



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: AUGUST 28 2019

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - TECHNOLOGY ADVANCEMENT PROGRAM GRANT AGREEMENT WITH EFFENCO DEVELOPMENT INC., AND COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH FOR THE ZERO-EMISSION IDLING CARGO HANDLING EQUIPMENT DEMONSTRATION PROJECT

SUMMARY:

Staff requests approval of a Grant Agreement with Effenco Development Inc. (Effenco) located in Montreal, Canada, to demonstrate zero-emission idling equipment on six yard tractors at APM Terminals (APMT). Staff also requests approval of a Cost Share Agreement with the Port of Long Beach (POLB) to split the proposed project cost. The total requested Technology Advancement Program (TAP) funding amount is \$180,000. The City of Los Angeles Harbor Department (Harbor Department) is financially responsible for the \$180,000 under this Board action of which \$90,000 will be reimbursed through the cost share with POLB.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Grant Agreement with Effenco Development Inc. for the total not-to-exceed amount of \$180,000;
3. Approve the Cost Share Agreement with the Port of Long Beach for the reimbursement of \$90,000 from the Port of Long Beach to the City of Los Angeles Harbor Department, as established by the Clean Air Action Plan Master Cost Sharing Agreement No. 2546;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Grant Agreement with Effenco Development Inc. for and on behalf of the Board;

DATE: AUGUST 28, 2019

PAGE 2 OF 5

SUBJECT: ZERO-EMISSION IDLING CARGO HANDLING EQUIPMENT GRANT AGREEMENT AND COST SHARE WITH THE PORT OF LONG BEACH

5. Authorize the Executive Director to execute and the Board Secretary to attest to the Cost Share Agreement with the Port of Long Beach, for and on behalf of the Board; and
6. Adopt Resolution No. _____.

DISCUSSION:

Project Background/Context – The Clean Air Action Plan (CAAP) Technology Advancement Program (TAP) Advisory Committee (AC) has reviewed and recommends funding for the Zero-Emission Idling Demonstration Project proposed by Effenco. The 2006 San Pedro Bay Ports CAAP was adopted by both Boards of Harbor Commissioners of Los Angeles and Long Beach on November 20, 2006. It was subsequently updated in 2010 and 2017. A significant initiative of the CAAP is the TAP, which supports the development of technologies with the potential to help reduce emissions of Diesel Particulate Matter (DPM), Oxides of Nitrogen (NOx), Oxides of Sulfur (SOx), and other pollutants.

The TAP is a joint ports of Los Angeles and Long Beach initiative that provides grant funding on a cost share basis. The TAP is funded by the Harbor Department and POLB with each allocating up to \$1.5 million annually to the program, which is used for grants that can be leveraged with funding from other parties. The TAP AC, comprised of representatives from the U.S. Environmental Protection Agency, California Air Resources Board (CARB), and the South Coast Air Quality Management District, evaluates and recommends projects for funding. To date, nearly \$12 million has been allocated to TAP projects since the program's inception in November 2006.

Project Description – This project will retrofit six yard tractors at APMT with zero-emission start-stop idling technology. Ultimately, Effenco plans to seek CARB verification of their system as a retrofit device approved for emission reduction in California.

The Effenco technology is a hybrid upgrade that automatically turns off the combustion engine when the vehicle is immobile and provides electric power to vehicles systems such as transmission or air conditioning when the engine is off, thus reducing the amount of vehicle engine run time. Effenco has installed Start-Stop technologies on 16 different terminal tractors at four different ports across North America.

The TAP AC received and evaluated the Effenco project proposal, assessed the technological merit of the proposed technology, and has recommended it for TAP funding.

The proposed project, if successfully demonstrated, is expected to reduce engine run time up to 52% and a reduce fuel consumption and related emissions by up to 31%.

DATE: AUGUST 28, 2019

PAGE 3 OF 5

SUBJECT: ZERO-EMISSION IDLING CARGO HANDLING EQUIPMENT GRANT AGREEMENT AND COST SHARE WITH THE PORT OF LONG BEACH

Cost Share – In June 2007, the Harbor Department and POLB executed the CAAP Master Cost Sharing Agreement No. 2546 to establish an arrangement for sharing costs of all agreed upon CAAP expenditures (Transmittal 2). In accordance with the provisions of the Master Cost Sharing Agreement, a supplemental Cost Share Agreement between the Harbor Department and POLB is being submitted for approval (Transmittal 3). This Cost Share Agreement identifies the Harbor Department as the contracting port and establishes that the costs associated with the proposed project will be shared by the Harbor Department and POLB in the amount of \$90,000 each. The Harbor Department is the contracting port because APMT is a Port of Los Angeles tenant.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Grant Agreement with Effenco to demonstrate zero-emission idling equipment and a Cost Share Agreement with POLB to split the proposed project costs, which are administrative activities. Therefore, the Director of Environmental Management has determined that the proposed project is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The Harbor Department is financially responsible for the \$180,000 under this Board action of which \$90,000 will be reimbursed through the cost share with POLB.

The total cost of this proposed project is approximately \$625,163 paid by the following funding partners:

Effenco	\$	445,163
Harbor Department	\$	90,000
Port of Long Beach	\$	<u>90,000</u>
TOTAL	\$	625,163

The Harbor Department will initially incur cash outflows of \$180,000 and record these outflows using Account 59965 (Customer Environmental Subsidies) and Account 11225 (Reimbursable Costs – Environmental Projects). \$90,000 in aggregate expenses are expected to be incurred within Account 59965, and funding for FY 19/20 is available in Center 0330 Account 59965, Program 000. The remaining \$90,000 in cash outflows will be recorded as a receivable within Center 7000, Account 11225, Program 000. The outstanding balance within Account 11225 will be subsequently amortized as reimbursements are from POLB are received.

DATE: AUGUST 28, 2019

PAGE 4 OF 5

SUBJECT: ZERO-EMISSION IDLING CARGO HANDLING EQUIPMENT GRANT AGREEMENT AND COST SHARE WITH THE PORT OF LONG BEACH

Cash outflows are anticipated to occur as follows:

<u>Funding year</u>	<u>Account 59965</u>	<u>Account 11225</u>
FY 2019/2020	\$ 71,775	\$ 71,775
FY 2020/2021	\$ 18,225	\$ 18,225
FY 2021/2022	\$ 0	\$ 0
TOTAL	\$ 90,000	\$ 90,000

Funding will be requested in future years as part of the Harbor Department's annual budget adoption process, subject to Board approval.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed agreements as to form and legality.

DATE: AUGUST 28, 2019

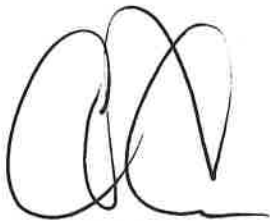
PAGE 5 OF 5

SUBJECT: ZERO-EMISSION IDLING CARGO HANDLING EQUIPMENT GRANT AGREEMENT AND COST SHARE WITH THE PORT OF LONG BEACH

TRANSMITTALS:

1. Grant Agreement with Effenco Development Inc.
2. Master Cost Sharing Agreement No. 2546
3. Cost Share Agreement with the Port of Long Beach

FIS Approval: 
CA Approval: 



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



For EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: C. Langlois

FILE: Y:_ADMIN\BOARD REPORTS\AIR QUALITY\TAPEFFENCO ZERO EMISSION IDLING\Environmental_Effenco_Board Report - UPDATED LANGUAGE TGP.docx
UPDATED: 8/15/2019 12:49 PM - YO