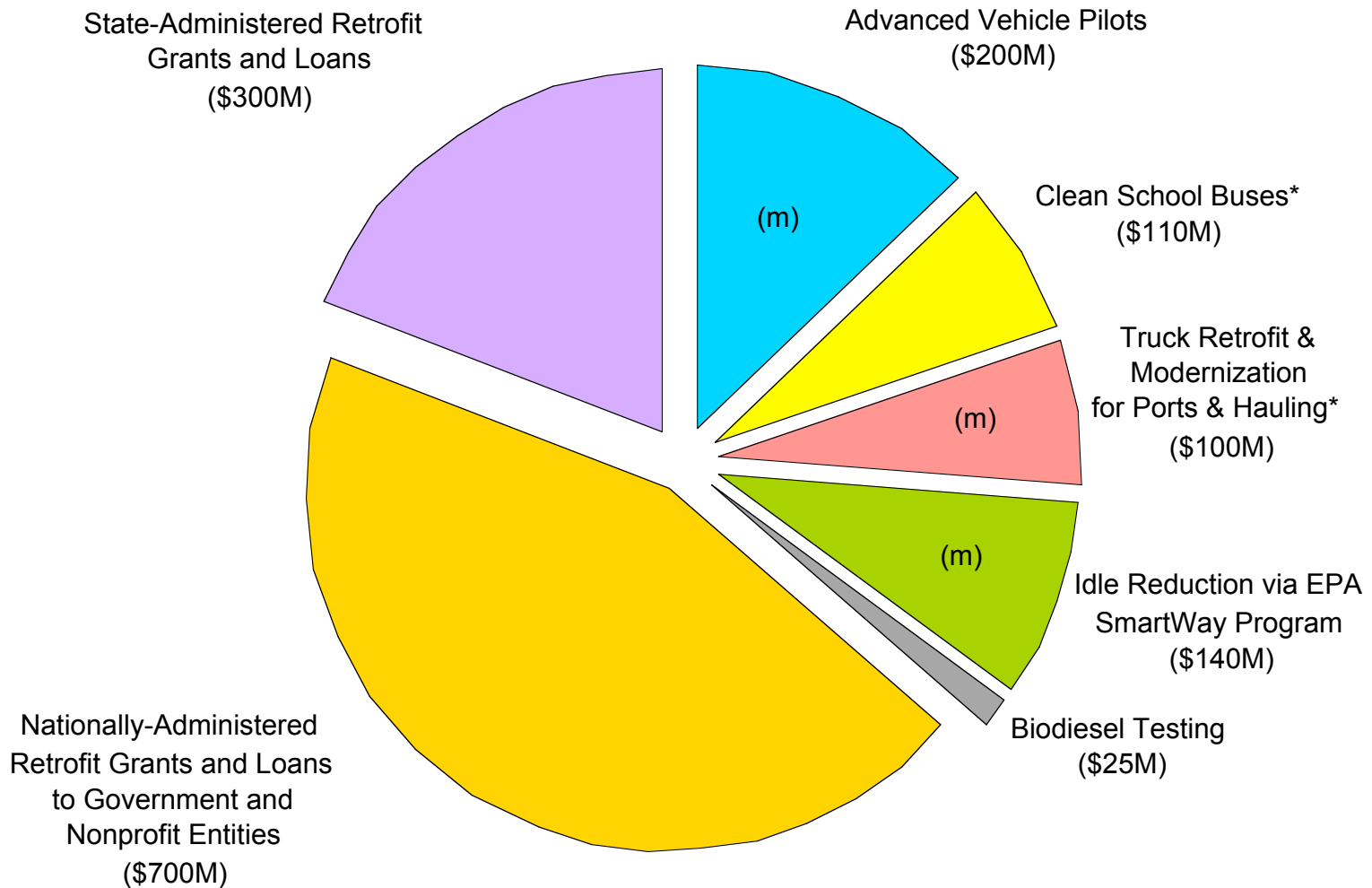
- FY04
 - \$5 million for school buses
 - \$1.8 million for demonstration grants
- FY05
 - \$7.5 million for school buses
 - \$1 million for demonstration retrofits
- FY06
 - \$10 million for school buses
 - \$10-12 million expected for innovative retrofits

Federal Funding

- Energy Policy Act of 2005
 - \$1.6 billion authorized for various diesel retrofit programs over 6 years
 - The largest and most flexible of these was introduced by Voinovich and Clinton and approved overwhelmingly by the Senate

Grant and Low Cost Loan Funds Authorized for FY 2006-2011 in the Energy Policy Act of 2005

Total = \$1.575 billion (\$2.015 billion including required matches).
Additional, unspecified funds authorized as necessary for programs with an asterisk.
Programs requiring a match of non-federal funds denoted with an "(m)" in the pie piece.



Federal Funding

- SAFETEA-LU (transportation bill)
 - Authorizes \$1.7 billion/year in CMAQ funds
 - Instructs states and MPOs to give priority to diesel retrofit projects
 - Funds can be used for outreach and tech assistance to fleet owners, as well as for purchase of technologies
 - Funds can only be used ...
 - In nonattainment and maintenance areas, and
 - On vehicles & equipment used for road building and maintenance

Broad Stakeholder Support

- Widespread lobbying to appropriate funds for Voinovich/Clinton provisions
- Corning investing \$500M in the facilities it uses to manufacture retrofit equipment
- Caterpillar is also very active in retrofit market, as are some equipment dealers

Broad Stakeholder Support

- National diesel summit in DC last week
 - Attracted over 300 participants
 - Some of the major conclusions were ...
 - The need to appropriate Voinovich/Clinton
 - The need for outreach and technical assistance to MPOs and fleet owners regarding the use of CMAQ funds
 - The need for regional entities to implement national priorities and support local efforts

Regional Collaboratives

- Northeast Diesel Collaborative
- Mid-Atlantic Diesel Collaborative
- Midwest Diesel Initiative
- Southeast collaborative & Blue Sky Hwy
- West Coast Collaborative
 - Educating, uniting stakeholders
 - Raising public awareness about diesel issues and retrofit opportunities
 - Identifying and distributing funds

Western Initiatives

- WRAP program complementing West Coast Collaborative by providing ...
 - Broader forum for information exchange
 - Technical and programmatic guidance
 - Training on the nuts and bolts of program development, technology selection, and implementation
 - Direct support on individual projects

Western Initiatives

- WRAP Diesel Retrofit Boot Camp
 - First one held two weeks ago in Seattle
 - 2-day emersion course
 - Over 60 participants from MT, ID, CO, AZ, NM, NY, CARB, Canada, and several municipalities across WA and OR
 - Very positive feedback, about 4 more planned
 - Considering a 1-day version that would be offered with West Coast Collaborative's CMAQ funding workshops