



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

Board of Harbor Commissioners

**DATE: JUNE 29, 2015**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF A TECHNOLOGY ADVANCEMENT PROGRAM COST SHARE AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE PORT OF LONG BEACH TO FUND AN ELECTRIC DRAYAGE PROJECT WITH TRANSPORTATION POWER, INC.**

**SUMMARY:**

This action is to request approval of the Cost Share Agreement between the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB) to fund a Clean Air Action Plan (CAAP) Technology Advancement Program (TAP) with Transportation Power, Inc. (TransPower) located in Poway, California, to improve upon an ongoing Electric Drayage Pre-Commercial Demonstration Project (EDPCD Project). This improvement of the EDPCD Project, the Electric Drayage Infrastructure and Improvement (EDI) Project (TAP Project), will focus on charging infrastructure installation, development of a next generation battery management system, manufacture engineering to achieve cost-effective production, and improved control software. The recommended funding amount of \$600,000 will be shared equally between the Harbor Department and the POLB in a contract to be entered between POLB and TransPower. The proposed action is to approve a cost share agreement with the POLB for a term of two years, under which the Harbor Department will reimburse POLB 50 percent of the TAP project costs in the amount of \$300,000.

**RECOMMENDATION:**

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

1. Approve the Cost Share Agreement between the City of Los Angeles Harbor Department and the Port of Long Beach for the reimbursement of \$300,000, for the Transportation Power, Inc. Electric Drayage Infrastructure and Improvement Project;
2. Authorize the Executive Director to execute and Board Secretary to attest to said agreement for and on behalf of the Board of Harbor Commissioners; and
3. Adopt Resolution No. \_\_\_\_\_ .

**DATE: JUNE 29, 2015**

**PAGE 2 OF 5**

**SUBJECT: COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH TO FUND AN ELECTRIC DRAYAGE PROJECT WITH TRANSPORTATION POWER, INC.**

**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 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.

The proposed project received CAAP TAP Advisory Committee approval, and supports the Harbor Department's goals and efforts to advance zero emission technologies in order to reduce air pollution from operations occurring in and around the Port of Los Angeles.

Transportation Power Inc. (TransPower) Project Description - The proposed TAP project, TransPower's EDII Project, will build upon the on-going EDPCD Project under a separate TAP grant (Agreement No. 13-3139). The EDPCD Project was approved by the Board in May 2013, and consists of design, integration, and demonstration of seven battery electric trucks. Under a separate Board action, the Board will be asked to extend the EDPCD Project and funding agreement to allow additional time for demonstration and data collection. To date, TransPower has deployed four electric drayage trucks into drayage service with three additional trucks expected to be deployed by September 2015.

The TAP Project will achieve incremental improvements in the management of the vehicle batteries to be recharged using improved infrastructure, initiate the manufacturing/engineering process to achieve cost-effective production of future electric trucks, and improve overall vehicle reliability through improved diagnostics. The new proposed tasks in the TAP Project will result in establishment of capabilities beyond those targeted in the initial EDPCD Project.

The TAP Project will focus on four main task areas:

- Upgrading and installation of battery charging infrastructure at fleet operator sites

**DATE: JUNE 29, 2015**

**PAGE 3 OF 5**

**SUBJECT: COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH TO FUND AN ELECTRIC DRAYAGE PROJECT WITH TRANSPORTATION POWER, INC.**

- Development and demonstration of a next generation battery management system (BMS)
- Initiation of a manufacturing engineering process to identify and evaluate new manufacturing methods aimed at reducing the costs of manufacturing key drive system components and subsystems
- Implementation of improved failure analyses and diagnostics capabilities to enhance vehicle reliability

Cost Share - In June 2007, the Harbor Department and the POLB executed the CAAP Master Cost Share Agreement No. 2546 to establish a cost sharing arrangement for TAP projects. In accordance with the provisions of this Master Cost Share Agreement, the Cost Share Agreement between the Harbor Department and the POLB is being submitted for approval (Transmittal 1).

The total cost of the TAP Project is \$600,000 shared equally by the Harbor Department and the POLB. The cost share agreement identifies the POLB as the lead port who will contract directly with TransPower. TransPower will submit invoices to the POLB based on TAP Project milestones. The POLB will subsequently submit invoices to the Harbor Department for reimbursement of one half the amounts paid by the POLB to TransPower. The term of the Cost Share Agreement is two years.

#### **ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a Cost Share Agreement with POLB to fund a CAAP TAP project for further development of the Transpower EDPCD Project. As an administrative activity related to basic data collection, field testing and research which does not result in serious or major disturbance to an environmental resource, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) and Article III, Class 6(2) of the Los Angeles City CEQA Guidelines.

#### **ECONOMIC BENEFITS:**

This Board action will have no employment impact.

**DATE: JUNE 29, 2015**

**PAGE 4 OF 5**

**SUBJECT: COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH TO FUND AN ELECTRIC DRAYAGE PROJECT WITH TRANSPORTATION POWER, INC.**

**FINANCIAL IMPACT:**

The proposed action is to approve the Cost Share Agreement with the POLB for funding of the CAAP TAP project. The total cost for the TAP Project is \$600,000. The Ports will share equally in the costs associated with the Project. As the lead agency, POLB will enter into an agreement with TransPower to implement the Project, and a cost share agreement with the Harbor Department to reimburse POLB for its share of \$300,000. Funds for the TAP Project are available in Account 59965 (Incentives), Center 0330 (Environmental Management Division), Program 000 and will be expended in Fiscal Year 2015/16.

The Harbor Department's financial obligations after the current fiscal year are contingent upon the Board's appropriation of funds. If any subsequent fiscal year funds are not appropriated by the Board for the work required by the Cost Share Agreement, the Cost Share Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligations previously incurred. Future year funds will be requested to be budgeted through the Harbor Department's annual budgeting process, upon Board approval.

DATE: JUNE 29, 2015

PAGE 5 OF 5

SUBJECT: COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH TO FUND AN ELECTRIC DRAYAGE PROJECT WITH TRANSPORTATION POWER, INC.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the Cost Share Agreement as to form and legality

**TRANSMITTAL:**

1. Cost Share Agreement with the Port of Long Beach



CHRISTOPHER CANNON  
Director of Environmental Management

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



MICHAEL DIBERNARDO  
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA  
Executive Director

AUTHOR: T. Pisano  
BOARD MEETING: 7/13/2015

FILE: G:\ADMIN\BOARD REPORTS\AIR QUALITY\TAP\POLB COST SHARES\TRANSPower - EDII 2015\ENV\_TRANSPower - FINAL.doc  
UPDATED: 6/29/2015 4:15 PM - YO