



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

**DATE: MAY 25, 2021**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AGREEMENT WITH PASHA STEVEDORING & TERMINALS, L.P. FOR THE CONTINUED IMPLEMENTATION OF THE GREEN OMNI TERMINAL PROJECT**

**SUMMARY:**

Staff requests approval of the proposed grant Subrecipient Agreement (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and Pasha Stevedoring & Terminals, L.P. (Pasha) to continue implementation of the Green Omni Terminal Project (Project) at Pasha through December 2021. The Project is funded by a Multi-Source Facility Grant, awarded to the Harbor Department by the California Air Resources Board (CARB) and approved by the Board of Harbor Commissioners (Board) in May 2016. In April 2020, the Board approved an amendment to the CARB grant agreement (Agreement 16-3395-C) to extend the Project term and modify the Project milestones and disbursement schedule as recommended by CARB. The proposed Agreement is required at this time because the initial Subrecipient Agreement approved in May 2016 has since expired. Furthermore, the proposed Agreement will include the updated Project milestones and disbursement schedule to align with the CARB grant agreement. The Harbor Department will continue to be responsible for staff time under the proposed Agreement.

**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 proposed Agreement with Pasha Stevedoring & Terminals, L.P. to continue to implement the Green Omni Terminal Project;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement with Pasha Stevedoring & Terminals, L.P. for and on behalf of the Board; and
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context – On June 23, 2015, CARB released a grant solicitation to implement and administer Multi-Source Facility Demonstration Projects under the Cap and Trade Grant Program. On September 24, 2015, the Harbor Department submitted a grant application to CARB seeking funds under the Cap and Trade Grant Program for the Project. On January 13, 2016, CARB notified the Harbor Department that the Project was selected and had received a preliminary grant award offer in the amount of \$14,510,400. On May 19, 2016, the Board accepted the grant and approved Grant Agreement 16-3395 with CARB and Subrecipient Agreement No. 16-3396 with Pasha to implement the Project. In March 2017, the Board approved the First Amendments to these agreements to modify Project milestones and modify the disbursements schedule. In August 2018, the Board approved the Second Amendments to these agreements to modify the project milestones. In April 2020, the Board approved Agreement No. 16-3395-C, the Third Amendment to the grant agreement. At that time, Agreement No. 16-3396 with Pasha was not amended and it subsequently expired on July 17, 2020. Since it expired, it cannot be amended, so the proposed Agreement to update the project milestones and disbursement schedule to align with the grant agreement with CARB will take its place.

Green Omni Terminal Project –Pasha operates a breakbulk terminal at Berth 174 to 181. The Project tests pre-commercial zero and near-zero emission technologies and includes the demonstration of five electric yard tractors, two electric (Class 8) on-road trucks, three electric hi-tonnage forklift retrofits, and an at-berth vessel emissions control system (ShoreKat) there. An additional Project component is the construction of a solar powered microgrid, which will be supported by 2.6-megawatts of backup battery storage intended to provide critical power to the charging units for the plug-in electric equipment as well as terminal systems during a grid power outage.

Proposed Subrecipient Agreement – Agreement No. 16-3395-C with CARB extended the Project term from June 30, 2020, to December 31, 2021. It also modified the Project milestones and disbursement schedule. The modifications to the Project milestones and disbursements schedule moved funding from tasks that did not require the funding, to tasks that require more funding to complete. Specifically, because carbon capture systems, originally approved for demonstration alongside the ShoreKat, were deemed infeasible for this Project by CARB, CARB reallocated the funds for these demonstrations to the purchase and deployment of an additional battery electric yard tractor at Pasha. The changes in the grant agreement with CARB were approved by the Board and are also reflected in this proposed Agreement.

The primary driver for the extension of the Project from June 30, 2020, to December 31, 2021, was to allow adequate time for the demonstration of the electric vehicles and solar powered microgrid. The ShoreKat emissions treatment system component of the Project

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was not extended as part of the grant because the ShoreKat demonstration period is complete. The final electric vehicle is expected to arrive at Pasha in May 2021.

The demonstration of the battery storage system and solar array is ongoing. The Harbor Department is replacing the fire suppression system in the battery storage system in order to get a permit to operate from the Los Angeles City Fire Department. This is currently underway and is expected to be completed in June 2021. The solar array will be installed on Pasha's roof upon approval of an agreement between Pasha and a solar provider. Pasha's use and occupancy of port property located at Berths 174 to 181 is governed by Permit 603. The permit is on holdover status. Pasha requires a permit with the Harbor Department to be able to enter into an agreement with a solar provider. Staff plans to present a separate item to the Board for action on a successor permit.

This proposed Agreement is necessary to update the Project milestones and disbursement schedule to align with the current grant agreement with CARB. This proposed Agreement must be considered at this time because there is a requirement to pay subcontractors for work performed and that cannot occur without this Agreement in place.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an Agreement between the Harbor Department and Pasha to continue to implement the Green Omni Terminal Project at Pasha through December 31, 2021, reallocate grant funding, modify Project milestones, and modify the disbursement schedule, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action 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:**

There are no anticipated financial impacts associated with the Board's approval of the proposed Agreement. The Harbor Department's financial responsibility continues to be staff time to manage the Project, project management support, and fire suppression system update for the battery storage system. To date, \$103,778 has been expensed in staff time.

The proposed Agreement aligns with the CARB Multi-Source Facility Grant Agreement and allows the Harbor Department and Pasha to continue the Project through December 31, 2021, reallocates grant funding, modifies Project milestones and modifies the disbursement schedule. The grant award of \$14,510,400 remains the same. Of the

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\$14,510,400, there is a remaining balance of \$1,018,928 which will be expended in FY 21/22.

The Harbor Department will pay invoices received from Pasha only after grant funds are received from CARB. For administrative purposes, CARB grant funds related to the proposed Project will be recorded as non-operating revenues within Account 76084 (State Passthrough Grant Revenues). Pasha invoices would then be subsequently paid via Account 89097 (State Passthrough Grant Expenses), Center 6000, Program 000.

**CITY ATTORNEY:**

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

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**TRANSMITTAL:**

1. Agreement with Pasha Stevedore & Terminals, L.P.

FIS Approval: MB  
CA Approval: SO



CHRISTOPHER CANNON  
Director of Environmental Management



MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

 For

EUGENE D. SEROKA  
Executive Director

CC/yo  
AUTHOR: T. PISANO

FILE: Y:\\_ADMIN\BOARD REPORTS\AIR QUALITY\GRANTS\CARB - PASHA MULTI SOURCE OMNI TERMINAL\Pasha 2021 Multi Source Project Agreement\Environmental\_Pasha Green Omni Terminal\_Board Report - FINAL.docx  
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