

NEWS



Manufacturers of Emission Controls Association

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MECA Releases Diesel Retrofit Sales Figures for 2014

Washington, D.C. – The Manufacturers of Emission Controls Association (MECA) today released the results of its survey of the total number of diesel retrofit devices sold by MECA member companies in 2014. According to the results, the total number of verified (U.S. EPA- and/or California ARB-verified) diesel retrofit devices sold by MECA member companies in the U.S. (including California) in 2014 for in-use, heavy-duty diesel engines (on-road and off-road) was 10,878. Of this total, 91% (9,915) were diesel particulate filters (DPFs) (includes both passively regenerated and actively regenerated filters) and 8% (899) were diesel oxidation catalysts (DOCs). This total also includes 64 closed-crankcase filters. Sector-wise, in the U.S. (including California), 10,319 diesel retrofit devices were sold for on-road diesel engines and 559 for off-road diesel engines. Compared to the results of MECA's previous surveys, MECA member companies sold 15,467 diesel retrofit devices in 2013, 16,262 in 2012, 20,177 in 2011, 24,640 in 2010, and 29,180 in 2009.

The decline in overall retrofit sales since 2009 likely reflects the decrease in federal Diesel Emissions Reduction Act (DERA) funding for clean diesel projects over the same time period (DERA received \$120 million for FY 2009-2010, \$49.9 million for FY 2011, \$29.9 million for FY 2012, \$19.952 million for FY 2013, and \$20 million for FY 2014), as well as the recent trend of funding being spent more on projects that use engine repowers and/or vehicle replacements rather than retrofit devices. For FY 2015, DERA received \$30 million, which could help boost retrofit sales this year relative to 2014. Regarding future funding for DERA, FY 2016 will be the final year of the current five-year authorization for the program. In order for DERA to be appropriated funding for FY 2017 and later, the program will need to be reauthorized by Congress prior to the 2017 fiscal year.

In California, 8,376 DPFs (includes both passively regenerated and actively regenerated filters) were sold in 2014 for on-road and off-road diesel engines. For on-road vehicles specifically, sales of DPFs in 2014 totaled 8,261. This number follows on-road retrofit filter sales of 8,934 in 2013, 6,261 in 2012, and 6,075 in 2011. The majority of DPF sales for on-road vehicles in 2014 occurred in the first half of the year (5,780) relative to the last six months (2,481). The higher sales in the first half of the year likely reflects ARB's recognition of good faith efforts made by vehicle owners to meet a January 1, 2014 compliance date under ARB's truck and bus regulation whereby the agency allowed owners to install DPFs through July 1, 2014, without being subject to enforcement action (as long as a fleet entered into an

agreement with a retrofit installer for a DPF prior to January 1, 2014). This January 1, 2014 deadline applied to heavier vehicles with 2005 to 2006 model year engines and to at least one vehicle (any model year) for small fleets (i.e., fleets with three or fewer total vehicles). Over the next several years, additional compliance dates will need to be met under the truck and bus regulation, including: fleet owners that opted in to the PM Filter Phase-In Option must have 100% of their vehicles with filters (retrofit or original equipment) by January 1, 2016; fleet owners that opted in to the NOx Exempt Area Option must have 40% of their fleet with filters (retrofit or original equipment) by January 1, 2016, increasing incrementally to 100% by January 1, 2020 (schedule applies separately to heavier vehicles and lighter vehicles); and the second and third vehicles owned by small fleets must meet filter compliance dates of January 1, 2017, and January 1, 2018, respectively. MECA expects some of these fleet owners to comply with these future deadlines by installing a DPF retrofit.

Installing DPFs on diesel vehicles is one of the most cost-effective ways to reduce particulate matter emissions from in-use diesel engines. The high emission-reduction efficiency of DPFs provides important public health benefits, as well as climate change co-benefits associated with the reduction of black carbon emissions from diesel engines. In California alone, DPFs have been used to successfully retrofit over 58,000 on-road and off-road vehicles since 2002. Overall, in the U.S., approximately 105,000 retrofit DPFs have been sold since 2001 for both on-road and off-road vehicles. DPF retrofits have been safely installed on a large range of heavy-duty vehicles and equipment, including highway trucks, drayage trucks, school buses, transit buses, construction equipment, locomotives, port vehicles, and marine vessels. Currently, there are 13 DPF systems verified by EPA (PM reduction levels ranging from 85% to 90%) and 56 Level 3 DPF systems verified by ARB ($\geq 85\%$ PM reduction) for both on-road and off-road applications.

“Despite the decline in sales, MECA member companies remain committed to bringing cost-effective, verified retrofit products to the marketplace,” said MECA Executive Director Joseph Kubsh. “Clean diesel funding and incentives at the federal and state level remain key strategies needed to reduce emissions from the millions of older diesel engines still in use across the U.S. DERA has bi-partisan support in Congress and we hope funding for this important and effective program continues in 2016 and beyond. In addition, MECA applauds ARB for their continued outreach and enforcement efforts to ensure compliance by vehicle owners with the truck and bus regulation and to establish a level playing field for all those impacted by the rule. MECA member companies look forward to continuing to work with EPA, ARB, fleet owners, and other stakeholders to help reduce harmful emissions from the existing diesel fleet.”

Founded in 1976, MECA is a national association of companies that manufacture a variety of emission control technologies for cars, trucks, buses, and off-road vehicles and equipment, as well as stationary internal combustion engines. For more information on exhaust and evaporative emission control technologies, please visit MECA’s website at: www.meca.org.

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