



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

DATE: JANAURY 27, 2020

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF A SUBRECIPIENT AGREEMENT WITH WEST BASIN CONTAINER TERMINAL LLC AND WIRELESS ADVANCED VEHICLE ELECTRIFICATION, INC. TO IMPLEMENT AN ADVANCED INFRASTRUCTURE DEMONSTRATION PROJECT

SUMMARY:

Staff requests approval of a Subrecipient Grant Agreement for the Zero Emission Freight Vehicle Advanced Infrastructure Demonstration Project (Project) between the City of Los Angeles Harbor Department (Harbor Department), West Basin Container Terminal LLC (WBCT) and Wireless Advanced Vehicle Electrification, Inc. (WAVE). The Project, funded under Board-approved Grant Agreement No. 19-3666 with the California Energy Commission (CEC), will construct and demonstrate an advanced infrastructure system developed by WAVE to support the operations of 10 battery-electric yard tractors at WBCT. WAVE will be responsible for providing and installing a wireless charging system on these yard tractors and constructing 12 charging stations at WBCT. WBCT will be responsible for acquiring and operating 10 battery-electric yard tractors that will be funded under a separate grant. The Harbor Department is financially responsible for \$392,500, comprised of \$312,500 in match funding and \$80,000 in staff time.

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 Subrecipient Grant Agreement between the City of Los Angeles Harbor Department, West Basin Container Terminal LLC, and Wireless Advanced Vehicle Electrification, Inc.;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to said Subrecipient Grant Agreement for and on behalf of the Board;
4. Approve the delegation of authority to the Executive Director to accept and execute Letters of Agreement for non-significant changes to the Subrecipient Grant Agreement, as defined by the California Energy Commission Grant Award Terms and Conditions and with approval as to form and legality by the Office of the City Attorney; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On February 23, 2018, the Harbor Department submitted a grant proposal to the CEC under the Alternative and Renewable Fuel Vehicle Technology Program (ARFVTP). The Harbor Department applied for the grant on behalf of WBCT, who developed the Project to provide the infrastructure required to support 10 battery-electric yard tractors. On June 20, 2019, the Board approved Grant Agreement No.19-3666 in the amount of \$7,842,270 from CEC to fund the Project and \$392,500 in match funding provided by the Harbor Department (Transmittal 1). The grant award will fund the development, construction, and installation of 12 advanced wireless charging systems at WBCT.

Staff now requests approval of the associated Subrecipient Grant Agreement with WAVE, and the demonstration partner WBCT (Transmittal 2). The Subrecipient Grant Agreement will obligate WAVE and WBCT to fulfill their roles under the approved Project and to provide match funding in the amounts of \$126,885 and \$2,987,500 respectively (Transmittals 3 and 4).

Project Description – The Project will install an advanced inductive charging system to support the 10 battery-electric yard tractors that will be operated at WBCT under the CEC grant. These installations will be manufactured by WAVE. Twelve charging stations will be installed at WBCT: 10 stations at the equipment corral lanes where WBCT currently parks their yard tractors when off-duty, and two stations on terminal at a central break facility as opportunity charging stations.

WBCT is responsible for acquiring and operating the 10 battery-operated yard tractors that will be funded under a separate grant from the EPA.

Project Budget – The total cost of the Project is estimated to be \$11,349,155 with funding to be provided through March 2022. Funding for the Project will be provided mostly through the \$7,842,270 CEC grant award. The remaining \$3,506,885 is to be provided through matching funds of \$126,885 by WAVE, \$2,987,500 by WBCT, and \$392,500 by

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the Harbor Department which includes \$312,500 as a portion of each yard tractor purchase as approved by the Board in Agreement No. 19-3665 (Transmittal 5), and \$80,000 in staff time. No additional funding will be provided by the Harbor Department under this Subrecipient Grant Agreement.

WBCT's estimated matching funds includes an additional \$100,000 due to increases in the cost of electric yard tractors since the original grant was approved. Harbor Department's staff time is presented as an informal match, and was not included in the original grant agreement.

The total proposed match funds will be fulfilled as follows:

1. Purchase of 10 battery-electric yard tractors (WBCT and Harbor Department);
2. Staff time on non-recurring engineering (WAVE);
3. Staff time on the installation of the necessary electrical charging infrastructure (Harbor Department); and
4. Staff time to manage the Project (Harbor Department).

Project Schedule and Budget Updates – As part of approving the Subrecipient Grant Agreement, staff also requests delegation of authority to the Executive Director to approve project schedule and budget updates that fall within the parameters set forth by the CEC under the original grant in Exhibit C, Section 8. The original grant allows for Letters of Agreement to be signed by both parties for nonsignificant changes, such as changes to the Budget that do no increase the amount of the Agreement, or changes to the Schedule that do not extend the due date beyond the term of the Agreement. Requests that fall outside these grant parameters would require Board approval.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Subrecipient Grant Agreement with WBCT and WAVE, 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:

Approval of the proposed Subrecipient Grant Agreement will fulfill the Harbor Department's responsibility under the CEC grant to contract with WAVE and WBCT to perform the Project.

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The table below summarizes the total cost of the Project and funding commitments by all participants:

| Participants | CEC Funds | Match Funds | TOTAL |
|---------------------|--------------------|--------------------|---------------------|
| WAVE | \$3,045,320 | \$126,885 | \$3,172,205 |
| WBCT | | \$2,987,500* | \$2,987,500 |
| Harbor Department | \$4,796,950 | \$392,500* | \$5,189,450 |
| TOTAL | \$7,842,270 | \$3,506,885 | \$11,349,155 |

* WBCT's cost estimate has increased by \$100,000 since the original agreement, and the Harbor Department's Match Funds includes \$80,000 in staff time, which is an informal match funding not included in the original grant totals.

The Harbor Department will function as the grant administrator and will pay invoices received from WAVE and WBCT only after grant funds are received from the CEC. For administrative purposes, CEC grant funds related to the proposed Project will be recorded as non-operating revenues within Account 76084 (State Pass-through Grant Revenues). WAVE and WBCT invoices would then be subsequently paid via Account 89097 (State Pass-through Non-Operating), Center 6000, Program 000. The Harbor Department does not expect to pass-through the \$4,796,950 in CEC grant funds until Fiscal Year (FY) 2020/21. Future fiscal year funds will be requested to be budgeted through the Harbor Department's annual budgeting process.

Harbor Department matching funds of \$392,500 are anticipated to be required in FY 2020/21 and FY 2021/22. Future fiscal year funds will be requested to be budgeted through the Harbor Department's annual budgeting process.

| | |
|--------------|----------------------------|
| FY 2019/20 | \$50,000 (staff time only) |
| FY 2020/21 | \$5,658,670 |
| FY 2021/22 | \$5,520,985 |
| FY 2022/23 | \$119,500 |
| TOTAL | \$11,349,155 |

CITY ATTORNEY:

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

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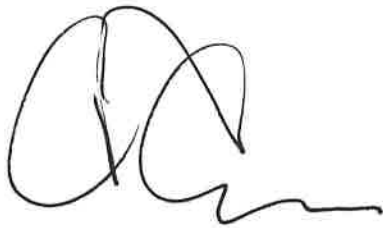
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TRANSMITTALS:

1. Agreement No. 19-3666 with the California Energy Commission
2. Subrecipient Grant Agreement
3. West Basin Container Terminal Letter of Commitment
4. Wireless Advanced Vehicle Electrification, Inc. Match Funds Letter of Commitment
5. Agreement No. 19-3665 with South Coast Air Quality Management District

FIS Approval: MB
CA Approval: me



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DIBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: J. GOLDBERG

FILE: Y:\ADMIN\BOARD REPORTS\AIR QUALITY\GRANTS\CEC - SUBRECIPIENTS - ADVANCED YARD INFRASTRCTURE (WAVE AND WBCT)\Environmental_CEC
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