



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 27, 2013

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - CALIFORNIA AIR RESOURCES BOARD ADVANCED TECHNOLOGY DEMONSTRATION PROJECT GRANT AGREEMENT FOR THE ELECTRIC YARD TRACTOR DEMONSTRATION PROJECT AND SUBRECIPIENT AGREEMENT WITH TRANSPORTATION POWER, INC.

SUMMARY:

On March 19, 2013, the City of Los Angeles Harbor Department (Harbor Department) was selected by the California Air Resources Board (CARB) to receive grant funding in the amount of \$1,000,000 to fund the development and demonstration of two electric yard tractors (Project) to be operated at Eagle Marine Terminal (APL) in the Port of Los Angeles (Port). The grant selection was part of a solicitation process by CARB under Assembly Bill (AB) 118 (Air Quality Improvement Program (AQIP) – Advanced Technology Demonstration Project) to promote the development of clean vehicles. In order to receive and administer the grant award, the Harbor Department is required to enter into a Grant Agreement (Transmittal 1) with CARB and a Subrecipient Agreement (Transmittal 2) with the lead project participant Transportation Power, Inc. (TransPower) located in Poway, California. The grant award is a two-year project with an expected completion date of May 30, 2015.

RECOMMENDATION:

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

1. Approve receipt of the Assembly Bill 118 Air Quality Improvement Program Advanced Technology Demonstration Project Grant of \$1,000,000 from the California Air Resources Board;

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2. Authorize the Executive Director to execute and the Board Secretary to attest to said Grant Agreement for and on behalf of the Board;
3. Approve the Air Quality Improvement Program – Advanced Technology Demonstration Project Grant Subrecipient Agreement with Transportation Power, Inc. for a total amount not-to-exceed \$1,000,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Subrecipient Agreement for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – In 2007, the California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act (Act) was signed into law. The Act created the AQIP. Administered by CARB, the AQIP is a voluntary incentive program designed to fund clean vehicle and equipment projects, assess air quality impacts of alternative fuels, and promote workforce training. The Advanced Technology Demonstration Project was implemented to accelerate the next generation of advanced technology vehicles, equipment, or emission controls that are not yet commercialized. CARB's goal is to fund emerging air quality strategies that are nearing commercialization and provide real and cost effective emission reductions in toxic and criteria air pollutants.

Grant Application – On February 6, 2013, the Harbor Department submitted a proposal to CARB for AB 118 grant funding for the development and demonstration of two electric yard tractors. The yard tractors will be developed by TransPower (Transmittal 3) and will be demonstrated at APL. Existing Harbor Department staff will be responsible for the grant administration since the yard tractors will be in use on Port property. The total cost of the Project is \$2,145,935. The submitted proposal requested \$1,000,000 in CARB grant funding which provides nearly fifty percent of the total cost. The remaining funds will be paid by TransPower (\$780,935) and APL (\$365,000) in cash and in-kind services.

Funding Award – On March 19, 2013, CARB notified the Harbor Department that their proposal was selected for funding. The full requested amount of \$1,000,000 was granted to the Harbor Department to implement the technology.

The grant was approved as a two-year project ending on May 30, 2015.

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Project Grant Agreement – The Project Grant Agreement and description of its provisions are contained in the Grant Agreement, Exhibit A.

Subrecipient Agreement – As the recipient and the fiduciary party of the grant award from CARB, it is the responsibility of the Harbor Department to distribute funds to the lead Project participant, TransPower. In order to transfer the grant funding, the Harbor Department and TransPower are required to enter into a Subrecipient Agreement for a total amount not-to-exceed \$1,000,000. The cost share requirement amount for the Project beyond the amount of the grant will be the responsibility of TransPower and is noted in the Subrecipient Agreement. The Harbor Department will reimburse TransPower through CARB's grant disbursement request process.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a TAP Grant Agreement for an electric yard tractor demonstration project at the APL terminal. As an activity involving data collection, research and resource evaluation which does not result in a serious major disturbance to an environmental resource, the Director of Environmental Management has determined the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article III, Class 6 of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The Harbor Department will be the grant administrator for the CARB AQIP funds of \$1,000,000. It will be disbursed through the Subrecipient Agreement to TransPower. Payments will be made to the TransPower only after CARB distributes funds to the Harbor Department, and milestones, established by CARB, are met. The cost share requirement amount for the Project beyond the amount of the grant will be the responsibility of TransPower and APL.

ECONOMIC BENEFITS:

The Project associated with the proposed Agreement will support eight direct and nine secondary one-year equivalent jobs for the five-county region.

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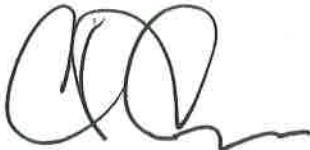
CITY ATTORNEY:

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

TRANSMITTALS:

1. AQIP Project Grant Agreement
2. Subrecipient Agreement with Transportation Power, Inc.
3. Technology description

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



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: TERESA PISANO
BOARD MEETING: 7/9/13

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