

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

For the agenda of: May 24, 2007

To: Board of Directors
Sacramento Metropolitan Air Quality Management District

From: Larry Greene
Air Pollution Control Officer

Subject: Approval of Sacramento Regional Portable Engine Tier 0 Policy and Memorandum of Understanding to Allow Continued Operation of Non-Compliant Internal Combustion Engines

Recommendation

- A. Adopt the attached Sacramento Regional Portable Engine Tier 0 Policy.
- B. Authorize the APCO to enter a Memorandum of Understanding (MOU) with the other Districts in the region that incorporates the concepts outlined in the policy.

Description

The District rules for portable Internal Combustion (IC) engines prohibit operation of engines unless they have a permit from the District or are registered by the California Air Resources Board (ARB). Some unpermitted and unregistered engines cannot meet the most recent federal certified emission standards. Because the new standards set are stringent, the District is proposing to enter into Compliance Agreements with these sources to fix penalties and to allow operation for a limited time pending equipment replacement.

Background

The statewide Portable Equipment Registration Program (PERP) run by the ARB, allows portable IC engine operators to register equipment rather than obtain permits from every air district in which the equipment is operated.

The PERP, adopted in 1997, originally required all existing non-EPA certified engines (manufactured prior to 1996, known as Tier 0 engines) to be replaced with an EPA certified (tiered) engine by January 1, 2010. An Airborne Toxics Control Measure for Diesel Particulate Matter from Portable Engines Rated at 50 Horsepower or Greater (ATCM), adopted by the ARB in 2004, stated that any portable engine that wasn't permitted or registered prior to January 1, 2006 would be treated as a new engine and would be required to meet the latest Tier standard (Tier 2 or Tier 3, depending on horsepower) at time of registration.

An ARB study estimated that there were approximately 50,000 pieces of portable equipment (engines as well as emission units) operating statewide and only approximately 10,000 pieces of equipment in the PERP program. As a result, ARB and the air districts began an outreach effort to educate equipment owners and operators about the need to register. These efforts included mailing information to possible operators, as well as establishing two “amnesty” periods to allow older resident engines the opportunity to get into the PERP. Currently, there are approximately 25,000 engines registered in the PERP program, which represents nearly half of the estimated statewide inventory of portable engines. Of the other half, some engines might be registered or permitted with local districts, but a large percentage of engines are probably operating illegally.

The final amnesty period ended January 1, 2006. Engine owners that have not registered with PERP or obtained a district permit must now meet the emissions standards for new engines, cease operation, or face stiff penalties. Tier 0 engines can not meet these standards. Owners that have PERP registered or permitted Tier 0 engines have until 2010 to meet the same standards by replacing their equipment.

Rather than force the unregistered and unpermitted Tier 0 equipment owners to cease operation or immediately replace equipment, the District, in consultation with other districts in our region, has developed a Compliance Agreement that allows continued operation until January 1, 2010 and assesses a fixed penalty based on the year of entering the agreement (attached.) The Districts have also developed a Memorandum of Understanding (MOU) committing each district to honor Compliance Agreements executed by any of the other signatory districts.

Fundamental Tenets of Tier 0 Policy

There are several basic premises upon which this policy was developed:

- 1) These Compliance Agreements are a voluntary method for sources to continue operating non-compliant equipment for a limited period of time. The agreements will terminate December 31, 2009.
- 2) Any owner/operator of a non-compliant Tier 0 engine that enters a Compliance Agreement should be subject to the same operating requirements that govern compliant tier 0 engines.
- 3) The penalties are \$500.00 more than the registration fees, so that owners are not rewarded for failing to timely register. This is consistent with ARB’s amnesty program for tier 1 and 2 engines.
- 4) The districts agree not to take any enforcement action against an owner that has entered into a Compliance Agreement with one of the other districts in the region. Therefore, the terms of the agreements used by the districts must be essentially identical.

5) The agreements may be used by owners that are identified by District staff as willing sources that come forward to us voluntarily.

The districts want to encourage owners to voluntarily participate before receiving Notices of Violation (NOV.) Consequently, each district will set an additional penalty to be assessed against sources that fail to come into compliance or participate in the Compliance Agreement process until after receiving an NOV.

Fiscal Impact

There is no fiscal impact on the proposed FY07/08 budget.

Respectfully submitted,

Larry Greene
Air Pollution Control Officer