



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 9, 2015

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO AGREEMENT NO. 13-3139 WITH TRANSPORTATION POWER, INC. FOR A TECHNOLOGY ADVANCEMENT PROGRAM GRANT ELECTRIC DRAYAGE PRE-COMMERCIAL DEMONSTRATION PROJECT

SUMMARY:

In May 2013, the Board of Harbor Commissioners (Board) approved funding for a Technology Advancement Program (TAP) Electric Drayage Pre-Commercial Demonstration (EDPCD) Project (Project) with Transportation Power, Inc. (TransPower) located in Poway, CA, and entered into Agreement No. 13-3139 (Agreement). The Project is the design, development, and demonstration of seven electric drayage trucks which utilize advanced zero-emission electric propulsion systems. The total TAP funding amount allocated for this Project is \$300,000 which is shared equally by the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB) for a total of \$150,000 from each entity. TAP funding was leveraged with funding from the California Energy Commission (CEC), Department of Energy (DOE), and TransPower for a total Project cost of approximately \$4.4 million. To date, a total of \$190,000 has been expended through the Agreement and \$110,000 remains unspent, of which \$55,000 will be reimbursed to the Harbor Department by POLB. Currently, four electric drayage trucks are in operation and three are scheduled to be put into drayage service by September 2015. The seven trucks are taking longer to complete and deploy than expected because they are being redesigned to improve levels of efficiency and reliability. The redesign process delayed the completion of the first four trucks by six months to a year, and continuing minor improvements have resulted in additional delays in completing the last three trucks.

The Agreement is due to expire on June 24, 2015. Staff recommends that the Board approve the First Amendment (Amendment) to the Agreement to extend the contract term of the Project for an additional year, for a total term of three years. The proposed technology, if successfully demonstrated, would eliminate all tailpipe emissions from the seven EDPCD drayage trucks including diesel particulate matter (DPM), sulfur oxides (SOx), and oxides of nitrogen (NOx) emissions.

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The Harbor Department is financially responsible for payments to TransPower in accordance with the Agreement for the remaining agreement balance of \$110,000, of which \$55,000 will be reimbursed to the Harbor Department by POLB. All associated expenses have been budgeted in fiscal year 2015/16.

RECOMMENDATION:

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

1. Approve the First Amendment to Agreement No. 13-3139 between the City of Los Angeles Harbor Department and Transportation Power, Inc. extending the contract term for one year, for a total contract term of three years;
2. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment to Agreement No. 13-3139 for and on behalf of the Board;
3. Adopt Resolution No. _____.

DISCUSSION:

Background/Context - On November 20, 2006, during a joint meeting between the Ports of Los Angeles and Long Beach (Ports) Boards of Harbor Commissioners, the Final 2006 San Pedro Bay Ports Clean Air Action Plan (CAAP) was adopted. A significant initiative of the CAAP is the TAP which is the catalyst for identifying, evaluating, and demonstrating new and emerging emissions reduction technologies applicable to the port industry that could be utilized in future updates to the CAAP as new control measures, alternatives to existing measures, or as additional mitigation options for new projects. A CAAP TAP Advisory Committee comprised of the United States Environmental Protection Agency (EPA), the California Air Resources Board (CARB), and the South Coast Air Quality Management District (AQMD), along with both Ports, meets regularly to review and recommend projects for funding.

Electric Drayage Pre-Commercial Demonstration (EDPCD) Project - In May 2013, the Board approved funding for the Project with TransPower located in Poway, CA, and entered into the Agreement. The Project is the design, integration, and demonstration of seven electric drayage trucks which utilize advanced zero-emission electric propulsion systems.

The total TAP funding amount allocated for this Project is \$300,000 which is shared equally by the Harbor Department and POLB for a total of \$150,000 from each entity. TAP funding was leveraged with funding from the CEC, DOE, and TransPower for a

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total Project cost of approximately \$4.4 million. To date, a total of \$190,000 has been expended through the Agreement and \$110,000 remains unspent, of which \$55,000 will be reimbursed to the Harbor Department by POLB. Currently, four electric drayage trucks are in drayage operation and three are scheduled to be put into drayage service by September 2015. The trucks are being operated by Total Transportation Services, Inc.

The integration and deployment of all seven trucks is taking longer than expected because after building and test operating a prototype electric truck on an earlier AQMD-funded contract, TransPower learned to designing a truck of this class to achieve the highest levels of efficiency and reliability. Rather than replicate the design of their Pilot Truck in the seven EDPCD trucks, which was TransPower's initial intent, TransPower elected to completely redesign the layout of its electric drive system during the second half of 2013. The redesign process delayed the completion of the first four trucks by six months to a year, and continuing minor improvements such as providing better water protection for the batteries have resulted in additional delays in completing the last three trucks.

First Amendment - Due to the delays, TransPower has requested a one-year extension until June 24, 2016, to deliver and demonstrate all seven trucks as originally intended. Staff recommends approval of the Amendment (Transmittal 1) between the Harbor Department and Transportation Power, Inc. extending the contract term for one year, for a total contract term of three years.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an Amendment to TAP Agreement with TransPower to extend the term of the Agreement by one year. As an administrative activity related to 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 II, Section 2(f) and Article III, Class 6 of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed Amendment will have no employment impact.

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FINANCIAL IMPACT:

The total cost of the TransPower EDPCD TAP Project is approximately \$4,443,801 funded by the following partners:

California Energy Commission	\$2,296,617
Department of Energy	\$1,192,184
TransPower	\$ 655,000
Harbor Department	\$ 150,000
Port of Long Beach	\$ 150,000
TOTAL:	\$4,443,801

As the lead agency for the TAP project, the Harbor Department has contracted directly with TransPower for the total not-to-exceed amount of \$300,000, and has a Cost Share Agreement with the POLB to secure a reimbursement of \$150,000. To date, \$190,000 has been expended and POLB has reimbursed the Harbor Department for their share of \$95,000. The remaining agreement balance of \$110,000 will be expended in Fiscal Year 2015/2016 and have been requested to be budgeted in Account 59965 (Incentives), Center 0330 (Environmental Management Division), Program No. 000 and pending budget approval of the \$110,000 which remains unspent, \$55,000 will be reimbursed to the Harbor Department by POLB.

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CITY ATTORNEY:

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

TRANSMITTALS:

1. First Amendment to Agreement No. 13-3139 with Transportation Power, Inc.

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



CHRISTOPHER CANNON
Director of Environmental Management



for MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



for EUGENE D. SEROKA
Executive Director

AUTHOR: TERESA PISANO
APP No.: 130206-505
BOARD MEETING: 06/04/2015

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