



SACOG Board of Directors

August 13, 2008

Authorize Funding and Qualification Modifications to the SECAT Program

Issue: To authorize the inclusion of pre-1994 heavy-duty diesel vehicles and institute funding caps to maximize the emission reductions under the SECAT Program.

Recommendation: The Climate & Air Quality Committee recommends that the Board approve allowing pre-1994 heavy-duty diesel vehicles under the Fleet Modernization option of the SECAT Program and to institute funding caps.

Committee Action/Discussion: When the Fleet Modernization option was approved in 2002, the old heavy-duty diesel vehicle was required to be pre-1987 model year to qualify for replacement. In 2004, this requirement was modified to include pre-1991 heavy-duty diesel vehicles. Subsequent revisions allowed alternate calculations to account for engine emissions from vocational trucks. All of these revisions were necessary to find the most cost effective projects for funding.

As of July 2008, the number of cost effective trucks in the pre-1991 model years has been successfully reduced to a point where the program may not allocate funding in a timely manner. Concurrently, recent rulemaking and emission analysis by the California Air Resources Board has determined that all pre-1994 trucks will be treated similarly for planning purposes.

To coordinate our efforts with other statewide incentive and planning programs, staff is proposing to allow pre-1994 trucks to participate in the SECAT Program. In order to reduce conflicts between state programs and the SECAT program, staff is also recommending a funding cap on trucks to maximize the number of truck owners who can receive funding.

This funding cap will be the lowest of the three following amounts:

- \$50,000 maximum incentive per vehicle; or
- 50% of the vehicle invoice price (excluding taxes); or
- The maximum funding amount meeting \$100,000/1-yr ton of NOx

A future project for the SECAT program is to work with regional truck leasing organizations to develop a robust lease-to-own program to reduce the expense associated with bringing low-emission diesel technology to the Sacramento region. Over the next few months, staff intends to prepare guidelines for this option with the aim to bring them to the Board for consideration in the near future. This effort is being coordinated with other regional incentive programs to ensure maximum protection of funding while streamlining the process for applicants.

Approved by:

Mike McKeever
Executive Director

MM:KLW:gg

Key Staff: Karen L. Wilcox, Director of Finance
Sacramento Metropolitan Air Quality Management District Staff