



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

Board of Harbor Commissioners

**DATE: MAY 10, 2016**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - GRANT ACCEPTANCE AND APPROVAL OF A MULTI-SOURCE FACILITY DEMONSTRATION PROJECT GRANT AGREEMENT WITH THE CALIFORNIA AIR RESOURCES BOARD FOR THE IMPLEMENTATION OF ZERO AND NEAR-ZERO EMISSION TECHNOLOGIES AND APPROVAL OF A SUB-RECIPIENT AGREEMENT WITH PASHA STEVEDORING & TERMINALS L.P.**

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners (Board) accept and approve a California Air Resources Board (CARB) Grant Agreement to fund the Green Omni Terminal Project (Project) at the Pasha Stevedoring & Terminals L.P. (Pasha), and approve a Sub-Recipient Agreement with Pasha to demonstrate pre-commercial zero and near-zero emission technologies. On September 24, 2015, the City of Los Angeles Harbor Department (Harbor Department) submitted a grant proposal to CARB under the Cap and Trade grant program, as identified in the Fiscal Year (FY) 2014/2015 Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments Grant Solicitation for the Multi-Source Facility Demonstration Project. On January 13, 2016, CARB offered the Harbor Department a preliminary grant award in the amount of \$14,510,400 to fund the Project at Pasha. Of the grant award, \$14,422,400 will fund nine pre-commercial zero emission electric vehicles, an at-berth vessel emission control system, a solar microgrid with battery storage, engineering, construction, infrastructure, and project management to support the Project. The Harbor Department will retain \$88,000 for in-house administration costs associated with the Project. The Harbor Department's financial responsibility is limited to staff time to manage the grant which is not expected to exceed the \$88,000 allocated to cover administrative expenses. This Project will serve as the first step in transitioning the Pasha terminal to a zero emission terminal and encourage the development of sustainable movement of goods throughout the Southern California region.

**DATE: MAY 10, 2016**

**PAGE 2 OF 6**

**SUBJECT: CALIFORNIA AIR RESOURCES BOARD GRANT ACCEPTANCE**

**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 19, Section 15301(f) and Section 15306 of the State CEQA Guidelines and Public Resources Code Division 13, Section 21080.35 as determined by the Director of Environmental Management;
2. Accept and approve the Grant Agreement between the City of Los Angeles Harbor Department and 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;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Grant Agreement with the California Air Resources Board for and on behalf of the Board;
4. Approve the Sub-Recipient Agreement between the City of Los Angeles Harbor Department and Pasha Stevedoring & Terminals L.P. to purchase equipment and pay for necessary engineering and project management support for the Green Omni Terminal Project;
5. Authorize the Executive Director to execute and the Board Secretary to attest to said Sub-Recipient Agreement with Pasha Stevedoring & Terminals L.P. for and on behalf of the Board;
6. Authorize the Harbor Department to proceed with the Green Omni Terminal Project approved for funding by the California Air Resources Board; and
7. 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, as identified in the FY 2014/2015 Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments Grant Solicitation for the Multi-Source Facility Demonstration Project. Nearly \$24 million was made available for this solicitation to deploy prototypes,

**DATE: MAY 10, 2016**

**PAGE 3 OF 6**

**SUBJECT: CALIFORNIA AIR RESOURCES BOARD GRANT ACCEPTANCE**

construction, infrastructure, emission testing, and practical demonstration of zero emission and near-zero emission technologies with a high potential to be commercialized. The grant was to be awarded in or near disadvantaged communities. There was also a 25 percent funding match requirement that could be fulfilled through in-kind services, equipment purchases, and electrical services. The Harbor Department applied for the grant on behalf of Pasha, who developed 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 (Transmittal 1) contingent upon the following:

- Resolution of California Environmental Quality Act (CEQA) requirements, and
- Board resolutions committing the Project Participants to provide matching funds totaling \$12,092,000.

Proposed 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 demonstrate 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.

Pasha met with various manufacturers and assembled the project team, which includes the following companies and their provisions:

- BYD Auto will provide two electric yard tractors and a battery storage system;
- TransPower, Inc. (TransPower) will provide two electric yard tractors, two electric heavy duty forklift retrofits, one electric top handler retrofit, and two electric drayage trucks;
- Clean Air Engineering-Maritime will provide an at-berth vessel emission control system; and
- Burns & McDonnell Engineering Company, Inc. will provide engineering, construction, and administration of the grant.

Project Budget - The \$14,510,400 grant award and the \$12,092,000 matching funds are for a three-year period ending April 2019. Matching funds required under this grant will

**DATE: MAY 10, 2016**

**PAGE 4 OF 6**

**SUBJECT: CALIFORNIA AIR RESOURCES BOARD GRANT ACCEPTANCE**

be funded entirely by Pasha and TransPower. Pasha has committed to provide approximately \$11,442,000 (Transmittal 2), and TransPower has committed to provide \$650,000 (Transmittal 3). The total proposed matching funds will be used as follows:

1. Purchase of solar panels through the City Los Angeles Department of Water and Power's Feed-in-Tariff program;
2. Purchase of electrical components;
3. Labor costs to operate the demonstration equipment;
4. Use of existing cargo handling equipment to be retrofitted with battery electric technology; and,
5. Electricity costs to run the equipment throughout the entirety of the project.

The Harbor Department will retain \$88,000 for in-house administration costs associated with the Project. The Harbor Department's financial responsibility is not expected to exceed the \$88,000 allocated to cover administrative costs under the Grant Agreement.

Pasha Project Selection – Pasha approached the Harbor Department to apply for this Project. Pasha's Omni break-bulk and container terminal utilizes different types of cargo handling equipment to move various types of freight throughout their facility including general containerized cargo, project heavy lift cargo, and specialized cargoes of all shapes and sizes. For this reason, the Pasha terminal is ideal for synergistically demonstrating advanced freight technologies for various sources at a single facility. Furthermore, even though Pasha is relatively small compared to the Port of Los Angeles' (Port) larger container terminals, it utilizes the same types of cargo handling equipment that the Port's larger container terminals use. The terminal's less rigorous yet still demanding duty cycles make it a suitable test facility for pre-commercial equipment. Wilmington meets CARB's criteria as a disadvantaged community and therefore meets the requirements of the grant opportunity.

Sub-Recipient Grant Agreement – The Sub-Recipient Grant Agreement between the Harbor Department and Pasha (Transmittal 4) includes the same terms and conditions detailed in the CARB Grant Agreement. The Harbor Department and Pasha will work collaboratively to ensure that all conditions and schedules are met in accordance with the Grant Agreement.

**DATE: MAY 10, 2016**

**PAGE 5 OF 6**

**SUBJECT: CALIFORNIA AIR RESOURCES BOARD GRANT ACCEPTANCE**

**ENVIRONMENTAL IMPACT:**

The proposed action is acceptance and approval of a CARB Grant Agreement to fund the Green Omni Terminal Project at Pasha and approval of a Sub-Recipient Agreement with Pasha, which are activities related to the addition of health protection devices for use in conjunction with existing structures/facilities, basic data collection, field testing and research activities which do not result in serious or major disturbances to an environmental resource, and installation of a solar energy system on the roof of an existing building. As such, the Director of Environmental Management has determined that the proposed action is exempt in accordance with Article 19, Section 15301(f) and Section 15306 of the State CEQA Guidelines and Public Resources Code Division 13, Section 21080.35.

**FINANCIAL IMPACT:**

Accepting the grant from CARB will require matching funds, which will be fulfilled through Pasha's equipment purchases, labor, donor vehicles for zero emission retrofits, and electrical costs; and vehicle manufacturer's in-kind match funds (Transmittal 5). The Harbor Department's financial responsibility is limited to staff time to manage the grant and is not expected to exceed the \$88,000 set aside to cover administrative costs that are reimbursable under the Grant Agreement.

DATE: MAY 10, 2016

PAGE 6 OF 6

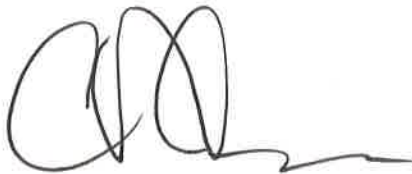
SUBJECT: CALIFORNIA AIR RESOURCES BOARD GRANT ACCEPTANCE

**CITY ATTORNEY:**

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

**TRANSMITTALS:**

1. Grant Agreement with the California Air Resources Board
2. Pasha Stevedoring & Terminals Match Funds Letter of Commitment
3. TransPower, Inc. Match Funds Letter of Commitment
4. Sub-Recipient Agreement with Pasha Stevedoring & Terminals
5. Green Omni Terminal Budget Breakdown



CHRISTOPHER CANNON  
Director of Environmental Management

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



*FOR* MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:



*FOR* EUGENE D. SEROKA  
Executive Director

CC/yo  
AUTHOR: C. ATKINS

FILE: G:\ADMIN\BOARD REPORTS\AIR QUALITY\CARB GRANT APPLICATIONS\2015 MULTI SOURCE\ENV\_CARB GRANT - FINAL.docx  
UPDATED: 5/10/2016 5:14 PM - YO