



Port of Los Angeles Zero-Emission Truck Voucher Incentive Program



THE PORT
OF LOS ANGELES 

Christopher Cannon
March 24, 2022





Staff Recommendations

1. Approval of the proposed Agreement between Harbor Department and CALSTART Inc. (Transmittal 1)
 - Three-Year contract
 - Administration of the Port of Los Angeles (POLA) Zero-Emission (ZE) Truck Voucher Incentive Program (Voucher Program)
2. Approve the use and distribution of \$40 million of Clean Truck Fund (CTF) money in the form of vouchers for ZE trucks that will service the Ports
3. Authorize vouchers in the amount of up to \$300,000 per ZE truck
4. Authorize the Executive Director to approve submitted Voucher Program Forms



CTF Rate Spending Plan

- CTF Spending Plan was considered by the Board on March 24, 2022
- Initial pathway provided in the CTF Spending Plan is the POLA Voucher Program
- This is the first CTF Spending Plan pathway to be considered by the Board
- CTF Spending Plan will allocate up to \$40 million towards the POLA Voucher Program



CARB HVIP Program

- POLA Voucher Program has been modeled after the California Air Resources Board (CARB) Hybrid and ZE Truck & Bus Voucher Incentive Project (HVIP) Program
- CALSTART, Inc. was competitively selected by CARB to administer the HVIP Program
- The HVIP Program provides vouchers of up to \$150,000 for a truck purchaser to pay down the price of an eligible ZE drayage truck to be comparable to the price of a diesel truck
- CARB and CALSTART verify the eligibility and market readiness of the ZE trucks and the eligible list of trucks is posted on the HVIP website
- CALSTART pays the HVIP voucher amounts directly to a CALSTART/CARB verified truck vendor



POLA ZE Truck Voucher Incentive Program

- Utilizes CALSTART's administration of CARB HVIP Program's online application process, network of vendors, and public outreach
- POLA vouchers will be used to pay down the cost of eligible ZE truck as listed on the HVIP Program website
- Vouchers will not stack with any other funding to increase ZE truck deployment
- CALSTART will charge **no administrative fees** to the Harbor Department
 - CARB will provide compensation to CALSTART for administration through the HVIP Program



Voucher Program Funding Amount

- \$40 million from CTF will initially be allocated to vouchers
 - Staff will return to the Board to request more funding when necessary
- Voucher Program will issue vouchers of up to \$150,000 per truck to pay down the cost of a ZE truck purchase
- For the following instances, staff requests ED authorization to increase voucher funding up to \$300,000
 1. New, more expensive technology emerges and becomes part of CARB's eligible HVIP vehicles; or
 2. CARB increases HVIP voucher funding amounts
- Voucher funding will not cover taxes or fees associated with the truck



Voucher Program Process

- Truck purchaser applies for an eligible ZE truck through a CALSTART verified truck vendor on the HVIP website
- CALSTART & POLA staff review the Request Form (Transmittal 2) for eligibility and approval
- Truck purchaser receives a voucher reservation for up to \$150,000 (not including taxes or fees)
- Upon delivery of truck to the vendor, the vehicle is inspected and a Payment Form is completed
- CALSTART & POLA staff review the Payment Form (Transmittal 3) for completeness
- Upon approval of the Payment Form, voucher amount reserved is paid to the truck vendor to lower the purchasing price of the truck



Voucher Program Requirement

- Truck purchaser must purchase a Class 8 ZE drayage truck
- Truck must be registered in the Port Drayage Truck Registry (PDTR)
- Truck must perform a minimum of 50 trips per a year at the San Pedro Bay Ports
 - At least half (25 trips) of the minimum trips have to call to POLA terminals
- Answer annual survey on truck performance, charging/refueling, and maintenance

An aerial photograph of a large city harbor, likely San Francisco, showing a dense urban area, a large marina filled with boats, and a deep blue bay. A semi-transparent green rectangular box is overlaid in the center of the image, containing the text "Thank you!" in white, bold, sans-serif font. The background shows the city's grid, industrial areas, and the bay extending to the horizon under a blue sky with light clouds.

Thank you!



CTF Rate as described in the 2017 CAAP Update

CTF Rate Objectives:

- Reduce emissions to improve community health, meet criteria pollutant and greenhouse gas reduction goals
- Minimize economic impacts and disruption
- Utilize Port's authority within our jurisdiction

Development Milestones:

- Truck Feasibility Assessment, including evaluation of availability of trucks – ***Completed April 2019, Amended May 2020***
- Clean Truck Rate Economic Study – ***Completed February 2020***
- CARB Low-NOx manufacturing standard – ***Adopted August 2020***
- RFP and contract with rate collection developer – ***March 2021***
- Establishment of rate collection mechanism – ***Completed March 2022***
- CTF Spending Plan adoption – ***March 24, 2022***



CTF Rate

- I. Board amended Tariff No. 4 on November 4, 2021
- II. CTF Rate will be collected on fully loaded containers starting April 1, 2022
 - a) \$10 per container with outside length 20 ft or less
 - b) \$20 per container with outside length more than 20 ft
- III. Exemptions
 - a) Full lifetime exemptions to zero-emission (ZE) trucks entering/leaving the Port
 - b) Exemptions until December 31, 2027 to Low-NOx trucks servicing the Ports and registered in the Port Drayage Truck Registry (PDTR) by December 31, 2022