



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MARCH 8, 2017

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO AGREEMENT NO. 16-3395 WITH THE CALIFORNIA AIR RESOURCES BOARD AND FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT NO. 16-3396 WITH PASHA STEVEDORING & TERMINALS L.P. FOR THE IMPLEMENTATION OF ZERO AND NEAR-ZERO EMISSION TECHNOLOGIES

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve the proposed First Amendment to Agreement No. 16-3395 with the California Air Resources Board (CARB) and the proposed First Amendment to Subrecipient Agreement No. 16-3396, with Pasha Stevedoring & Terminals L.P. (Pasha) to modify project milestones and disbursement schedule to implement the Green Omni Terminal Project. The change in project milestones and disbursement schedule provides additional flexibility for technology providers to obtain faster reimbursement under the grant after equipment has been delivered. No additional funds or time extension is requested.

RECOMMENDATION:

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

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) as determined by the Director of Environmental Management;
2. Approve in substantial form the First Amendment to Agreement No. 16-3395 with the California Air Resources Board under the Fiscal Year 2014/2015 Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments Grant Solicitation for the Multi-Source Facility Demonstration Project to change project milestones and disbursement schedule;

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3. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment to Agreement No. 16-3395 with the California Air Resources Board for and on behalf of the Board;
4. Approve the First Amendment to Subrecipient Agreement No. 16-3396 with Pasha Stevedoring & Terminals L.P. under the Fiscal Year 2014/2015 Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments Grant Solicitation for the Multi-Source Facility Demonstration Project to change project milestones and disbursement schedule;
5. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment to Subrecipient Agreement No. 16-3396 with Pasha Stevedoring & Terminals L.P. for and on behalf of the Board; and
6. Adopt Resolution No. _____.

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 Green Omni Terminal Project. On January 13, 2016, CARB notified the Harbor Department that the Green Omni Terminal 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 for the Cap and Trade Grant Program and approved a Subrecipient Agreement No. 16-3396 with Pasha to implement the Green Omni Terminal Project.

Green Omni Terminal Project (Project) – The Project is designed to test pre-commercial zero and near-zero emission technologies that will encourage the sustainable movement of goods throughout the Southern California region. The Project will include the demonstration of four electric yard tractors, two electric (Class 8) on-road trucks, two electric hi-tonnage forklifts retrofits, one electric top handler retrofit, and an at-berth vessel emission control system. 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.

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Agreement Amendments – Based on a discussion with CARB, Pasha and the project technology providers, staff proposes a First Amendment to Agreement No. 16-3395 (Transmittal 1) and a First Amendment to Subrecipient Agreement No. 16-3396 (Transmittal 2) in order to modify the project milestones and monetary disbursement schedule. The proposed modifications will provide additional flexibility for technology providers to obtain faster reimbursement under the grant once a particular technology has been designed, manufactured, and delivered. Since the grant reimbursement is based on milestone completion, not time and materials, there will be no change to the duration of the entire project or the total monetary disbursement of \$14,510,400 under the grant.

ENVIRONMENTAL IMPACT:

The proposed action is approval of a First Amendment to Agreement No. 16-3395 with CARB to modify project milestones and disbursement schedule for the Green Omni Terminal Project, which is an administrative activity. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

This proposed First Amendment to Agreement No. 16-3395 and First Amendment to Subrecipient Agreement No. 16-3396 will not impact the finances of the original Agreements. The Amendments will modify the project milestones and the monetary disbursement schedule, however, there will be no change to the duration of the entire project or the total monetary disbursement of \$14,510,400 under the grant.

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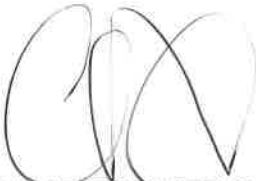
CITY ATTORNEY:

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

TRANSMITTALS:

1. First Amendment to Agreement No. 16-3395
2. First Amendment to Subrecipient Agreement No. 16-3396

FIS Approval:  (initials)
CA Approval:  (initials)



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: C. ATKINS

FILE: G:\ADMIN_BOARD REPORTS_AIR QUALITY\CARB GRANT APPLICATIONS\2015 MULTI SOURCE - AMENDMENT 1\ENV_MULTI-SOURCE GRANT AMENDMENTS - FINAL.docx
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