



National Retrofit Update: A View from Washington, DC

**Midwest Clean Diesel Collaborative
Leadership Group Meeting**

June 30, 2010

DERA

- Congressional action pending on \$60 million in FY2011 budget
- No additional funds expected.
- Senators Voinovich & Carper pushing to get reauthorization this year
- Coalition has provided draft legislative language to congressional staff for DERA reauthorization
- Limited program changes being sought
- Let Members of Congress know importance of program to you

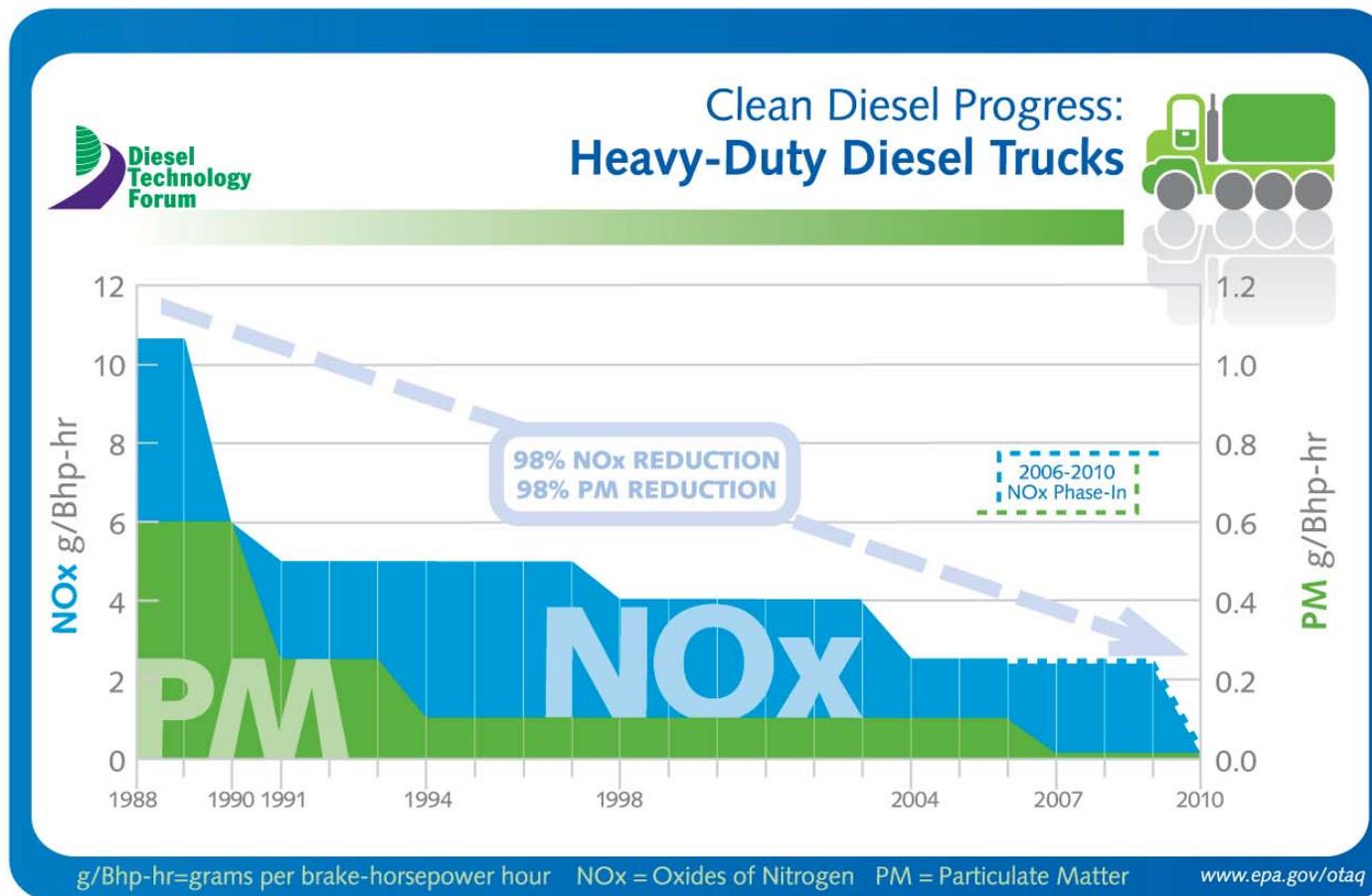
Other Legislation

- **Transportation Legislation**
 - Highway bill has been extended until end of 2010
 - No likelihood of passage until 2011
- **Advanced Vehicle & Technology Act of 2009**
 - HR. 3246 - passed, S.2843 – pending
 - Authorizes research for improved fuel efficiency & reduced emissions on med/heavy duty vehicles
 - Requires coordination with all interested stakeholders
- **Hybrid Tax Credit Extension**
 - HR 3367 – pending; S2854 – pending
 - Extend hybrid tax credit until 2014
 - 50% credit for anti-idling devices

Factors Affecting Retrofit Market

- New vehicles are extremely clean
- On-road vehicle turnover
- Greater cost-effectiveness for off road
- Tight economic conditions
- Emphasis on GHG reductions and fuel savings
- New ozone standards
- Limited off-road solutions and implementation challenges
- Complications/red tape for applicants and technology vendors

Clean Diesel Roadmap to Zero Emissions



Diesel Power Generation

- March 2010 - EPA final rule on existing diesel powered stationary reciprocating internal combustion engines (NESHAP for RICE)
- CO serves as surrogate for HAP emissions.
- Requires proven emissions reductions or DOC retrofit providing 70% CO emissions reduction
- Limited to non-emergency engines
- Retrofit requirements depend on HP, age and citing criteria
- Affected entities could include utilities, hospitals, petroleum and natural gas producers

Future retrofit market

- More replacement
- More emphasis on engine rebuilds and repowers
- More focus on off-road sectors (construction, locomotive, marine, power generation)
- Growing interest in NOx solutions