

BOARD MEETING DATE: October 4, 2019

AGENDA NO. 5

**PROPOSAL:** Transfer Funds and Amend Contracts for the Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program

**SYNOPSIS:** On April 6, 2018, the Board approved awards to six qualified manufacturers to participate in the Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program. These contracts are funded using \$2,327,250 from a U.S. EPA 2016 Targeted Air Shed Grant and \$628,077 from South Coast AQMD's Rule 2202 Air Quality Investment Program. Staff proposes to increase participation in the program by providing an additional 25 percent discount (Plus Up Discount) on eligible lawn and garden equipment. This action is to approve the transfer of up to \$750,000 from the Rule 1111 Air Quality Investment Fund (27) into the Advanced Technology, Outreach and Education Fund (17). This action is to also amend contracts with the participating manufacturers and suppliers of commercial lawn and garden equipment to offer the Plus Up Discount on eligible lawn and garden equipment.

**COMMITTEE:** Technology, September 20, 2019; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Transfer up to \$750,000 from the Rule 1111 Air Quality Investment Fund (27) into the Advanced Technology, Outreach and Education Fund (17).
2. Authorize the Chairman to amend contracts with the following manufacturers/distributors to provide an additional 25 percent discount on eligible lawn and garden equipment in an amount not to exceed \$750,000 among all of the below listed manufactures/distributors from the Advanced Technology, Outreach and Education Fund (17):
  - a. Golden Eagle Distributing Corporation to exchange ECHO brand of lawn mowers, leaf blowers, chain saws, and string and hedge trimmers in an amount not to exceed \$750,000;
  - b. Husqvarna Group to exchange lawn mowers, leaf blowers, string and hedge trimmers, chainsaws and robotic lawn mowers in an amount not to exceed \$750,000;

- c. Makita U.S.A., Inc., to exchange leaf blowers, chain saws, and string and hedge trimmers in an amount not to exceed \$750,000;
  - d. Mean Green Products LLC, dba Mean Green Mowers, to exchange walk-behind, stand-on and ride-on lawn mowers in an amount not to exceed \$750,000;
  - e. Blount Inc., dba Oregon, to exchange leaf blowers, string and hedge trimmers and edgers in an amount not to exceed \$750,000; and
  - f. Pacific STIHL to exchange lawn mowers, leaf blowers, chain saws, and string and hedge trimmers in an amount not to exceed \$750,000.
3. Authorize the Executive Officer to amend contracts with the above six manufacturers to move funding amongst the contractors based on demand.

Wayne Natri  
Executive Officer

MMM:NB:LCM:VAW:VY

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### **Background**

On April 6, 2018, following release of a Program Announcement, the Board approved awards to six qualified manufacturers/distributors to participate in the Commercial Electric Lawn and Garden Incentive and Exchange Program. These contracts are funded using \$2,327,250 from a U.S. EPA 2016 Targeted Air Shed Grant and \$628,077 from South Coast AQMD's Rule 2202 Air Quality Investment Program. The program provides incentive funds to purchase battery-electric lawn and garden equipment including the battery(s) and a charger. The incentive funding is used to reduce the purchase price of each piece of commercial electric lawn and garden equipment. Including the manufacturer/distributor's discounted price offered to the South Coast AQMD for this program, the current discount results in a 50 percent cost reduction for participants. The program prioritizes allocating the funding to the extent possible in disadvantaged communities.

Each of the six manufacturers/distributors offer their qualifying commercial-grade, electric lawn and garden equipment at distribution centers located within the four counties that are included within South Coast AQMD's jurisdiction. At these centers, the old lawn and garden equipment is tested for operation and then drained of all fluids in a responsible manner and taken to a scrapping yard where the equipment is permanently destroyed by a licensed dismantler.

The participants, which include local governments, school districts, nonprofit organizations and commercial gardeners and landscapers, select from a variety of available makes and models of commercial-grade electric lawn and garden equipment including handheld trimmers, chainsaws, pruners, backpack and handheld blowers, and lawnmowers including ride-on, stand-on and walk-behind mowers with a cutting width greater than 31 inches.

Staff estimates that up to 5,600 pieces of old gasoline- or diesel-powered commercial lawn and garden equipment will be replaced with new battery-electric commercial lawn and garden equipment. However, since the beginning of the program only 1,000 units have been exchanged which translates to approximately 10 percent of the eligible funds. Staff proposes to increase participation in the program by providing an additional 25 percent discount (Plus Up Discount) on eligible lawn and garden equipment. Additionally, increasing the incentive funding is expected to help offset the additional cost to operators of purchasing additional batteries for the equipment to allow for longevity and fulfill the needs of their business.

### **Proposal**

The Plus Up Discount for the Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program will provide an additional 25 percent discount on eligible lawn and garden equipment, providing up to a total of 75 percent reduction in the price for eligible lawn and garden equipment. The program will continue to prioritize allocating the funding to the extent possible in disadvantaged communities by implementing coordinated and enhanced outreach efforts.

Tables 1 through 6 list the participating manufacturers/distributors and the approved makes and models of the qualifying electric lawn and garden equipment, including the manufacturer's suggested retail price (MSRP), the discounted price offered by manufacturers for this program, South Coast AQMD's incentive amount (including the Plus Up Discount) and the participant's final cost. If any of the approved equipment is no longer available by the manufacturer, an equivalent replacement will be considered, subject to approval by management staff overseeing the program.

These actions are to transfer up to \$750,000 from the Rule 1111 Air Quality Investment Fund (27) into the Advanced Technology, Outreach and Education Fund (17); amend contracts with the six manufacturers/distributors to provide an additional 25 percent discount on eligible lawn and garden equipment; and authorize the Executive Officer to amend contracts to move funding amongst the contractors based on demand.

Staff will report back in six months to the Technology Committee regarding the effectiveness of the Plus Up program and with recommendations on continuing the program.

### **Benefits to South Coast AQMD**

The program's primary objective is to reduce emissions of harmful criteria air pollutants, including NOx, by replacing gasoline- or diesel-powered lawn and garden equipment with zero emissions equipment, prioritizing those replacements to the extent possible in disadvantaged communities within South Coast AQMD's jurisdiction.

**Resource Impacts**

Total contract modifications for the Plus Up Discount will not exceed \$750,000 from Rule 1111 Air Quality Investment Fund (27).

**Attachments**

Table 1 – Price information for ECHO Products

Table 2 – Price information for Husqvarna Group Products

Table 3 – Price information for Makita U.S.A. Products

Table 4 – Price information for Mean Green Products

Table 5 – Price information for Oregon Products

Table 6 – Price information for Pacific STIHL Products

**Table 1: Price Information**

ECHO Products 

<b>Equipment, Battery, Charger (bundle)</b>	<b>MSRP</b>	<b>Discounted Price</b>	<b>South Coast AQMD's Incentive Amount with Additional Funding</b>	<b>Participant Cost with Additional Discount</b>
Lawn mower, CLM-58V4AH, 58V4AH, 58VA	\$500	\$400	\$300	\$100
String trimmer, CST-58V2AH, 58V2AH, 58VA	\$250	\$200	\$150	\$50
Handheld blower, CPLB-58V2AH, 58V2AH, 58VA	\$230	\$184	\$138	\$46
Chain saw, CCS-58V4AH, 58V4AH, 58VA	\$300	\$240	\$180	\$60
Hedge Trimmer, CHT-58V2AH, 58V2AH, 58VA	\$300	\$240	\$180	\$60

**Table 2: Price Information**

Husqvarna Group Products



<b>Equipment, Battery, Charger (bundle)</b>	<b>MSRP</b>	<b>Discounted Price</b>	<b>South Coast AQMD's Incentive Amount with Additional Funding</b>	<b>Participant Cost with Additional Discount</b>
String trimmer, 536LiLX, QC500 & BLi300	\$800	\$640	\$480	\$160
Articulated hedge trimmer, 536LiHE3, QC500 & BLi300	\$900	\$720	\$540	\$180
Powered hedge trimmer, 536LiHD60x, QC500 & BLi300	\$900	\$720	\$540	\$180
Top handle chainsaw, T536LiXP, QC500 & BLi300	\$900	\$720	\$540	\$180
Leaf blower w/backpack battery, 536Li XP, QC500 & BLi300	\$1,400	\$1,120	\$840	\$280
Quiet leaf blower w/backpack battery, 540iBx, QC500 & BLi950x	\$1,500	\$1,200	\$900	\$300
Pole Saw, 536LiP4, QC500 & BLi300	\$900	\$720	\$540	\$180
Telescopic pole saw, 536LiPT5, QC500 & BLi300	\$1,000	\$800	\$600	\$200
Lawn Mower, LE121P, QC80 & BLi20	\$500	\$400	\$300	\$100
Lawn Mower, self-propelled, LE221R, QC80 & BLi20	\$600	\$480	\$360	\$120
Lawn Mower, robotic, 315	\$2,000	\$1,600	\$1,200	\$400
Lawn Mower, robotic, 415X	\$3,500	\$2,800	\$2,100	\$700

**Table 3: Price Information**

Makita U.S.A. Products



<b>Equipment, Battery, Charger (bundle)</b>	<b>MSRP</b>	<b>Discounted Price</b>	<b>South Coast AQMD's Incentive Amount with Additional Funding</b>	<b>Participant Cost with Additional Discount</b>
Handheld blower XBU02PT1, BL1850B, DC18RD	\$330	\$290	\$218	\$72
Chain saw, XCU03PT1, BL1850B, DC18RD	\$430	\$345	\$259	\$86
String Trimmer, XRU09PT, BL1850B, DC18RD	\$370	\$315	\$236	\$79
Hedge Trimmer, XHU04PT, BL1850B, DC18RD	\$370	\$315	\$236	\$79

**Table 4: Price Information**

Mean Green Products



<b>Equipment, Battery, Charger (bundle)</b>	<b>MSRP</b>	<b>Discounted Price</b>	<b>South Coast AQMD's Incentive Amount with Additional Funding</b>	<b>Participant Cost with Additional Discount</b>
Walk behind mower, WBX-33 Estate package	\$8,341	\$7,795	\$5,847	\$1,948
Walk behind mower, WBX-33 Contractor package	\$9,629	\$8,999	\$6,750	\$2,249
Walk behind mower, DWBX-48 Contractor package	\$13,370	\$12,495	\$9,372	\$3,123
Walk behind mower, DWBX-48 Industrial package	\$17,115	\$15,995	\$11,997	\$3,998
Walk behind mower, DWBX-52 Contractor package	\$13,857	\$12,950	\$9,712	\$3,238
Walk behind mower, DWBX-52 Industrial package	\$17,602	\$16,450	\$12,338	\$4,112
Stand on Zero Turn mower, SK-48 Estate package	\$14,230	\$13,299	\$9,975	\$3,324
Stand on Zero Turn mower, SK-48 Contractor package	\$17,975	\$16,799	\$12,600	\$4,199
Ride on Zero Turn mower, CXR-52 Industrial package	\$20,329	\$18,999	\$14,250	\$4,749
Ride on Zero Turn mower, CXR-52 Industrial package	\$24,074	\$22,499	\$16,250	\$6,249
Ride on Zero Turn mower, CXR-60 Contractor package	\$20,864	\$19,499	\$14,625	\$4,874
Ride on Zero Turn mower, CXR-60 Industrial package	\$24,609	\$22,999	\$16,500	\$6,499

**Table 5: Price Information**

Oregon Products 

<b>Equipment, Battery, Charger (bundle)</b>	<b>MSRP</b>	<b>Discounted Price</b>	<b>South Coast AQMD's Incentive Amount with Additional Funding</b>	<b>Participant Cost with Additional Discount</b>
Backpack blower, BL120V-NA, BX975, C1600	\$1,317	\$1,088	\$816	\$272
String trimmer w/backpack battery, ST120VX, BX975, C1600	\$1,385	\$1,142	\$856	\$286
Hedge trimmer w/backpack battery, EHT120VX, BX650, C1600	\$1,225	\$1,004	\$753	\$251
Edger w/backpack battery, EG120VX, BX650, C1600	\$1,185	\$972	\$729	\$243

**Table 6: Price Information**

Pacific STIHL Products 

<b>Equipment, Battery, Charger (bundle)</b>	<b>MSRP</b>	<b>Discounted Price</b>	<b>South Coast AQMD's Incentive Amount with Additional Funding</b>	<b>Participant Cost with Additional Discount</b>
Blower, BGA 85, AP 300 battery, AL300 charger	\$500	\$410	\$308	\$102
Blower, BGA 100, AR 2000 backpack battery, AL 300 charger	\$1,340	\$1,000	\$750	\$250
Blower, BGA 100, AR 3000 backpack battery, AL 300 charger	\$1,390	\$1,080	\$810	\$270
Grass Trimmer, FSA 90 R, AP 300 battery, AL 300 charger	\$570	\$450	\$338	\$112
Hedge Trimmer, HLA 65, AP 300 battery, AL 300 charger	\$600	\$510	\$383	\$127
Hedge Trimmer , HLA 85, AP 300 battery, AL 300 charger	\$670	\$655	\$492	\$163
Hedge Trimmer, HSA 66, AP 300 battery, AL 300 charger	\$490	\$400	\$300	\$100
Pole Pruner , HTA 65, AP 300 battery, AL 300 charger	\$664	\$500	\$375	\$125
Telescoping Pole Pruner , HTA 85, AP 300 battery, AL 300 charger	\$764	\$650	\$488	\$162
Chain saw, MSA 160, AP 300 battery, AL 300 charger	\$584	\$450	\$338	\$112
Chain saw, MSA 200, AP 300 battery, AL 300 charger	\$604	\$550	\$413	\$137
Lawn mower, RMA 510 w/catcher, AP 300 battery, AL 300 charger	\$580	\$480	\$360	\$120