

12
11.21.19

**RECOMMENDATION APPROVED;
RESOLUTION 19-9569 ADOPTED
BY THE BOARD OF HARBOR COMMISSIONERS**

NOVEMBER 21, 2019



**AMBER M. KLESGES
Board Secretary**



**Executive Director's
Report to the
Board of Harbor Commissioners**

DATE: NOVEMBER 6, 2019

FROM: EXECUTIVE OFFICE

**SUBJECT: RESOLUTION NO. 19-9569 - APPROVAL OF HARBOR
COMMUNITY BENEFIT FOUNDATION'S AIR QUALITY MITIGATION
PROGRAM, ROUND 1 GRANT AND THE TRANSFER OF AIR QUALITY
MITIGATION PROGRAM FUNDS**

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve Harbor Community Benefit Foundation's (HCBF) selection of Effenco to receive funding from the Air Quality Mitigation Program, Round 1 and transfer \$823,050 from the Air Quality Mitigation Fund (AQMF) to HCBF. The AQMF was established by the City of Los Angeles Harbor Department (Harbor Department) for the purpose of funding appropriate mitigation projects which address port-related air emissions. The HCBF, an independent nonprofit organization established to operate the AQMF, is responsible for identifying qualifying projects to receive grant funding from the AQMF to be approved by the Board.

The HCBF Board of Directors has selected Effenco to receive funding from the Air Quality Mitigation Program, Round 1 grants and is requesting Board approval of the award recipients and transfer of funds from the AQMF, in accordance with the requirements of the China Shipping Memoranda of Agreements (MOA). The proposed projects have a Tidelands nexus and will mitigate air emissions impacts on the local communities of Wilmington and San Pedro. HCBF may seek Board approval at a future time for one additional project from the Round 1 grant process. Upon the transfer of funds from the AQMF to HCBF, HCBF will be financially responsible for the proposed projects and for the disbursement of funds to grantees in accordance with the China Shipping MOA and the Grant Agreements. The Harbor Department funded the original AQMF, and no additional payments from the Harbor Department will be required to fund this request.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

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;

DATE: NOVEMBER 6, 2019

PAGE 2 OF 6

SUBJECT: APPROVE HCBF AIR QUALITY MITIGATION PROGRAM, ROUND 1 GRANTS AND TRANSFER OF AQMF FUNDS

2. Approve Harbor Community Benefit Foundation's selection of Effenco to receive awards from the Air Quality Mitigation Program Round 1, funded by the Air Quality Mitigation Fund;
3. Authorize the Executive Director or his designee to execute a joint letter with the Harbor Community Benefit Foundation to approve the distribution of funds in one lump sum payment of \$823,050 from City National Bank to the Harbor Community Benefit Foundation to be used in accordance with Harbor Community Benefit Foundation's request; and
4. Adopt Resolution No. 19-9569.

DISCUSSION:

Background/Context - On June 14, 2004, the City and Petitioners became bound by the Amended Stipulated Judgment ("ASJ") to settle the case of Natural Resources Defense Council, Inc., et al. v. City of Los Angeles, et al., Los Angeles County Superior Court Case No. BS 070017, a case brought by Petitioners challenging the environmental impact report and related findings for the China Shipping Container Terminal Project at Berths 99-109 ("the China Shipping Project"). The ASJ required the City to adopt mitigation for the China Shipping Project and other Port of Los Angeles ("Port") projects, including the provision of \$50 million for the mitigation of air quality and aesthetic environmental impacts of Port operations on the communities surrounding the Port, including both the communities of Wilmington and San Pedro, California ("Mitigation Payment"). Funds from the Mitigation Payment were used to fund projects that mitigated the environmental impacts of the China Shipping Project ("China Shipping Mitigation Projects") and were administered by the City of Los Angeles Harbor Department ("Harbor Department"). The ASJ also provided that the Mitigation Payment be committed for use within five years, but that if at the conclusion of the five years any funds remained that had not been allocated, such funds would be applied to "an independent air quality mitigation program available to administer the funds and mutually agreeable to the Parties, with restrictions sufficient to ensure that such funds are used to reduce Port-related emissions."

That five-year term has lapsed, effective June 14, 2009, and approximately \$9,226,944 million remained unallocated. In November 2015, the Board approved a disbursement of \$5,226,944 million to an independent air quality mitigation program, to be administered by HCBF for the reduction of Port-related air emissions (the "Air Quality Mitigation Fund" or "AQMF"). The AQMF is administered and managed by the HCBF to solicit and select projects and programs to receive funding from the AQMF with Board approval.

Also in November 2015, the Board approved an advance of administrative costs of \$250,000 from the AQMF to HCBF to administer development and issuance of the initial Requests for Proposal for projects. The HCBF may annually request withdrawal of funds

DATE: NOVEMBER 6, 2019

PAGE 3 OF 6

SUBJECT: APPROVE HCBF AIR QUALITY MITIGATION PROGRAM, ROUND 1 GRANTS AND TRANSFER OF AQMF FUNDS

from the AQMF to pay for actual administrative costs, not to exceed ten percent of the annual dollar amount of the grants approved. The budget for 2018 along with a projected budget for 2019 was received, reviewed and approved by the Harbor Department Executive Director in February 2019.

As of July 31, 2019 the AQMF balance was \$5,140,576.18.

HCBF Role and Responsibilities - HCBF is an independent legal entity that serves as the neutral, third-party to administer the AQMF and solicit, develop, and select projects for grant funding. HCBF must request the Board to approve the selected projects and approve a transfer of funds from the AQMF to fund grant awards. All awards must be Tidelands Trust-compliant and should be "given to technologies that, if they were widely deployed, would significantly reduce air emissions and/or air quality related health risks from the largest source of air pollution from Port operations." Grant applicants are required to prove that the project would benefit the communities of San Pedro and/or Wilmington or an area within a 25-mile radius from the Port.

Air Quality Mitigation Program Grants – HCBF released a Request for Letters of Intent (LOI) the first round solicitation for the Air Quality Mitigation Program, Round 1 grants on August 29, 2018. Staff and technical consultants from 3COTECH, Inc. hosted a webinar to provide background on the program and to share information about the selection process. HCBF received 19 LOIs by October 26, 2018. Of those, 12 were invited to submit a full application in response to the Request for Proposals (RFP). Full applications were due by January 31, 2019. From the 12 invited applicants, nine companies submitted full applications for review.

The HCBF Board appointed an ad-hoc AQMF Review Committee, comprised of HCBF Board members Angelo Logan, Ed Avol and Jayme Wilson, who met with staff to consider and evaluate the applications. Selection criteria can be found in Transmittal 1. As part of the evaluation process, HCBF established a special AQMF review panel consisting of the ad-hoc committee, technical consultant and a panel of external personnel/stakeholders with demonstrated expertise in port-related technology, zero, near-zero emission and relevant emission reduction technology, AQMF MOA/ China Shipping, and community impacts in San Pedro and Wilmington. Additionally, a seven-member panel of external reviewers (consisting of governmental agencies, local residents, academic institutions and non-profit organizations) was created to assist HCBF and the ad-hoc committee in determining finalists.

Staff, with the approval of the ad-hoc committee, recommended funding Effenco for a total of \$832,050 and the HCBF Board of Directors unanimously approved staff's recommendation at their meeting of July 26, 2019. Information on Effenco program follows:

DATE: NOVEMBER 6, 2019

PAGE 4 OF 6

SUBJECT: APPROVE HCBF AIR QUALITY MITIGATION PROGRAM, ROUND 1 GRANTS AND TRANSFER OF AQMF FUNDS

COMPANY	Effenco
PROJECT TITLE	Rapid Deployment of Electric Active STOP-START Technology for Zero-Emission Idling from Port Yard Tractors
BRIEF DESCRIPTION OF TECHNOLOGY	The active STOP-START system provides zero-emission operation when the yard tractors are immobile by automatically turning the engine off. It uses energy stored in ultracapacitors to supply electric power to the vehicle equipment. Effenco's bi-directional telemetry systems collect operating parameters to remotely monitor each vehicle status and system performance. The technology is fully developed, commercialized, and deployed in other ports. It's suitable for most medium heavy-duty vocational trucks such as port terminal tractors and drayage trucks. The project would involve the retrofit of a total of 16 tractors in two port terminals and on a mix of Tier 3 and Tier 4 engine technologies. It allows for immediate reduction of criteria pollutant and GHG emissions.
TECHNOLOGY CATEGORY	Emission Reduction / ZE
VEHICLE CATEGORY	Medium Heavy-Duty Trucks
REASONING: FUNDING & AMOUNT	\$823,050 Recommended for funding due to significant emission reductions localized in the geographic area of focus, excellent cost-effectiveness, no infrastructure upgrades requirements, and five new project-specific local jobs for two years. Overall a good application.

A letter of commitment to participate in the Effenco project from Yusen Terminals, LLC is included in Transmittal 1.

The recommended Air Quality Mitigation Program, Round 1 grant project conforms to the requirements of the China Shipping MOA, Amended Stipulated Judgment and Tidelands Trust. Based on the funding amounts, approximately \$4.3 million will remain for a Round 2 of the AQMF program. The recommendations to address more short-term community concerns are provided, while also having Round 2 funding for technologies that will benefit communities to a greater extent. At a future time, HCBF may come back to the Board seeking one additional project for funding under Round 1 grants.

DATE: NOVEMBER 6, 2019

PAGE 5 OF 6

SUBJECT: APPROVE HCBF AIR QUALITY MITIGATION PROGRAM, ROUND 1 GRANTS AND TRANSFER OF AQMF FUNDS

AQMF Disbursement of Funds – Upon Board approval, a single transfer from the AQMF to HCBF in the amount of \$823,050 will be authorized by the Harbor Department's authorized signatory. Contracts for approved projects and all other AQMF expenditures are to be executed solely between the Nonprofit and its vendors or grantees.

Factors to be Considered by the Board of Harbor Commissioners - The China Shipping MOA and ASJ sets forth the relationship between the HCBF and the Board. The Board remains the trustee of the Tidelands assets at issue, the funds in the AQMF, and must exercise "its independent judgment to determine that [proposed HCBF] projects mitigate a direct or indirect impact from Port or Port-related operations and are consistent with the Tidelands Trust and the [China Shipping] MOA/ASJ." (Operating Agreement, Section 5.A)

In accordance with Section 5.C of the Operating Agreement, the Board shall consider the following factors in voting on an HCBF-requested project:

- a) consistency with the China Shipping MOA and ASJ and the Tidelands Trust;
- b) whether the identified impact is attributable to Port or Port-related operations;
- c) whether the proposed project reasonably and appropriately mitigates, addresses, reduces, or eliminates the identified impact;
- d) that the budget and schedule for funding draw-downs from the AQMF is appropriate for the type of project; and
- e) the substantial form of contracts which the Nonprofit proposes to enter into if the project is approved.

The Board may not arbitrarily or unreasonably decline to fund a project. Should the Board decline to fund a project recommended by the HCBF, it shall provide written findings relating to the reasons for the rejection based on the factors above.

Staff has reviewed the request submitted by the HCBF and recommends the Board's approval of the proposed Air Quality Mitigation Program, Round 1 grant based on these factors.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of HCBF's Air Quality Mitigation Program, Round 1 Grant and the transfer of funds to the AQMF. This action is limited to the distribution of funds, which is an administrative activity. The individual project implemented with the use of funding will be subject to separate environmental review by the lead agency with jurisdiction over the project. 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.

DATE: NOVEMBER 6, 2019

PAGE 6 OF 6

SUBJECT: APPROVE HCBF AIR QUALITY MITIGATION PROGRAM, ROUND 1 GRANTS AND TRANSFER OF AQMF FUNDS

FINANCIAL IMPACT:

The Harbor Department originally funded the AQMF. Approval of the Air Quality Mitigation Program, Round 1 grant project will authorize a draw-down of existing funds from the AQMF with no requirement of the Harbor Department to provide any additional funding. The Harbor Department has made the required contributions to the AQMF for all eligible projects. As of July 31, 2019, the AQMF balance, managed by California Community Foundation, City National Bank, was \$5,140,576.18. Upon Board approval of the Air Quality Mitigation Fund, Round 1 Grants, a lump sum of \$823,050 will be transferred from the AQMF to HCBF.

Upon transfer of funds, HCBF will be financially responsible for the disbursement of funds to grantees in accordance with the China Shipping MOA, Amended Stipulated Judgment, and Grant Agreements.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the requested transfer of funds from the HCBF as to form and legality including compliance with the China Shipping MOA and Amended Stipulated Judgment.

TRANSMITTAL:

1. HCBF Air Quality Mitigation Program, Round 1 and AQMF Transfer Request

FIS Approval: MB

CA Approval: JR

APPROVED:

Mark Blew
FOR

EUGENE D. SEROKA
Executive Director

Author: T. Adams Lopez



To: Theresa Adams-Lopez, Port of Los Angeles

From: Meghan Reese, Executive Director, Harbor Community Benefit Foundation

Date: November 6, 2019

Subject: Air Quality Mitigation Program, Round 1 & AQMF Transfer

INTRODUCTION

In accordance with the Operating Agreement of the China Shipping Memorandum of Understanding, Section 5.f.vi Presentation of HCBF Proposal to BOHC, the Harbor Community Benefit Foundation (HCBF) hereby submits a request to approve a transfer of funds from the Air Quality Mitigation Fund (AQMF) in support of its Air Quality Mitigation Program. The Air Quality Mitigation Fund (AQMF) program provides approximately \$5 million for projects to reduce port-related air emissions in the San Pedro Bay area.

On August 29th, 2018, HCBF released the Request for Letters of Interest for the Air Quality Mitigation Fund (AQMF) Program. Letters of Interest (LOIs) were due by October 26th, 2018. Staff received 19 LOIs which were then reviewed by HCBF Staff, the ad-hoc committee, and technical consultant. Out of the 19 applicants, 12 were invited to submit a full application in response to the RFP. Full applications in response to the RFP were due by January 31st, 2019. Out of the 12 invited applicants, 9 companies submitted full applications for review. An overview of the applications is provided in the supplemental documents (Appendix A).

REQUEST

HCBF hereby requests the BOHC to:

- 1) Concur with the HCBF Board-approved action to fund Round 1 of the Air Quality Mitigation Program, in the amount of \$823,050, in support of the HCBF Board approved selection of one organization to receive AQMF funding for projects to reduce port-related air emissions in the San Pedro Bay area.
- 2) Approve the transfer of funds from the Air Quality Mitigation Fund to HCBF, in one lump sum, not-to-exceed \$823,050, by issuing a joint letter of authorization to California Community Foundation (CCF), the independent Financial Manager, to be executed by a) the BOHC, or its designee, and b) the Executive Director of Harbor Community Benefit Foundation.

BACKGROUND

The Memorandum of Agreement requires the following:

“HCBF shall administer the monies in the AQMF special program account exclusively for projects that are reasonably calculated to reduce Port-related air emissions. This includes emissions resulting from the transport and handling of cargo within, into, out of, to, or from the Port of Los Angeles, including but not limited to cargo transport and handling by ships, harbor craft, trucks, locomotives, or cargo handling equipment. The projects may include the demonstration of freight movement technologies that have zero or near-zero tailpipe emissions, such as hybrid or electric vehicles and cargo handling equipment, ship emission reduction technologies, or catenary or electric truck technologies, among others. HCBF may solicit projects for funding through one or multiple requests for proposals. All projects to be funded must be consistent with this Agreement, the Tidelands Trust Grant, and all federal, state and local laws.”

To solicit projects for funding, HCBF released the Request for Letters of Interest for the Air Quality Mitigation Fund (AQMF) Program on August 29th, 2018. Staff and technical consultant from 3COTECH, Inc. hosted a webinar to provide background on the program and to share information about the application process. Participants had the opportunity to ask questions and get information about the application components. Resources and insights from the webinar were shared on the AQMF webpage.

Applications Received

Potential applicants submitted their Letters of Interest (LOIs) by October 26th, 2018. Staff received 19 LOIs which were then reviewed by HCBF Staff, the ad-hoc committee, and technical consultant. LOIs were reviewed to determine whether the proposed project qualified for funding based on the eligibility criteria. Out of the 19 applicants, 12 were invited to submit a full application in response to the RFP. Full applications in response to the RFP were due by January 31st, 2019. Out of the 12 invited applicants, 9 companies submitted full applications for review. Companies that submitted a full proposal in response to the RFP include the following:

- AERAS Innovations
- BYD
- Effenco
- Everport
- IMET
- Rail Propulsion
- Solibre
- XOS (formerly known as Thor Trucks)
- Transient Plasma

An overview of the applications is provided in the supplemental documents (Appendix A). For Round 1 of the AQMF program, funding requests totaled \$16,013,287.

EVALUATION OF SUBMITTED APPLICATIONS

All applications were reviewed, and assessment was based on the general categories of organizational capacity, feasibility, budget, timeline, and project benefits to the community. HCBF also consulted with Port staff in the Environmental Division throughout the process.

Evaluation Criteria

HCBF Staff determined responsiveness to the RFP and evaluated all proposals along with the ad-hoc committee, technical consultant, and external review panel.

The HCBF staff together with the technical consultant developed a very comprehensive evaluation process. The review criteria included:

- ✓ Compliance with RFP, i.e. how the applicants addressed specific RFP requests
- ✓ Technology category
- ✓ Budget and timeline
- ✓ Funding request vs. total project budget
- ✓ Project location or area of operations
- ✓ Time for technology in-service
- ✓ Vehicle/equipment type
- ✓ Criteria pollutants and greenhouse gas removed through the project
- ✓ Localized vs. dispersed emission reduction
- ✓ Project's cost effectiveness, i.e. the annualized cost of the project (grant funding request) as related to the amount of NO_x, ROG, PM, and other emission (weighted emission) reductions that will be achieved by the project. These calculations were based on the Carl Moyer Program Guidelines described by the California Air Resources Board (CARB).
- ✓ Implementation feasibility
- ✓ Potential to advance deployment
- ✓ Scope of work
- ✓ Local jobs created
- ✓ Local manufacturing, assembly, vendors, and other project resources
- ✓ Strength of the team and confirmed project partners
- ✓ Quality of the proposal
- ✓ Potential for technology expansion
- ✓ Benefits to the community, such as geographic, direct project impact, economic, technological, and other benefits
- ✓ Supplemental materials

Ad-Hoc Committee & Panel of External Reviewers

The Board appointed ad-hoc AQMF Review Committee, comprised of Board Members Angelo Logan, Ed Avol, and Jayme Wilson, who met with Staff to consider and evaluate the applications. As part of the AQMF RFP evaluation process, HCBF established a special AQMF review panel consisting of the ad-hoc committee, technical consultant, and a panel of external personnel/stakeholders with demonstrated expertise in port-related technology, zero, near-zero emission and relevant emission reduction technology, AQMF MOA/China Shipping, and community impacts in San Pedro and Wilmington. The seven-member panel of external reviewers was created to assist HCBF and the ad-hoc committee in

determining finalists. The external review panel included representatives from government agencies, local residents, academic institutions, and non-profit organizations.

The AQMF panel conducted a thorough review and analysis of all submitted applications. The external review panel provided comments and feedback to the HCBF Staff and the ad hoc committee.

Staff conducted follow up calls as necessary to answer questions posed either through evaluation or during ad-hoc committee review.

AD-HOC COMMITTEE RECOMMENDATION

Upon review and deliberation of Staff's recommendation, the ad-hoc committee approved Staff's recommendation to fund two of the applications, however, at this time HCBF is requesting funding one proposal for a total of \$823,050. The other project may be presented to the BOHC at a later date, as part of Round 1.

Based on the suggested funding amount, approximately \$4.2 million will remain for Round 2 of the AQMF program, if the other project is not able to move forward as previously approved by HCBF's Board of Directors. We provide the recommendations to address more short-term community concerns while also having Round 2 funding for technologies that will benefit communities to a greater extent.

The ultimate goal of the AQMF program is to support viable technology companies so they not only reduce emissions throughout the duration of the project, but also keep implementing those technologies and continue to grow their businesses in the local area of San Pedro and Wilmington. Achieving a high rate of success would mean that the technology companies would likely stay in the area after the completion of this program and continue reducing emissions.

HCBF staff, with guidance from its ad hoc committee and technical consultant, as well as the input from the review panel members, has presented these funding recommendations to the HCBF Board of Directors.

NEXUS TO PORT OF LOS ANGELES AND PORT-RELATED IMPACTS

Grants awarded in the Air Quality Mitigation Program are funded through the Air Quality Mitigation Fund. As such, all awards must be Tidelands-trust compliant and should be "given to technologies that, if they were widely deployed, would significantly reduce air emissions and/or air quality related health risks from the largest sources of air pollution from port operations."

Applicants were required to prove that the project would benefit the communities of San Pedro and/or Wilmington or an area within a 25-mile radius of the Port.

HCBF's Board found that both projects it approved for funding address Port-related emissions and are consistent with the Tidelands Trust.

AQMF STATUS REPORT: FUND BALANCE UPDATE

Pursuant to the Memorandum of Agreement section 5.f.vi - The following chart summarizes the balance of AQMF funds (as of July 31, 2019):

Description	Date	Reference	Balance
Beginning Balance			\$5,130,303.66
Interest	7/31/2019	Capital Preservation Pool income allocation	\$9,787.40
Dividends	7/31/2019	Capital Preservation Pool income allocation	\$275.91
Unrealized Gains/Losses	7/31/2019	Capital Preservation Pool income allocation	209.21
Ending Balance			\$5,140,576.18

HCBF BOARD ACTIONS

On July 26, 2019 the HCBF Board of Directors, by unanimous vote, approved the recommendation of the ad-hoc committee representing \$1,637,050 in grants. The Board resolved that the remaining funds will be disbursed during Round 2 of the AQMF Program.

The HCBF Board Resolved to:

1. Review and approve awarding of AQMF funds to BYD for a total award of \$814,000, with the remaining balance to be disbursed in a second round of funding by the Board in early 2020.*
2. Effenco approval in the amount of \$823,050 is contingent on acquiring partnership with YTI Terminal. Letter of support to be provided within timeframe determined by the Board (Effenco submitted a letter of support from YTI on September 4, 2019 and was approved by HCBF).

*** This project may be recommended to the BOHC for funding at a later date.**

APPENDIX & TRANSMITTALS

APPENDIX A - Summaries for Grant Submissions

APPENDIX B - Letter of Commitment from YTI Terminal

TRANSMITTAL 1 - Request for LOI for Air Quality Mitigation Program, Round 1

TRANSMITTAL 2 - Request for Proposals for Air Quality Mitigation Program, Round 1

TRANSMITTAL 3 - Staff Memo to HCBF Board dated July 26, 2019

Re: HCBF AQMF Funding Recommendation Memo

TRANSMITTAL 4 - Wire Instructions

AQMF Round 1 Application Summary	
COMPANY	AERAS Innovations
PROJECT TITLE	Barge-based AERAS Transportable Air Quality System
BRIEF DESCRIPTION OF TECHNOLOGY	The AERAS Transportable Air Quality System (ATAQS) is designed to eliminate more than 99% of emissions (PM, NOx, SOx) from both the boiler and auxiliary engines of regulated and unregulated OGVs under the CARB At Berth emission control regulation. AERAS-1 remediates boiler exhaust emissions and emissions for ships at anchor—neither of these common emission release problems are solved by shore power deployment. The barge is self-contained, with redundant on-board generators that will produce power to run the emission control system. ATAQS is designed to treat gas flow rates from approx. 740 standard cfm (average bulk carrier auxiliary engines), to approx. 13,550 scfm (total for both auxiliary engines and boilers on takers under peak operating conditions).
TECHNOLOGY CATEGORY	Emission Reduction
VEHICLE CATEGORY	Vessels (container, reefer, bulk, and tankers)
REASONING: FUNDING/NOT FUNDING	Not recommended for funding due to a lack of clarification on the certification process, some missing information in the emissions reduction and cost-effectiveness calculation, and unreasonable assumptions related to operation and service interruptions.
COMPANY	BYD*
PROJECT TITLE	Accelerating Electric Drayage in South Bay
BRIEF DESCRIPTION OF TECHNOLOGY	Zero-emission battery electric drayage truck adoption by installing chargers and providing 8 trucks. The trucks provided in this project will be BYD's 2020 8TT, a Class 8 tandem-axle tractor. EVgo will procure chargers with the latest DC configurations to prepare the fleet for expansion. The chargers will be 80 kW for the demonstration. SCE's Charge-Ready Program will cover the power supply needed to deploy the trucks.
TECHNOLOGY CATEGORY	ZE
VEHICLE CATEGORY	Trucks
REASONING: FUNDING/NOT FUNDING	Recommended for funding due to the needs for ZE trucks in the area, scalability, potential for technology expansion, local job creation due to local assembly and hiring of local drivers. Company also has extensive experience in this technology.

COMPANY	Effenco*
PROJECT TITLE	Rapid Deployment of Electric Active STOP-START Technology for Zero-Emission Idling from Port Yard Tractors
BRIEF DESCRIPTION OF TECHNOLOGY	The active STOP-START system provides zero-emission operation when the yard tractors are immobile by automatically turning the engine off. It uses energy stored in ultracapacitors to supply electric power to the vehicle equipment. Effenco's bi-directional telemetry systems collect operating parameters to remotely monitor each vehicle status and system performance. The technology is fully developed, commercialized, and deployed in other ports. It's suitable for most medium heavy-duty vocational trucks such as port terminal tractors and drayage trucks. The project would involve the retrofit of a total of 16 tractors in two port terminals and on a mix of Tier 3 and Tier 4 engine technologies. It allows for immediate reduction of criteria pollutant and GHG emissions.
TECHNOLOGY CATEGORY	Emission Reduction / ZE
VEHICLE CATEGORY	Medium Heavy-Duty Trucks
REASONING: FUNDING/NOT FUNDING	Recommended for funding due to significant emission reductions localized in the geographic area of focus, excellent cost-effectiveness, no infrastructure upgrades requirements, and five new project-specific local jobs for two years. Overall a good application.
COMPANY	Everport
PROJECT TITLE	Inductively Charged Zero-Emissions Electric Terminal Tractors
BRIEF DESCRIPTION OF TECHNOLOGY	Everport Terminal Services proposes a demonstration of two zero-emissions electric terminal tractors using wireless inductive charging technology at their facility at POLA. These terminal tractors would be zero-emissions (no tailpipe emissions) using battery all-electric powertrains from Kalmar and TransPower paired with wireless inductive chargers from WAVE. The proposed project would be in the demonstration phase of development. Both the Kalmar T2E electric yard tractor and WAVE inductive charging infrastructure are commercially deployed in separate applications. The combination of wireless inductive charging capability in an electric terminal tractor has not yet been demonstrated.
TECHNOLOGY CATEGORY	ZE

VEHICLE CATEGORY	Terminal Yard Tractors
REASONING: FUNDING/NOT FUNDING	Not recommended for funding due to high funding request (81% of total project cost) and relatively unfavorable cost-effectiveness.
COMPANY	IMET
PROJECT TITLE	H-EGR Muffler Retrofit Kit for all diesel trucks and equipment engines to reduce NOx and GHG emission and save fuel cost.
BRIEF DESCRIPTION OF TECHNOLOGY	H-EGR muffler device that can be installed on diesel engine vehicles to reduce NOx emissions.
TECHNOLOGY CATEGORY	ER
VEHICLE CATEGORY	Trucks
REASONING: FUNDING/NOT FUNDING	Not recommended for funding due to noncompliance. The emission reduction and cost-effectiveness calculations were lacking. Project partners were not identified and proposal had unsupported statements.
COMPANY	Rail Propulsion
PROJECT TITLE	Range-extended battery-electric switcher locomotive
BRIEF DESCRIPTION OF TECHNOLOGY	This project will develop, optimize, and demonstrate a zero-emission railyard switcher battery electric locomotive with extending technologies such as wireless power transfer (WPT) for an uninterrupted charging within the railyard. RPS is developing and demonstrating a small battery-electric switcher locomotive at the Coast Rail Services facility in Anaheim, using reused "2nd life" lithium ion automotive EV batteries. This project is funded by EPA and managed by SCAQMD. AQMF funding will be used to upgrade this existing switcher locomotive demonstration with updated power electronics, wireless power transfer charging stations and a wayside battery storage system.
TECHNOLOGY CATEGORY	ZE
VEHICLE CATEGORY	Rail
REASONING: FUNDING/NOT FUNDING	Not recommended for funding because project was located in Anaheim and not in geographic area of focus.
COMPANY	Solibre
PROJECT TITLE	Replacement of Diesel Light Towers with Solar Light Towers

BRIEF DESCRIPTION OF TECHNOLOGY	Replace diesel light towers with high-intensity solar light towers. Each light tower has an integrated solar array and battery to provide zero-emission lighting.
TECHNOLGOY CATEGORY	ZE
VEHICLE CATEGORY	Lighting
REASONING: FUNDING/NOT FUNDING	Not recommended for funding due to noncompliance, a lack of emission reduction and cost-effectiveness calculations, did not provide project team resumes, had unsupported statements, and a poor quality proposal that lacked substance.
COMPANY	Transient Plasma
PROJECT TITLE	Retrofit for Container Refrigeration Units for Emissions Remediation using Transient Pulsed Plasma
BRIEF DESCRIPTION OF TECHNOLOGY	Develop an aftermarket retro-fit kit which will be for the Transient Plasma System with is designed to reduce emissions.
TECHNOLOGY CATEGORY	Emission Reduction
VEHICLE CATEGORY	Container Refrigeration Units
REASONING: FUNDING/NOT FUNDING	Not recommended for funding due to incomplete and inaccurate emission reduction and cost-effectiveness calculations, and a poor quality proposal in general.

COMPANY	XOS (formerly known as Thor Trucks)
PROJECT TITLE	Demonstrating the Viability of Modern EVs in Drayage Operations
BRIEF DESCRIPTION OF TECHNOLOGY	Pilot 15 new battery electric vehicle trucks This project is centered on the deployment of fifteen zero-emission battery-electric class 8 tractors, including all supporting vehicle charging infrastructure.
TECHNOLGOY CATEGORY	ZE
VEHICLE CATEGORY	Tractors
REASONING: FUNDING/NOT FUNDING	Not recommended for funding due to dispersed emission reductions, unclear project timeline, unconfirmed project partners, and project team lacking experience.

*** Recommended for Round 1 funding**



9/4/2019

Harbor Community Benefit Foundation
Attn: Meghan Reese, Executive Director
302 W. 5th Street, Suite 300
San Pedro, CA 90731

Re: Letter of Commitment, Harbor Community Benefit Foundation Air Quality Mitigation Program

To Whom It May Concern:

I am writing today to express Yusen Terminals' commitment to participate with Effenco Development Inc. in implementing Effenco's Active Stop-Start electric hybrid technology on terminal tractors at YTI to demonstrate that the technology is efficient, cost-effective and scalable to significantly reduce yard tractor emissions in the San Pedro Bay Port Complex while providing immediate fuel savings to the user.

We will work in collaboration with Effenco and the project team to support the project. As a partner with Effenco in the Harbor Community Benefit Foundation Air Quality Mitigation Program, YTI is undertaking the following roles and tasks:

- Provide 16 terminal tractors from our fleet for installation and testing of Effenco's Active Stop-Start electric hybrid technology;
- Upon completion of installation, utilize the tractors in port operations for an 8-month demonstration period;
- Participate with fuel and operation as in-kind, non-reimbursable expenses proportional to the demonstration yard tractors operational costs;
- Participate with in-kind labor to report on fuel and yard tractor usage;
- Provide all technical information needed by Effenco;

Upon completion of a successful in-use demonstration, it is YTI's intention to continue to use the technology in regular operation.

Sincerely,

Ray Whitaker
General Manager M&R
Yusen Terminals LLC
310 408-3547

AIR QUALITY MITIGATION FUND REQUEST FOR LETTERS OF INTEREST

I.	FUNDING OPPORTUNITY ANNOUNCEMENT	2
A.	Background	2
B.	Initial Screening	2
C.	Project Objectives	2
D.	Availability of Funds	2
E.	Number of Awards	2
II.	ELIGIBILITY INFORMATION	2
A.	Eligible Applicants	2
B.	Eligible Projects	3
C.	Eligible Costs and Match Funding	3
III.	SUBMITTAL PROCESS	3
IV.	INITIAL SCREENING EVALUATION PROCESS	4
V.	NEXT STEPS	4

I. FUNDING OPPORTUNITY ANNOUNCEMENT

A. Background

As part of a settlement associated with the approval of the China Shipping Container Terminal Project (China Shipping) in 2004, the Port of Los Angeles (POLA) set aside funding for air quality mitigation. In 2015, POLA and the Harbor Community Benefit Foundation (HCBF) signed a Memorandum of Agreement (MOA) establishing an Air Quality Mitigation Fund (AQMF) totaling approximately \$5 million of the funds for projects to reduce Port-related air emissions in nearby communities. As a result of the MOA, HCBF, a non-profit organization dedicated to mitigating impacts from POLA on the two neighboring communities of San Pedro and Wilmington, California, administers the fund. HCBF received the funding in 2017, and this RFP is the first opportunity to allocate that funding.

As specified in the MOA, the HCBF, with the approval of the POLA Board of Harbor Commissioners, is empowered to award funding to third parties **“...exclusively for projects that are reasonably calculated to reduce Port-related air emissions.** This includes emissions resulting from the transport and handling of cargo, within, into, out of, to, or from the Port of Los Angeles.”

B. Initial Screening

This Letter of Interest (LOI) seeks projects from a broad range of port source categories. For the initial screening, HCBF is requesting brief concept papers, as described in Section III of this notification. Pre-screened project concepts that meet the eligibility criteria will be further invited to submit a full proposal for funding consideration.

C. Project Objectives

HCBF is soliciting applications from eligible entities, as described in Section II of this announcement, for projects to meet the goal of the AQMF program, which is to implement programs, projects, and approaches that reduce Port-related air emissions.

Projects funded by the AQMF are expected primarily to demonstrate achievable emissions reduction benefits in San Pedro and Wilmington, and within a 25-mile boundary of the San Pedro Bay (but benefits may also extend beyond the 25-mile boundary).

Projects shall include demonstration or implementation of one of the following technologies:

- zero emissions technologies (preferred),
- near-zero emissions technologies, or
- emission reduction technologies

D. Availability of Funds

The total estimated funding expected to be available for awards under this competitive opportunity may be approximately \$5,000,000.

E. Number of Awards

HCBF anticipates awarding one or more cooperative agreements from this announcement, subject to availability of funds, the quality of applications received, and other applicable considerations.

II. ELIGIBILITY INFORMATION

A. Eligible Applicants

Any public or private entity is eligible to submit a Letter of Interest.

All applicants must secure the project's demonstration or implementation partner that operates within a 25-mile boundary of the San Pedro Bay with the submittal of the proposal. Examples: terminal operator located at one or both of the Ports of Los Angeles and Long Beach, harbor craft or fleet owner/operator, shipping line, etc.

The partner's contact information is preferred but not required with the response to this LOI.

B. Eligible Projects

The eligible projects using AQMF funds should be responsive to the following priorities set forth in the Memorandum of Agreement:

- 1) Demonstration or implementation of zero or near-zero emissions freight movement technologies and other emerging technologies that seek to demonstrate significant emissions reductions from conventional diesel-fueled vehicles and equipment that operate in and around the Port (including ships, harbor craft, trucks, locomotives, and cargo-handling equipment);
- 2) Technologies that, if they were widely deployed, would significantly reduce air emissions and/or air quality related health risks from the largest sources of air pollution from port operations, namely ships, harbor craft, trucks, locomotives, and cargo handling equipment.

All projects must be consistent with the conditions prescribed in the City of Los Angeles Tidelands Trust Grant Act, all Federal, State, and local laws, and the China Shipping Amended Stipulated Judgment (described in the Memorandum of Agreement, and available on HCBF's website or by request).

The project types **not** eligible for AQMF funding are listed below:

- Technologies that are not applicable to port-related freight movement
- Fuel additives
- Technologies in the conceptual or R&D phase

C. Eligible Costs and Match Funding

The costs eligible for AQMF funding include: design and engineering, materials, equipment, construction, emissions testing, data tracking and systems integration, and specific demonstration costs.

The costs **not** eligible for AQMF funding include: administrative overhead, travel, marketing and promotional costs, fuel and other consumables and/or labor to operate the equipment not directly associated with the project.

All costs will be tracked and documented.

Match funding is not required; however, it would be considered beneficial during evaluation.

III. SUBMITTAL PROCESS

Interested applicants must submit their Letter of Interest using the online form via [Submittable](#).

Information to be provided in response to this LOI includes:

- Technology description: how it works, current use, and other applications
- Technology demonstration project description: objectives, requirements, project timeline, available certifications, and list of needed permits, as required
- Benefits, including project emission reductions and other community and economic benefits
- Budget with specified total project cost estimate and funding request

Paper submissions will not be accepted.

Due date: September 28th, 2018

Deadline to submit questions: September 21st, 2018

Questions will be accepted until one week before the LOI due date, unless there is a problem with the submittal process.

Contact:

Ms. Meghan Reese
Executive Director
Harbor Community Benefit Foundation
302 West 5th Street, Suite 300
San Pedro CA 90731
meghan@hcbf.org
(310) 997-7116

Public Information Notice:

All documents submitted to HCBF are considered public record.

IV. Initial Screening Evaluation Process

HCBF's staff will consult with experts as necessary in reviewing the applications and developing a recommendation and will convene an ad hoc committee of HCBF's Board of Directors to advise on the recommendation. As set forth in Paragraph V.f.v of the Memorandum of Agreement, "HCBF staff will research whether a proposed project, through information provided in the proposals and any other sources of information that it may in its discretion choose to use, meets the project criteria developed by HCBF, and HCBF staff shall make a recommendation of its findings to the Board of Directors of HCBF."

HCBF anticipates that it will establish a special AQMF review panel, consisting of an HCBF ad hoc board committee, selected stakeholders, and to-be-identified external personnel with demonstrated expertise in evaluation of zero and near-zero air emissions technologies for freight-movement technologies. The panel will review the received applications and provide feedback to HCBF's ad hoc board committee and staff. HCBF staff, with guidance from its ad hoc board committee and technical consultants, as well as the feedback from the review panel members, will make its recommendations to the HCBF Board.

V. NEXT STEPS

Following this initial screening, HCBF may request additional information, reject the LOI or invite the project team to submit a full proposal.

Notifications will be made via email.

Additional information about the AQMF process can be found online at <http://hcbf.org/grants/air-quality-mitigation-program/>.

AIR QUALITY MITIGATION FUND REQUEST FOR PROPOSALS (RFP)

HCBF requests proposals from eligible entities that successfully submitted their Letters of Interest and passed the initial screening. This solicitation intends to gain further information to help the HCBF board make the funding decision.

I. FUNDING OPPORTUNITY DESCRIPTION

A. Background

As part of a settlement associated with the approval of the China Shipping Container Terminal Project (China Shipping) in 2004, the Port of Los Angeles (POLA) set aside funding for air quality mitigation. In 2015, POLA and the Harbor Community Benefit Foundation (HCBF) signed a Memorandum of Agreement (MOA) establishing an Air Quality Mitigation Fund (AQMF) totaling over \$5 million of the funds for projects to reduce Port-related air emissions in nearby communities. As a result of the MOA, HCBF, a non-profit organization dedicated to mitigating impacts from POLA on the two neighboring communities of San Pedro and Wilmington, California, administers the fund. HCBF received the funding in 2017, and this RFP is the first opportunity to allocate that funding.

As specified in the MOA, the HCBF, with the approval of the POLA Board of Harbor Commissioners, is empowered to award funding to third parties "...exclusively for projects that are reasonably calculated to reduce Port-related air emissions. This includes emissions resulting from the transport and handling of cargo, within, into, out of, to, or from the Port of Los Angeles."

B. Project Objectives

To meet the goal of the AQMF program, at the minimum projects must present technology ready for demonstration and directly reduce Port-related air emissions.

Projects shall include demonstration or implementation of the following technologies:

- zero emission technology - preferred
- near-zero emission technology
- emission reduction technology

Projects funded by the AQMF must demonstrate achievable emissions reduction benefits in San Pedro and Wilmington, and within a 25-mile boundary of the San Pedro Bay. However, benefits may also extend beyond the 25-mile limit.

C. Availability of Funds

The total estimated funding expected to be available for awards under this competitive opportunity may be up to approximately \$5,000,000.

D. Number of Awards

HCBF anticipates awarding one or more cooperative agreements from this announcement, subject to availability of funds, the quality of applications received, and other applicable considerations.

II. ELIGIBILITY INFORMATION

A. Eligible Applicants

Eligible entities that successfully presented their Letters of Interest and passed the initial screening are invited to submit the full proposal.

All applicants must secure the project's demonstration or implementation partner that operates within a 25-mile boundary of the San Pedro Bay with the submittal of the proposal. Examples include terminal operator located at one or both of the Ports of Los Angeles and Long Beach, harbor craft or fleet owner/operator, shipping line, etc.

B. Eligible Projects

The eligible projects using AQMF funds must be responsive to the following priorities outlined in the Memorandum of Agreement:

- 1) Demonstration or implementation of zero or near-zero emission freight movement technologies and other emerging technologies that seek to demonstrate significant emissions reductions from conventional diesel-fueled vehicles and equipment that operate in and around the Port (including ships, harbor craft, trucks, locomotives, and cargo-handling equipment);
- 2) Technologies that, if they were widely deployed, would significantly reduce air emissions and/or air quality related health risks from the largest sources of air pollution from port operations, namely ships, harbor craft, trucks, locomotives, and cargo handling equipment.

All projects must be consistent with the conditions prescribed in the City of Los Angeles Tidelands Trust Grant Act, all Federal, State, and local laws, and the China Shipping Amended Stipulated Judgment (described in the Memorandum of Agreement, and available on HCBF's website or by request).

The project types **not** eligible for AQMF funding are listed below:

- Technologies that are not applicable to port-related freight movement
- Fuel additives
- Technologies in the conceptual or R&D phase

C. Eligible Costs and Match Funding

The costs eligible for AQMF funding include design and engineering, materials, equipment, construction, emissions testing, data tracking and systems integration, and specific demonstration costs.

The costs **not** eligible for AQMF funding include administrative overhead, travel, marketing, and promotional expenses, as well as fuel and other consumables and labor to operate the equipment not directly associated with the project.

All costs will be tracked and documented.

Match funding is not required; however, it would be considered beneficial during evaluation.

III. SUBMITTAL PROCESS

Applicants must submit their Proposals using the form available on the AQMF webpage (<http://hcbf.org/grants/air-quality-mitigation-program/>).

A responsive application to this request will include **all of the following**:

- A detailed description of the technology, including:
 - How does the technology work?
 - What is the stage of development of the technology? Please be specific and note that technologies in the conceptual or R&D phase are not eligible.
 - Is the technology currently in use? Where?
 - What are other applications for the technology?
 - What are the plans for the technology commercialization, if applicable?

- A detailed description of the proposed demonstration project. A marketing pitch of the firms involved in the project is not considered a project nor technology description. The narrative should include:
 - Project goals and objectives
 - Specific project requirements, e.g., size of space needed, other equipment necessary for the technology to work
 - The scope of work including tasks, milestones, and deliverables
 - The duration of the project and detailed schedule from start to completion
 - Project partners
- Available certifications, plans for permits and approvals for verification and certification, as needed
- Description of project benefits demonstrating project emission reductions and other community and economic benefits
 - A detailed explanation as to how the proposed projects will reduce air toxics (e.g., diesel PM, benzene), criteria pollutants (e.g., NOx, CO), and greenhouse gas (i.e., CO2-equivalent) emissions
 - A description as to if and how the project will leverage AQMF funding to achieve benefits beyond the scope of the proposed project
 - A calculation of the emission reductions by identified air pollutant, and the timeframe in which those reductions will occur relative to a baseline scenario
- Calculated project cost-effectiveness which is the measure of dollars provided to a project for each ton of covered emissions reduced. The Carl Moyer Program Guidelines, available at the California Air Resources Board (CARB) website, describe the Cost-Effectiveness Calculation Methodology and provide reference materials.
- Budget with detailed total project cost estimate and funding request.
 - Is should also describe project-related costs for equipment, materials, travel, and labor, and any matched funds
 - A detailed budget of operational costs of the project once deployed, and specification as to who will be responsible for operational costs if not covered in the project
- Description of the company and the project team
 - A brief description of the prior relevant experience of the assembled team to accomplish the proposed work effort
 - Past experience with grant and other funding, including how previously received funds were spent
 - Key team members with their qualifications and capabilities

Paper submissions will not be accepted.

Due date: **January 31, 2019 by 4:00PM (PST)**

Deadline to submit questions: **January 17, 2019**

Questions will be accepted until two weeks before the LOI due date, unless there is a problem with the submittal process.

Contact:

Ms. Meghan Reese
Executive Director
Harbor Community Benefit Foundation
302 West 5th Street, Suite 300
San Pedro CA 90731
meghan@hcbf.org
(310) 997-7116

Public Information Notice:

All documents submitted to HCBF are considered public record.

IV. EVALUATION PROCESS AND CRITERIA**A. Project Evaluation Process**

HCBF staff is responsible for making a funding recommendation to HCBF's Board of Directors. If the HCBF Board of Directors approves a project (or projects) for funding, the approved projects will be forwarded to the Board of Harbor Commissioners (BOHC) of the Port of Los Angeles for approval. The BOHC will then have sixty days to review HCBF Recommendations and vote on the approval of the decision. The BOHC's review may take into account only the factors outlined in Paragraph V.f.vii of the Memorandum of Agreement.

HCBF's staff, in consultation with experts as necessary, will review all applications, develop initial recommendations, and convene an ad hoc committee of HCBF's Board of Directors which will provide final recommendations. As set forth in Paragraph V.f.v of the Memorandum of Agreement, "HCBF staff will research whether a proposed project, through information provided in the proposals and any other sources of information that it may in its discretion choose to use, meets the project criteria developed by HCBF, and HCBF staff shall make a recommendation of its findings to the Board of Directors of HCBF."

HCBF anticipates that it will establish a special AQMF review panel, consisting of an HCBF ad hoc board committee, selected stakeholders, and to-be-identified external personnel with demonstrated expertise in the evaluation of zero emission, near-zero emission, and emission reduction technologies for freight movement. The panel will review the received applications and provide feedback to HCBF's ad hoc board committee and staff. HCBF staff, with guidance from its ad hoc board committee and technical consultants, as well as the feedback from the review panel members, will make its funding recommendations to the HCBF Board.

B. Project Evaluation Criteria

HCBF's evaluation criteria for this program has been developed in consultation with the Settlement Petitioners (Natural Resources Defense Council [NRDC], San Pedro and Peninsula Homeowners' Coalition [SPPHC], San Pedro Peninsula Homeowners' United [SPPHU], and the Coalition for Clean Air [CCA]), the City of Los Angeles (as represented by the Port of Los Angeles), and in agreement with the Tidelands Trust and the 2015 MOU.

Evaluation criteria for submitted project applications are presented in three broad categories below: Organizational Requirements, Project Specifications, and Community Benefits. These categories are not listed in order of preference or priority. Although there is no prioritization implied, **HCBF does emphasize environmental and community benefits within the neighborhoods of Wilmington and San Pedro.**

<p>Organizational Requirements</p> <p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • The relevant project team’s experience and qualifications. • The Applicant demonstrates the ability to meet project deadlines and milestones for past and current technology demonstration projects. • The Applicant will respond to and mitigate project delays and issues that may arise during the project. • The Applicant demonstrates the corporate sustainability practices.
<p>Project Specifications</p>
<p><i>Potential to Advance Deployment</i></p> <p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • The targeted vehicle/equipment market and size for the technology are appropriately matched. • The technology is innovative and includes advances of zero emission, near-zero emission, and emission reduction technologies (with special consideration given to zero emission technologies). • If the project is a demonstration project or small-scale deployment, the scope of the project (including, but not limited to the number of vehicles demonstrated, type(s) of vehicles demonstrated, length of demonstration, and duty cycles) is appropriate to help lead the technology to commercial adoption. • The project demonstrates that the technology has the potential to be a cost-competitive purchase option that will lead to commercial adoption. • The barriers and challenges to market penetration and commercial adoption for the technology are known, identified, and addressed by the project. • The Applicant presents credible, complete and viable strategies that will lead the technology to commercial adoption, including existing relationships with major original equipment manufacturers.
<p><i>Implementation Feasibility</i></p> <p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • The tasks in the Scope of Work and the proposed project schedule are complete, sequential, and will lead to the successful and timely completion of the project. • The fueling/power infrastructure is available and sufficient to support the proposed project. • The Applicant has secured site access for the proposed project, including site access related to fueling/power infrastructure and the proposed demonstration or implementation. • The Applicant has secured verifications, certifications, and recognition of the proposed technology’s feasibility, reliability, and performance by a known regulatory, academic, or industrial agency or institution.

<ul style="list-style-type: none"> • The proposed project is comprehensive and addresses topics including, but not limited to: fuel/power supply, fueling/power practice, costs, fuel/energy consumption, and other appropriate elements to be included in data collection. • The proposed customer and vehicle/equipment support service in the field is appropriate and will contribute to the overall success of the project. • The Applicant has secured a demonstration partner.
<p><i>Budget/Cost Share</i></p>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • The proposed budget addresses the priorities of the AQMF program. • Administration and overhead expenditures are minimized. • The Applicant demonstrates the need for AQMF funds. • The Applicant demonstrates responsible fund spending based on previous grant funding opportunities, if applicable. • The project continues to drive down previous costs of technology integration, build, procurement, and demonstration. • Matched funds are documented, committed, and readily available for the project. * • Additional resources are leveraged beyond the AQMF grant funds awarded to support the project activities. *
<p>Community Benefits</p>
<p><i>Geographic Benefit</i></p>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • The project helps to minimize and reduce environmental and health risks from port-related air pollution to communities of Wilmington and San Pedro and more generally communities within 25 miles of the Port of Los Angeles. The projects funded by the AQMF are expected primarily to benefit the communities of San Pedro and Wilmington.
<p><i>Economic Benefit</i></p>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • The project will create job opportunities, especially for residents living in the communities of Wilmington and San Pedro. • The project will increase economic activity within local, regional, and statewide economies. • Project funding (both reimbursable and match share) benefit and are paid to California-based entities. • The project will provide cost-effective solutions to the community.
<p><i>Environmental Benefit</i></p>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • The project reduces GHG emissions expressed in metric tons CO₂e reduced per project demonstration period. • The project results in a high Benefit/Cost score defined as the amount of lifecycle GHG emissions reduced over the project duration per dollar of HCBF funding and expressed in grams CO₂e reduction.

<ul style="list-style-type: none"> • The project reduces criteria pollutant emissions. • The project reduces VOC or other air toxics pollutant emissions. • Emission reductions and the basis for the projections shall be calculated, not extrapolated to larger scale implementation.
<i>Technology Benefit</i>
<p>Applications will be evaluated on the degree to which:</p> <ul style="list-style-type: none"> • The project addresses the development and implementation of zero emission, near-zero emission, and emission reduction technologies.

*Matched funds, or the leveraging of AQMF funds, are not requirements, however, either would be considered beneficial during evaluation.

V. ADMINISTRATION AND NEXT STEPS

A. AQMF Oversight and Financial Control

Upon approval by both the HCBF Board of Directors and the BOHC, a contract will be executed for the proposal(s) selected for funding. Agreements detailing funding and program oversight of approved projects will be between HCBF and its grantees.

B. Reporting and Invoicing Requirements

Grantees should anticipate regular written progress reports with HCBF. By the end of each following month, they should submit a brief 1-2-page monthly report throughout the funding period. In addition, an annual Grantee meeting will be held to provide an opportunity for Grantees to give an update on project progress and status to the HCBF Board as well as to the China Shipping Petitioners (NRDC, San Pedro and Peninsula Homeowners’ Coalition, San Pedro Peninsula Homeowners United, and CCA), City of Los Angeles, and BOHC.

HCBF shall disburse funds to the awarded grantees on a schedule established with each grantee, at its sole discretion, and may include performance benchmarks for a given project, at the discretion of HCBF.



To: HCBF Board of Directors
 From: Meghan Reese, Executive Director and Tamanna Rahman, Program Assistant
 Date: 6/26/2019
 Subject: HCBF AQMF Funding Recommendations Memo (Agenda Item 4)

BACKGROUND

The Air Quality Mitigation Fund (AQMF) provides approximately \$5 million for projects to reduce port-related air emissions in the San Pedro Bay area. Projects funded by the AQMF must demonstrate achievable and quantifiable emissions reduction in San Pedro and Wilmington, within a 25-mile boundary of the San Pedro Bay. HCBF released an LOI and RFP seeking applications to award funding for demonstration or implementation zero emissions technologies, near-zero emissions technologies, or emission reduction technologies.

On August 29th, 2018, HCBF released the Request for Letters of Interest for the Air Quality Mitigation Fund (AQMF) Program. Letters of Interest (LOIs) were due by October 26th, 2018. Staff received 19 LOIs which were then reviewed by HCBF Staff, the ad-hoc committee, and technical consultant. Out of the 19 applicants, 12 were invited to submit a full application in response to the RFP. Full applications were due on January 31st, 2019. Out of the 12 invited applicants, 9 companies submitted full applications for review. An overview of the applications is provided in the supplemental documents.

As part of the AQMF RFP evaluation process, HCBF established a special AQMF review panel consisting of ad hoc committee, technical consultant, and a panel of external personnel/stakeholders with demonstrated expertise in port-related technology, zero, near-zero emission and relevant emission reduction technology, AQMF MOA/China Shipping, and community impacts in San Pedro and Wilmington. All applications were reviewed, and assessment was based on the general categories of organizational capacity, feasibility, budget, timeline, and project benefits to the community.

The external review panel provided comments and feedback to HCBF Staff and ad hoc committee. HCBF staff, with guidance from its ad hoc committee and technical consultants, as well as the feedback from the review panel members, will make its funding recommendations to the HCBF Board of Directors.

RECOMMENDED COMPANIES	ORIGINAL REQUEST	SUGGESTED REQUEST	COMMENTS
BYD	\$1,628,000	TBD	Consider scaled funding of BYD.
EFFENCO	\$823,050	TBD	EFFENCO is slated for Port approval for approximately \$123,000 in funding at APM terminal. We can consider funding less and with a new partner.

Total Round 1 Funding: TBD
Remaining Round 2 Funds: TBD

JUSTIFICATION FOR RECOMMENDATIONS

We recommend reducing the amount of funding granted to BYD by either decreasing the funding request, but keeping the same number of trucks (8), or reducing both the funding request and the number of trucks. We also recommend including clearly defined provisions in the contract with BYD regarding the routes and time in operation after the delivery of trucks. In reference to BYD's proposal, BYD will deliver trucks in 2021, more than a year after receiving the grant money, if there are no manufacturing issues.

Full funding request is suggested for EFFENCO, but we may consider modifying that amount. Currently, there has been discussions with a different project partner due to POLA concerns with overlapping funds with AQMF.

Based on the suggested funding amount, approximately \$3.17 million will remain for a Round 2 for the AQMF program. We provide the above recommendations to address more short-term community concerns while also having Round 2 funding for technologies that will benefit communities to a greater extent. The ultimate goal of the AQMF program is to support viable technology companies so they not only reduce emissions throughout the duration of the project, but also keep implementing those technologies and continue to grow their businesses in the local area of San Pedro and Wilmington. Achieving a high rate of success would mean that the technology companies would likely stay in the area after the completion of this program and continue reducing emissions.

NEXT STEPS

Recommendations to the Board:

1. Review and approve awarding of AQMF funds to BYD for a total award to be determined during discussion, with a remaining balance to be disbursed in a second round of funding by the Board in early 2020.
2. EFFENCO approval is contingent on acquiring partnership with YTI Terminal. Letter of support to be provided within timeframe determined by the Board.
3. Discuss and determine potential revised RFP criteria for Round 2 AQMF funding.

Additional next steps will include contract negotiations, project management, and monitoring. HCBF staff will work with the grant recipients for a minimum of one year.

If the HCBF Board opts for Round 2 of funding, we need to define a clear path forward in advance based on lessons learned from Round 1 of the LOI and RFP process. Some questions to consider include the following:

- Will there be a two-stage process (LOI and RFP) or another approach?
- What changes need to be included in the Round 2 RFP specifically related to technology or geographic area?
- When will the LOI and RFP be released? – Q1 of 2020
- When the funds will be available?