



THE PORT
OF LOS ANGELES



Harbor Community Benefit Foundation

Air Quality Mitigation Program Grants

A M E R I C A ' S P O R T ®

Presented by:

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Presented to:

Board of Harbor Commissioners
August 22, 2024

Board Approval of the Air Quality Mitigation Program, Round 3 Grant Selections

- Approval of the Air Quality Mitigation Program, Round 3 Grant projects will authorize a draw-down of existing funds from the AQMF with no requirement of the Harbor Department to provide any additional funding.
- As of May 31, 2024, the AQMF balance, managed by California Community Foundation was \$2,386,456.

Amount not-to-exceed

\$2,327,802.11

Includes 10% Admin. Fee -
\$211,618.37

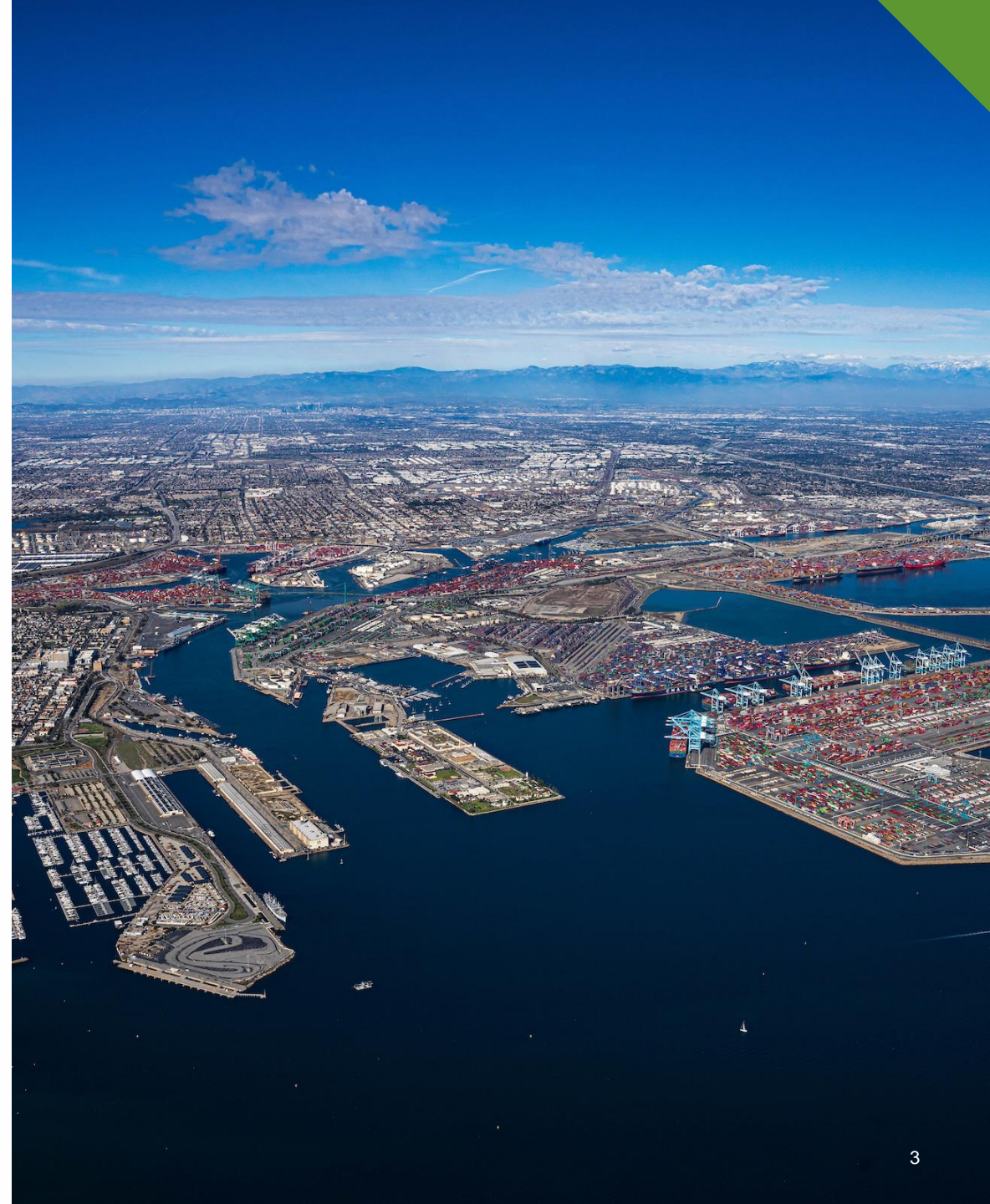
\$58,654

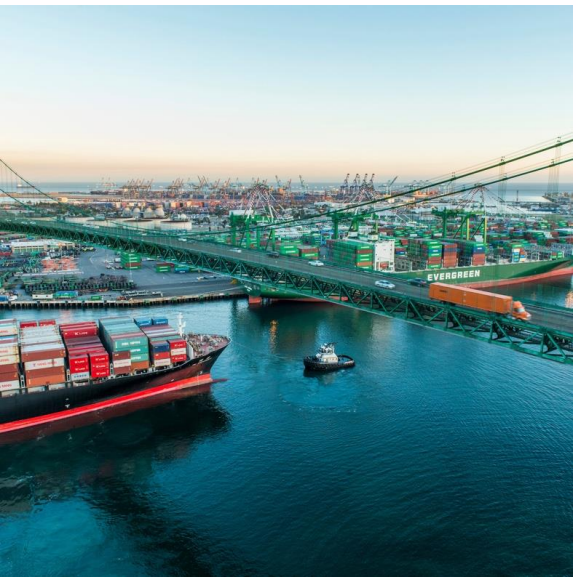
Remaining balance
in AQMF



Overview

- 2004 – The China Shipping Amended Stipulated Judgment resulted in a \$50 million provision to fund Air Quality Mitigation Incentives and Community Aesthetics initiatives to be administered by the Harbor Department
- Funds were to be spent within a set period and any remaining funds at the end of that period would be applied to an independent air quality mitigation program
- Late 2015 – \$5.2 million in remaining mitigation incentive funding was placed in a new Air Quality Mitigation Fund (AQMF) administered by the Harbor Community Benefits Foundation (HCBF)





Goals

Demonstrate or implement zero or near-zero emission freight movement technologies, significantly reducing emissions from diesel-fueled vehicles and equipment operating in and around the Port

AQMF Grants – Round 1

- 2018 – HCBF released Request for Letters of Intent (LOI) for the first round of Air Quality Mitigation Grants
- HCBF received 19 LOIs; 12 applicants were invited to submit full proposals
- 9 companies submitted proposals; 1 applicant (Effenco Development Inc.) was selected to receive a grant of \$823,050 (BOHC Approval on November 21, 2019)
- Effenco's Active Stop-Start System™ (electric hybrid technology) offered to reduce engine operating hours, maintenance costs, and noise
- 3 challenges impacted the overall trajectory and future inclusion of the project in subsequent rounds
 1. Global pandemic led to substantial delays and increased expenses
 2. Installation of units impacted by unforeseen requirements resulting in unexpected expenses
 3. Difficult to train the large pool of rotating drivers at So. Cal. Ports, ensuring they avoided idling, leading to inconsistent usage and unreliable data

AQMF Grant – Round 2

- 2022 – HCBF released Request for LOIs for the second round of Air Quality Mitigation Grants
- \$2 million allocated for projects aimed at reducing port-related air emissions in the San Pedro Bay area (BOHC Approval on March 16, 2023)



Photo courtesy of WattEV

26



Allows up to 26 trucks charging simultaneously

WattEV Selected for \$2M Award

Project focused on developing cost-effective/reliable charging solutions for heavy-duty electric vehicles (HDBEVs) through its Truck-as-a-Service (TaaS) initiative

- Strategically located near access points to the San Pedro Bay Ports (Pier A - Long Beach)
- Minimizes emissions within the South Coast Air Quality Management Plan



For Approval: AQMF Grant – Round 3

3 Projects

Grantees

- AERAS
- STAX
- 4G Management Inc.

- 2022 – HCBF released Request for LOI (due 2023) for the third round of Air Quality Mitigation Grants
- Focused on Ocean-Going Vessels (OGVs) emission reductions
- 4 LOIs reviewed; 4 applications received; 3 projects recommended

\$2.1 Million

Allocated

3 equal shares of
\$705,394.58 to
each of the three
grantees



Reduces
Emissions of
OGVs



AQMF Round 3 - Grantee Recommendation Overview

4G Management Inc.	
Project Title	Maritime Emissions Capture & Control System (MECCS)
Description of Technology	A shore base or barge-based system, operated on Renewable Natural Gas, consisting of a floating platform, tower, emission collection device, emission treatment system, CEMS system, and fuel system.

AERAS	
Project Title	AERAS Technologies: Barge-based Emission Capture and Control for RoRo and Bulk Vessels
Description of Technology	A barge-mounted emission capture and treatment platform that provides CARB-compliant removal of diesel particulates, NOx, and reactive organic gasses.

STAX	
Project Title	Build and Operate an Emission Control System for Ocean Going Vessels at Berth
Description of Technology	The STAX system captures vessel emissions using a system that connects to the vessel's exhaust pipes, collects exhaust gas, and conveys the exhaust gas to the STAXbox™ purification system.

Board Approval of HCBF's Selection

- Approval of the Air Quality Mitigation Program, Round 3 Grant project will authorize a draw-down of existing funds from the AQMF with no requirement of the Harbor Department to provide any additional funding.
- As of May 31, 2024, the AQMF balance, managed by California Community Foundation was \$2,386,456.

Amount not-to-exceed

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\$58,654

Remaining balance
in AQMF





AQMF Recap from Inception to 07/03/2024

Trust Account - AQMF California Community Foundation (CCF)	2016	2017	2018	2019	2020	2021	2022	2023	7/3/2024	Totals
Investment Activity	\$4,976,944									\$4,976,944
Trust Fund Beginning Balance (CCF)		\$4,976,944	\$5,001,055	\$5,075,176	\$4,351,191	\$4,374,375	\$4,360,550	\$4,396,486	\$2,338,082	
Withdrawals - Grant Award (Round 1)				\$(823,050)						\$(823,050)
Withdrawals - Grant Award (Round 2)								\$(2,000,000)		\$(2,000,000)
Interest & Dividends		\$64,590	\$92,191	\$124,868	\$58,076	\$22,611	\$62,700	\$146,266	\$47,588	\$618,890
Mkt Value Change - Unrealized		\$(21,747)	\$4,680	\$(1,348)	\$(14,316)	\$(16,357)	\$(6,884)	\$10,929	\$6,029	\$(39,014)
Investment Mgmt. Fee (paid to CCF)		\$(18,732)	\$(22,750)	\$(24,455)	\$(20,576)	\$(20,079)	\$(19,879)	\$(15,599)	\$(5,244)	\$(147,314)
Administrative Costs per MOA Section 5.g. (10% of approved grants Round 2)								\$(200,000)		\$(200,000)
Grant Round 3 Awards Pending									\$(2,116,184)	\$(2,116,184)
Administrative Costs per MOA Section 5.g. (10% of approved grants Round 3)									\$(211,618)	\$(211,618)
AQMF Trust Fund Ending Balance (CCF)		\$5,001,055	\$5,075,176	\$4,351,191	\$4,374,375	\$4,360,550	\$4,396,486	\$2,338,082	\$58,654	\$58,654

AQMF Recap from Inception to 07/03/2024

HCBF Program Funds – Bank of America (BofA)	2016	2017	2018	2019	2020	2021	2022	2023	7/3/2024	Totals
Port Funds Contributed to Admin. Fund Per MOA	\$250,000									\$250,000
BofA Beginning Balance		\$250,000	\$250,000	\$214,308	\$132,915	\$284,555	\$243,711	\$183,128	\$64,373	
AQMF Consultants - Technical Experts			\$(32,942)	\$(51,309)	\$(8,321)	\$(10,359)	\$(28,083)	\$(36,450)	\$(8,166)	\$(175,630)
HCBF Administrative Costs			\$(2,750)	\$(30,084)	\$(31,089)	\$(30,485)	\$(32,500)			\$(126,908)
Admin. Costs per MOA Section 5.g. (10% of approved grants Round 1)								\$(82,305)		\$(82,305)
Grant Cancelled - Reallocated Funds					\$191,050					\$191,050
HCBF (BofA) Ending Balance - Non-Interest Bearing	\$250,000	\$250,000	\$214,308	\$132,915	\$284,555	\$243,711	\$183,128	\$64,373	\$56,207	\$56,207

AQMF Recap from Inception to 07/03/2024

	2017	2018	2019	2020	2021	2022	2023	7/3/2024	Totals
AQMF Trust Fund Ending Balance (CCF)	\$5,001,055	\$5,075,176	\$4,351,191	\$4,374,375	\$4,360,550	\$4,396,486	\$2,338,082	\$2,386,456	\$2,386,456
HCBF (BofA) Ending Balance - Non-Interest Bearing	\$250,000	\$214,308	\$132,915	\$284,555	\$243,711	\$183,128	\$64,373	\$56,207	\$56,207
Subtotal Available Funds (CCF and BofA)	\$5,251,055	\$5,289,484	\$4,484,106	\$4,658,930	\$4,604,261	\$4,579,615	\$2,402,455	\$2,442,663	\$2,442,663
Grant Round 3 Awards Pending									\$(2,116,184)
Administrative Costs per MOA Section 5.g. (10% of approved grants Round 3)									\$(211,618)
Uncommitted Funds (BofA and CCF Trust Account)									\$(2,327,802)
Total Available Funds (CCF and BofA) after Approval									\$114,861