



Mary D. Nichols, Chair  
Matthew Rodriguez, CalEPA Secretary  
Edmund G. Brown Jr., Governor

October 8, 2018

Mr. Christopher Cannon  
Chief Sustainability Officer  
City of Los Angeles Harbor Department  
425 South Palos Verdes Street  
San Pedro, California 90731

**Subject: Preliminary Selection for the Zero-Emission Freight "Shore to Shore" Project**

Dear Mr. Cannon:

Thank you for your response to the Fiscal Year (FY) 2017-18 Clean Transportation Incentives Program Grant Solicitation for the Zero- and Near Zero-Emission Freight Facilities Project. The City of Los Angeles Harbor Department (POLA) and the project partners submitted a well-crafted proposal that meets the objectives and goals of the solicitation. This project will involve ten Kenworth zero-emission Class 8 hydrogen fuel cell electric trucks, integrated with Toyota's fuel cell drive technology, along with the two hydrogen fueling stations that will be built in Ontario and Wilmington. The hydrogen fuel cell electric trucks will be operated by the United Parcel Services, Total Transportation Services Inc., Southern Counties Express, and Toyota Logistics Services (TLS) throughout the Los Angeles basin ports, inland locations such as Riverside County, and the Port of Hueneme (POH). Additionally, POH will demonstrate two electric yard tractors, and TLS will demonstrate two zero-emission forklifts at their facility.

The California Air Resources Board (CARB) is pleased to preliminarily offer a grant award for all the project's requested funding in the amount of \$41,122,260 to POLA to implement the Zero-Emission Freight "Shore to Shore" Project. This preliminary offer is contingent upon CARB Board approval of the Proposed FY 2018-19 Funding Plan for Clean Transportation Incentives,<sup>1</sup> which will provide a portion of the funding for this project.

Before the project's grant agreement can be executed, POLA must provide the following items to CARB:

- Board resolution to comply with the requirements of this solicitation and to accept the Grant funds from CARB.

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<sup>1</sup> CARB is scheduled to consider approval of the FY 2018-19 Funding Plan at the October 2018 hearing.

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- Commitment of the project's match funding of \$41,446,612 through Board resolutions or other legally binding commitment documentation.
- Provide California Energy Commission (CEC) grant agreement regarding the in-kind match contribution of \$13,999,331 for the Everport Terminal project.
- Provide CEC grant agreement regarding the in-kind match contribution of \$12,000,000 from the concurrent CEC project at Port of Long Beach (H2Freight).
- Satisfy all California Environmental Quality Act requirements.
- Responses addressing all outstanding clarifying questions to CARB's satisfaction.

It is expected that the above requests can be satisfied no later than November 16, 2018. CARB will submit the Grant Agreement to POLA for signature following Board approval of the FY 2018-19 Funding Plan.

No agreement is in effect until the Grant Agreement is signed by both parties and, therefore, no reimbursable work can begin until the Grant Agreement is fully executed. However, administrative tasks performed by POLA that occur after the issuance of this preliminary award letter and before the execution of the grant agreement can be counted toward the projects in-kind match requirement. CARB will not reimburse the grantee or project participants for any costs incurred before the execution of the Grant Agreement. If you have any questions or need further clarification, please contact Mr. Ryan Murano, Air Pollution Specialist, at (916) 322-2383 or by email at [Ryan.Murano@arb.ca.gov](mailto:Ryan.Murano@arb.ca.gov).

Sincerely,



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