

DATE: NOVEMBER 22, 2021

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - FOURTH AMENDMENT TO GRANT AGREEMENT NO. 16-3395 WITH THE CALIFORNIA AIR RESOURCES BOARD FOR THE IMPLEMENTATION OF THE PASHA GREEN OMNI TERMINAL PROJECT AND FIRST AMENDMENT TO PASHA SUBRECIPIENT AGREEMENT NO. 21-9812

SUMMARY:

Staff requests approval of the proposed Fourth Amendment to Agreement No. 16-3395 between the City of Los Angeles Harbor Department (Harbor Department) and the California Air Resources Board (CARB) to update funding among tasks, revise the schedule of milestones, and extend the term of the Green Omni Terminal Project (Project) at Pasha Stevedoring & Terminals L.P. (Pasha) through December 29, 2023. The grant funding amount will not change. Approval is also requested for the proposed First Amendment to Subrecipient Agreement No. 21-9812 with Pasha for this Project to reflect the changes in the Grant Agreement. The Harbor Department will continue to be financially responsible for staff time under this grant.

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 Fourth Amendment to Agreement No. 16-3395 with the California Air Resources Board to update funding among tasks, update the schedule of milestones, and extend the term to December 29, 2023, for the Green Omni Terminal Project;
3. Approve the First Amendment to Agreement No. 21-9812 with Pasha Stevedoring & Terminals L.P. to update funding among tasks, update the schedule of milestones, and extend the term to December 29, 2023;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Amendments for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DATE: NOVEMBER 22, 2021

PAGE 2 OF 4

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FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT NO. 21-9812**

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 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 Agreement No. 16-3395 with CARB and 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. In April 2020, the Board approved the Third Amendment to Agreement No. 16-3395 with CARB; however, Agreement No. 16-3396 with Pasha expired prior to amending. Therefore, in June 2021, a new subrecipient agreement with Pasha, Agreement No. 21-9812, was approved by the Board. At that time, CARB did not anticipate being able to extend the Agreement beyond December 2021; however, they have recently approved additional time to complete the Project.

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 five electric yard tractors, two electric (Class 8) on-road trucks, three electric hi-tonnage forklift retrofits, and an at-berth vessel emissions control system. 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.

Fourth Amendment to Agreement 16-3395 – CARB and staff propose a Fourth Amendment to Agreement No. 16-3395 (Transmittal 1) to extend the term of the Agreement to December 29, 2023, to update funding among tasks, and revise the schedule of milestones.

First Amendment to Agreement 21-9812 – First Amendment to Agreement No. 21-9812 with Pasha includes the same changes to task funding, milestone schedule and term extension as the Fourth Amendment to Agreement No. 16-3395 with CARB.

The primary driver for the extension of the Project to December 29, 2023, is to accomplish the installation of the solar powered micro grid and completion of the battery storage system. The installation of solar panels is required as financial match share for the project.

DATE: NOVEMBER 22, 2021

PAGE 3 OF 4

**SUBJECT: FOURTH AMENDMENT TO GRANT AGREEMENT NO. 16-3395 AND
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These items have been delayed and, without the extension, will result in an incomplete project demonstration. Additionally, due to equipment malfunctions and not having proper safety documentation on file to operate the equipment, Pasha staff has been unable to accumulate operating hours on the cargo handling equipment, which also makes up a large portion of match share in the grant proposal. The requested project term extension will provide additional operating hours on the equipment, resulting in the collection of more data and the accumulation of additional match share for the Project.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the proposed Fourth Amendment to Grant Agreement No. 16-3395 between the Harbor Department and CARB and First Amendment to Subrecipient Agreement No. 21-9812 to update funding among tasks, revise the schedule of milestones, and extend the term of the Project through December 29, 2023, which is an administrative action. 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 Fourth Amendment to Grant Agreement No. 16-3395 and First Amendment to Agreement No. 21-9812 extends the Project term, reallocates grant funding between tasks, and updates the milestone and disbursement schedule. The grant award of \$14,510,400 remains the same. The Harbor Department will continue to be financially responsible for staff time under this grant.

From the grant award of \$14,510,400, a total of \$14,241,815.40 has been disbursed to the subrecipient. The balance of \$268,584.60 will be drawn down from CARB in May 2022.

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.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed amendments as to form and legality.

DATE: NOVEMBER 22, 2021

PAGE 4 OF 4

SUBJECT: FOURTH AMENDMENT TO GRANT AGREEMENT NO. 16-3395 AND
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TRANSMITTAL:

1. Fourth Amendment to Agreement No. 16-3395
2. First Amendment to Agreement No. 21-9812

FIS Approval: MB
CA Approval: SO



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Director of Environmental Management

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APPROVED:

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FILE: Y:_ADMIN_BOARD REPORTS_AIR QUALITY\GRANTS\CARB - PASHA MULTI SOURCE OMNI TERMINAL\2015 MULTISOURCE - AMENDMENT
4\Environmental_CARB 4th Amend Pasha Green Omni Terminal_Board Report - FINAL.docx
UPDATED: 11/16/2021 3:09 PM - YO