



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

Board of Harbor Commissioners

DATE: APRIL 8, 2020

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - THIRD AMENDMENT TO AGREEMENT NO. 16-3395 WITH THE CALIFORNIA AIR RESOURCES BOARD FOR THE IMPLEMENTATION OF THE PASHA GREEN OMNI TERMINAL PROJECT

SUMMARY:

Staff requests approval of the proposed Third Amendment to Agreement No. 16-3395 between the City of Los Angeles Harbor Department (Harbor Department) and the California Air Resources Board (CARB) to extend the Green Omni Terminal Project (Project) at Pasha Stevedoring & Terminals L.P. (Pasha) by 18 months, reallocate grant funding, modify Project milestones, and modify the disbursement schedule. No additional funds are being requested. The Harbor Department will continue to be financially responsible for staff time under Agreement No. 16-3395.

RECOMMENDATION:

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

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;
2. Approve the Third Amendment to Agreement No. 16-3395 with the California Air Resources Board to extend the Green Omni Terminal Project by 18 months, reallocate grant funding, modify project milestones and modify the disbursement schedule;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Third Amendment to Agreement No. 16-3395 with the California Air Resources Board for and on behalf of the Board; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context – On June 23, 2015, CARB released a grant solicitation to implement and administer Multi-Source Facility Demonstration Projects under the Cap and Trade Grant Program. On September 24, 2015, the Harbor Department submitted a grant application to CARB seeking funds under the Cap and Trade Grant Program for the Project. On January 13, 2016, CARB notified the City of Los Angeles Harbor Department (Harbor Department) that the Project was selected and had received a preliminary grant award offer in the amount of \$14,510,400. On May 19, 2016, the Board accepted the grant and approved Subrecipient Agreement No. 16-3396 with Pasha to implement the Project. In March 2017, the Board approved the First Amendments to these agreements to modify project milestones and modify the disbursements schedule. In August 2018, the Board approved the Second Amendments to these agreements to modify the project milestones.

Green Omni Terminal 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 includes the demonstration of four electric yard tractors, two electric (Class 8) on-road trucks, three electric hi-tonnage forklift retrofits, and an at-berth vessel emissions control system (ShoreKat). 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.

Third Amendment – CARB and staff proposes a Third Amendment to Agreement No. 16-3395 (Transmittal 1) to extend the term of the Agreement, redistribute funding among tasks, and modify the disbursements schedule.

The primary driver for the extension of the grant from June 30, 2020 to December 31, 2021, is to allow adequate time for the demonstration of the electric vehicles and solar powered microgrid. Delays in equipment deployment and approval, and the addition of one battery electric yard tractor, require a schedule extension. The ShoreKat emissions treatment system component of the Project will not be extended as part of the grant because the ShoreKat demonstration is nearly complete.

The modifications to the Project milestones and disbursements schedule are necessary to move funding from tasks that do not require the funding, to tasks that require more funding to complete. These changes are detailed in the proposed amended scope of work and disbursement schedule in Transmittal 1. Specifically, because carbon capture systems originally approved to be demonstrated alongside the ShoreKat were deemed to be infeasible, CARB has requested that the funds previously allocated for these

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demonstrations be allocated for the purchase and deployment of another battery electric yard tractor at Pasha. These changes are reflected in Exhibit B of the Third Amendment.

Subrecipient Agreement No. 16-3396 with Pasha will also be amended to reflect these changes and will be brought to the Board for consideration at a later date.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of proposed Third Amendment to Agreement No. 16-3395 between the Harbor Department and CARB to extend the Green Omni Terminal Project at Pasha by 18 months, reallocate grant funding, modify Project milestones, and modify the disbursement schedule, which is an administrative activity. 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.

FINANCIAL IMPACT:

The proposed Third Amendment to Grant Agreement No. 16-3395 extends the Project term by 18 months, reallocates grant funding, modifies Project milestones and modifies the disbursement schedule. The grant award of \$14,510,400 remains the same.

As a pass through grant, funds are drawn from CARB only after the subrecipient has performed work and submitted an invoice to the Harbor Department. Any changes to future funding and spending expectations will be detailed in a subsequent amendment to Subrecipient Agreement No. 16-3396 which will be brought to the Board for consideration at a later date.

CITY ATTORNEY:

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

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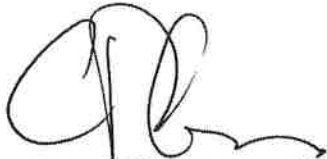
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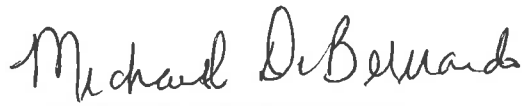
TRANSMITTAL:

1. Third Amendment to Agreement No. 16-3395

FIS Approval: 
CA Approval: 



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



FOR

EUGENE D. SEROKA
Executive Director

CC/yo
AUTHOR: T. PISANO

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