

SACRAMENTO METROPOLITAN AIR QUALITY MANAGEMENT DISTRICT

For the agenda of: July 28, 2005

To: Board of Directors
Sacramento Metropolitan Air Quality Management District

From: Larry Greene
Air Pollution Control Officer

Subject: Mobile Source Division, FY 05-06, Heavy-Duty Low-Emission Vehicle Incentive
Program budget

Recommendation:

This is an informational item.

Purpose:

This is to provide the Board additional information on the final FY 05-06 budget for the Heavy-Duty Low Emission Vehicle Incentive Program (HDLEVIP).

Authority:

Under Health and Safety Code section 41062(a), the District is required to have demonstration programs and incentives to encourage the purchase of clean-fueled vehicles and the use of cleaner burning fuels.

Under section 41082, the District may undertake programs giving financial assistance: (i) to fleet operators for the purchase, conversion, or operation of low-emission motor vehicles, and (ii) to encourage the sale and distribution of clean burning fuels.

Background:

The Vehicle and Engine Technology (VET) Section within the District's Mobile Source Division implements the HDLEVIP. Over the last several years, the VET Section has completed or contracted over 3,100 projects comprised of both on-road and off-road equipment, including agricultural irrigation pumps and locomotives. Estimated emission reductions are 5.2 tons per day (tpd) for oxides of nitrogen and 0.44 tpd for toxic diesel particulate matter. Types of funded projects include new vehicle purchases, engine repowering, fleet modernization, compressed natural gas infrastructure, and installation of emission reduction retrofits. The VET Section intends to continue funding these types of projects with the final FY 05-06 budget of \$12,526,838. Further details are provided in the Fiscal Impacts Section.

Fiscal Impacts:

The District has allocated the following revenues for FY 05-06 to fund the HDLEVIP.

Program Description	Source of Fund	Allocated Amount
Carl Moyer Program	Smog Check fee from State Budget	\$6,500,000
Heavy-Duty Incentive Program	Department Motor Vehicle (DMV) registration fee \$6.	\$2,405,245
Heavy-Duty Incentive Program	Measure A local ½% sales tax	\$1,595,491
Diesel Oxidation Catalyst Retrofit	Environmental Protection Agency (EPA) grant	\$100,000
	Part of DMV \$6 vehicle registration fee	\$1,000
Emulsified Fuel	AB2061 grant from State Budget	\$224,451
Lower Emission School Bus Program	Prop 40 revenue from State Budget	\$271,192
	Part of DMV \$6 vehicle registration fee	\$300,000
Head End Power Locomotive Grant	EPA Grant from West Coast Diesel Collaborative	\$150,000
Construction Equipment Retrofit Grant	EPA Grant from West Coast Diesel Collaborative	\$125,000
Construction Mitigation	Land Use Mitigation Fees	\$854,459
GRAND TOTAL		\$12,526,838

Respectfully submitted,

Larry Greene
Air Pollution Control Officer