



**THE PORT  
OF LOS ANGELES**

Executive Director's

Report to the

Board of Harbor Commissioners

**DATE: MAY 13, 2025**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF THE PORT OF LOS ANGELES CLEAN TRUCK FUND REVENUES FY 2025-2027 SPENDING PLAN**

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) staff requests approval of the Clean Truck Fund (CTF) Fiscal Year (FY) 2025-2027 Clean Truck Fund (CTF) Rate Revenues Spending Plan (Spending Plan) for the development and implementation of programs that will utilize funds collected under the CTF Rate. This proposed three-year Spending Plan is intended to guide the allocation of revenues from the CTF Rate to support incentives for zero-emission (ZE) drayage trucks and infrastructure. This document establishes the near-term objectives of the CTF investments, describes priority targets for spending over the three-year span, and defines the pathways and programs that will be used to disseminate the funds. The specific details and terms of each distinct pathway will be brought to the Board of Harbor Commissioners (Board) for approval as necessary.

**RECOMMENDATION:**

It is recommended that the Board:

1. Find that the Director of Environmental Management has determined that the proposed action is generally and statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) under Sections 15061(b)(3) and 15262 of the State CEQA Guidelines;
2. Approve the Clean Truck Fund FY 2025-2027 Spending Plan; and
3. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context – On November 2, 2017, the Harbor Department and the Port of Long Beach (POLB) (collectively Ports) adopted the 2017 CAAP Update, which includes further advancement of the Clean Truck Program to help the industry phase out older trucks and transition the drayage fleet to the CAAP goal of 100 percent ZE drayage trucks by 2035. One of the key CAAP strategies to achieve the ZE goal was the establishment of a CTF Rate, which charges a rate to cargo owners or their authorized Agents on loaded containers hauled by drayage trucks at Port of Los Angeles (Port or POLA) terminals, with exemptions for ZE and Low NO<sub>x</sub> trucks. On March 9, 2020, the Ports adopted a Joint Resolution to set the amount of the CTF Rate at \$10 per twenty-foot equivalent unit (TEU) to be collected pursuant to a future Tariff Amendment to be developed.

On November 4, 2021, the Board approved an Amendment to Tariff No. 4 Section 20 Clean Air Action Plan, adding two new Item Nos. 2030 “Clean Truck Fund Rate” and 2035 “Clean Truck Fund.” The Amendment authorized the CTF Rate of \$10 per TEU (\$20 if length is more than 20 feet) charged to cargo owners or their authorized Agents for loaded containers entering and exiting POLA terminals by truck, with exemptions for ZE trucks and Low NO<sub>x</sub> trucks (up to December 31, 2027), which was effective on April 1, 2022. Resolution No. 21-9846 which adopted the new CTF Rate Tariff, also included approval of the CTF Rate Spending Plan priorities of 100% CTF Rate revenues for ZE trucks and related infrastructure, consistent with stakeholder input received during the development of the Tariff Amendment details. As of March 31, 2025, the Harbor Department has collected approximately \$127 million since April 1, 2022.

FY 2022-2025 CTF Rate Revenues Spending Plan – On March 22, 2022, the Board approved Resolution No. 22-9984 approving the FY 2022-2025 CTF Revenue Spending Plan. The Port of Los Angeles Zero Emission Truck Incentive Voucher Program was developed in FY 2022-2025 to distribute CTF revenue through vouchers to pay down the cost of Class 8 ZE trucks. Two projects were awarded under a Large Scale ZE Truck Deployment Request for Proposals (RFP) towards the purchase of 22 ZE trucks in total. In addition, the CTF revenue had been allocated towards various public electric charging stations including eight public charging stations in partnership with the Mobile Source Air Pollution Reduction Review Committee (MSRC). The Harbor Department also allocated cost share to various grant projects with other government agencies including the South Coast Air Quality Management District (SCAQMD) and California Energy Commission (CEC). Much of the FY 2025-2027 Spending Plan will be a continuation of programs established through the FY 2022-2025 Spending Plan. Table 1 provides a summary of projects established in FY 2022-2025.

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Table 1: CTF Rate Revenue Allocations FY 2022-2025

Projects	CTF Amount Allocation	CTF Amount Allocation Pending Board Approval	CTF Amount Spent as of 3/31/2025
ZE Truck Voucher Program	\$40 million		Requested = 247 trucks (\$20.1 million) Redeemed = 103 trucks (\$8.625 million)
Joint Electric Truck Scaling Initiative (JETSII)	\$1.5 million		\$1.5 million
ZE25 RFP Projects (2 projects)	\$6 million		\$3 million
MSRC Public Charging Projects	\$12.5 million		\$0
Environmental Protection Agency Clean Ports Grant Cost Share ZE Truck RFP		\$25 million	\$0
Wilmington Charger RFP Project		\$3 million	\$0
CEC Charging & Fueling Infrastructure Projects		\$6 million	\$0
<b>Total</b>	<b>\$60 million</b>	<b>\$34 million</b>	<b>~\$13.1 million</b> (+\$20.1 million voucher reserved)

FY 2025-2027 CTF Rate Revenues Spending Plan - Staff is requesting approval of the 2025-2027 CTF Spending Plan covering the next three years (Transmittal 1). Consistent with the scope of Resolution No. 21-9846, the Spending Plan commits all funds collected under the CTF Rate to be spent exclusively on the development and deployment of ZE trucks and supporting infrastructure. The Spending Plan describes various pathways in general terms and provides an initial funding allocation to each pathway. Specific details of each pathway will be developed and presented for Board consideration individually in the future. Funding allocations may change by Board resolution, depending on issues such as stakeholder input and future state and federal regulations.

Spending Plan Pathways – The proposed Spending Plan describes the following pathways for further development:

- A. Port of Los Angeles Truck Vouchers: This program is designed to complement California Air Resources Board’s (CARB) successful Clean Truck and Bus Voucher Incentive Project (HVIP, Clean Truck and Bus Voucher Incentive Project). Managed by CALSTART, the competitively awarded distributor and manager of the HVIP, this program provides point-of-sale voucher incentives for registered Licensed Motor Carriers in the Ports Drayage Truck Registry (PDTR) that

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purchase a zero-emission truck. A contract was initially awarded to CALSTART to administer \$40 million for the Port Zero-Emission Truck Voucher Incentive Program (Voucher Program). As of March 12, 2025, 247 truck vouchers, or \$20.1 million in truck vouchers, have been requested and 100 ZE trucks using \$8,625,000 in voucher funding have been delivered. Staff recommends continuation of the Voucher Program.

- B. Infrastructure Match Program: MSRC is comprised of SCAQMD and CARB. To support the CAAP goal to transition Port drayage trucks to zero emissions by 2035, the Harbor Department entered into an MOU with SCAQMD, on behalf of the MSRC, to provide funding of \$12,520,661 for eight infrastructure projects around the San Pedro Bay Ports and along known drayage truck routes using collected CTF Rate monies. Staff recommends continuing the partnership with MSRC to fund other infrastructure projects that will support charging and refueling of ZE drayage trucks.
- C. Targeted Request for Proposals/New Incentive Programs/Technology Advancement Program: This option would preserve the ability for the Harbor Department to pursue a promising technology or funding idea, allowing funds to be allocated to specific projects through the Request for Proposal (RFP) process. In addition, staff will look at new incentive programs to encourage the purchase of ZE drayage trucks and encourage more ZE truck trips to Port. Any existing and/or proposed projects approved through the Clean Air Action Plan (CAAP) Technology Advancement Program (TAP) that involve trucks could also use these funds. Staff will request funding allocations for specific projects selected through a competitive process, such as an RFP or Notice of Funding Availability, or proposed directly to the Harbor Department.
- D. Unsolicited Proposals: Entities that have an unsolicited proposal for funding under the CTF would be eligible to apply directly with the Port under this pathway. Entities could include other government agencies, current tenants, or licensed motor carriers registered in the Port of Los Angeles Port Drayage Truck Registry. This will provide Harbor Department staff the ability to bring highly promising projects directly to the Board for approval even if the specific project does not fit into a previously described program. An example of this could be a grant project for trucking infrastructure along drayage corridors administered by another government agency.

Allocation Process – Staff will develop an annual report and recommendation, guided by the proposed Spending Plan to allocate CTF Rate revenues to the specific incentive pathways. CTF Rate revenues are based on the volume of containers moved by trucks subject to the CTF Rate, and as such, will vary from year to year. No later than June of each year, the Harbor Department will estimate the amount of CTF Rate revenue anticipated in the subsequent fiscal year. This number is a projection only, and actual

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revenues may be higher or lower than the projection. The Board will adopt an overall budget for the ZE Truck Incentives Program based on the projected CTF Rate revenues as part of the Harbor Department’s annual budgeting process, typically in June of each year. Staff last presented a CTF Rate annual report to the Board on June 14, 2024 as part of the MSRC MOU presentation.

Within that same timeframe, Harbor Department staff will present a report to the Board that summarizes the previous year’s actions. The presentation will include the total CTF Rate funds collected and spent over the previous year; the total number of trucks funded under CTF programs; a summary of any targeted funding solicitations or technology advancement projects initiated or in progress; and both participant and stakeholder feedback. Staff will describe the proposed annual budget for each ZE Truck Incentive pathway consistent with the three-year investment plan and the total CTF budget approved by the Board.

Once the annual budget is set, funds will be expended according to the guidelines for each pathway. Disbursement of incentive dollars for specific project(s) will require contracts or other agreements subject to Board approval. For planning purposes, staff proposes the following structure for future allocations in Table 2, which will be subject to Board approval through the annual process described above:

Table 2: Anticipated Three-Year Funding Priorities for ZE Truck Incentives

	FY 2025-2026	FY 2026-2027	FY 2027-2028
A. Truck Vouchers	Up to 50%	Up to 50%	Up to 50%
B. Infrastructure Match	Up to 50%	Up to 50%	Up to 50%
C. Targeted RFP/New Incentive Programs/TAP	Up to 75%	Up to 75%	Up to 75%
D. Unsolicited Proposals	Up to 30%	Up to 30%	Up to 30%

Note: This table is for relative prioritization only. Percentages do not add up to 100%. Actual amount collected by the CTF Rate is subject to cargo throughput and will decrease over time as ZE truck population increases. Actual allocation amounts will be determined when projects are brought before the Board for approval.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the CTF Spending Plan for the development and implementation of programs that will utilize funds allocated under the CTF Rate, which is an administrative activity where it can be seen with certainty that there is no possibility of a significant adverse effect on the environment and a planning study for a possible future action. Therefore, the Director of Environmental Management has determined that the proposed action is generally and statutorily exempt from the requirements of CEQA in accordance with Sections 15061(b)(3) and 15262 of the State CEQA Guidelines.

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**FINANCIAL IMPACT:**

Approval of the proposed Spending Plan will guide the allocation of revenues from the CTF Rate to support incentives for zero-emission trucks and infrastructure.

The proposed action does not authorize any specific expenditures, nor does it commit the Harbor Department to complete any infrastructure project(s). Any expenditure to be made from the CTF Rate will require Board approval under separate future actions.

This document establishes the near-term objectives of the CTF investments, describes priority targets for spending over the three-year span, and defines the pathways and programs that will be used to disseminate the funds. There is no financial impact in approving this Board item.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed the proposed FY 2025-2027 Clean Truck Fund Spending Plan and finds no legal issues at this time.

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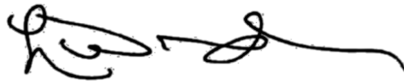
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**TRANSMITTAL:**

1. Port of Los Angeles Clean Truck Fund 2025-2027 Spending Plan

FIS Approval: JS

CA Approval: JL



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