

**DATE: JUNE 15, 2026**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - SECOND AMENDMENT TO GRANT AGREEMENT NO. 98T27801 (HARBOR AGREEMENT NO. 22-9849) WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR A DIESEL EMISSION REDUCTION ACT GRANT TO FUND THE ZERO-EMISSION SWITCHER LOCOMOTIVE PROJECT**

**SUMMARY:**

Staff requests approval of the Second Amendment to the United States Environmental Protection Agency (EPA) Diesel Emission Reduction Act (DERA) Grant Agreement No. 98T27801 (City of Los Angeles Harbor Department Agreement No. 22-9849) to fund the Zero-Emissions Switcher Locomotive Project (Project) with Union Pacific Railroad Company (UP). The proposed Second Amendment updates the Project schedule and milestones and extends the term of the agreement by 14 months with no additional cost to account for delays related to shipping. If approved, all other terms and conditions will remain the same.

On January 4, 2021, the Board of Harbor Commissioners (Board) approved Agreement No. 22-9849 (Grant Agreement) awarding \$2,025,000 for Project expenditures and administrative costs. Under the terms of the Grant Agreement, the City of Los Angeles Harbor Department (Harbor Department) is responsible for the administrative management of the Project. UP is financially responsible for all other Project costs. The Harbor Department is not required to commit any funding to the Project beyond staff time and resources; \$5,000 has been allocated to the Harbor Department in the grant award to act as Grant manager.

**RECOMMENDATION:**

It is recommended that the 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 Second Amendment to Agreement No. 22-9849 between the Harbor Department and the EPA;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Amendment to the Grant Agreement with the EPA for and on behalf of the Board; and
4. Adopt Resolution No. \_\_\_\_\_.

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**SUBJECT: SECOND AMENDMENT TO EPA DERA GRANT AGREEMENT NO. 98T27801 (HARBOR AGREEMENT NO. 22-9849)**

**DISCUSSION:**

Background/Context – On March 16, 2021, the Harbor Department applied for a grant award in the amount of \$2,025,000 on behalf of UP in response to the EPA’s DERA grant solicitation.

On January 14, 2022, the Board accepted and approved Grant Agreement No. 22-9849 (EPA Grant No. 98T27801) with the EPA in the amount of \$2,025,000. Through this Grant Agreement, the Harbor Department is administrating funds to the subrecipient UP to develop, with manufacturer Wabtec, and demonstrate a zero-emissions switcher locomotive and the necessary charging components. The Harbor Department was awarded \$5,000 for Grant administration and will not commit any additional funding to this Project beyond staff time and resources to act as Grant manager.

Zero-Emissions Switcher Locomotive Project – The Project is developing and demonstrating a zero-emissions switcher locomotive which includes battery capacity. A switcher locomotive makes short distance movements of rail cars, such as assembling and disassembling trains at various locations in and around the Port of Los Angeles (Port) complex, sorting cars of inbound cargo trains for subsequent delivery to terminals, and short distance hauling of rail cargo within the Port. The battery-electric switcher locomotive is expected to have a run-time of up to 24 hours, depending upon charging and utilization rates. The Grant Agreement does not provide funding for infrastructure, and the cost of the charging infrastructure is not included in this Project cost; however, UP will install charging infrastructure at their primary yard for the switcher locomotive. The switcher locomotive’s battery will be able to recover energy through dynamic breaking and is designed to work in tandem with a train consisting of at least one other locomotive. The switcher locomotive cannot work on its own.

First Amendment – On August 8, 2024 , the Board approved the First Amendment to the Grant Agreement. The Project schedule was impacted due to a disruption in the battery supply chain, requiring a Project timeline update and Project term extension. The First Amendment to Grant Agreement No. 22-9849 extended the Project timeline by two years from September 30, 2024 to September 30, 2026.

Proposed Second Amendment – The overall Project schedule has been impacted due to a delay in shipping, requiring a Project timeline update and Project term extension. The Second Amendment to Agreement No. 22-9849 will extend the Project timeline by 14 months from September 30, 2026 to November 30, 2027 (Transmittal 1).

Harbor Department Responsibilities – The Harbor Department’s responsibility under this Grant Agreement is limited to grant administration and passing grant funds through to UP after payment from the EPA. The remaining work under the Project will be conducted at various sites owned and operated solely by the project partners and not on Port property.

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This work was contracted under the previously approved Subrecipient Agreement. Any budget shortfalls or schedule delays on task items under the EPA Grant Agreement are the responsibility of the subrecipient.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the Second Amendment to Agreement No. 22-9849 to update the project schedule and milestones and extend the term by 14 months, 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:**

Approval of the proposed action will extend the Grant Agreement by 14 months to November 30, 2027 to account for delays in the Project timeline due to altered shipping arrangements. There is no financial impact associated with this Board item other than staff time administering the Project. It is anticipated that all remaining funds from this grant will be received by the Harbor Department in Fiscal Year 2026/2027.

The Harbor Department will function as the grant administrator and pass \$2,020,000 to subrecipient UP. The remaining \$5,000 has been retained by the Harbor Department to offset costs to administer the grant. Any staff time above the \$5,000 grant award will be considered a match share by the Harbor Department.

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98T27801 (HARBOR AGREEMENT NO. 22-9849)

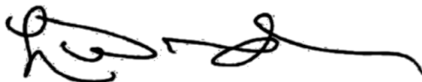
**CITY ATTORNEY:**

The Office of the City Attorney has approved the Second Amendment to Agreement No. 22-9849 as to form and legality.

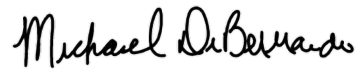
**TRANSMITTALS:**

1. Second Amendment to Agreement EPA DERA Grant No. 98T27801 (Harbor Agreement No. 22-9849)

FIS Approval: JS  
CA Approval: SO



LISA WUNDER  
Director of Environmental Management



MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director