

**DATE: MARCH 8, 2022**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF THE FIRST AMENDMENT TO GRANT AGREEMENT NO. 19-3666 WITH THE CALIFORNIA ENERGY COMMISSION FOR THE ADVANCED INFRASTRUCTURE DEMONSTRATION PROJECT**

**SUMMARY:**

Staff requests approval of the First Amendment to California Energy Commission (CEC) Grant Agreement No. 19-3666 (Agreement) for the Port of Los Angeles' Advanced Infrastructure Demonstration Project (Project). This First Amendment will modify the project schedule, update the budget table, update the battery storage supplier, move the infrastructure construction in-house, and extend the term of the Agreement until March 31, 2024. The update to the project schedule and the extension to the term of the Agreement are due to COVID-19 related delays in the project timeline. All other terms and conditions of the Agreement remain the same.

**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 First Amendment to Agreement No. 19-3666 between the City of Los Angeles Harbor Department and the California Energy Commission for the Port of Los Angeles' Advanced Infrastructure Demonstration Project;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment to Grant Agreement No. 19-3666 with the California Energy Commission for and on behalf of the Board; and
4. Adopt Resolution No. \_\_\_\_\_.

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**SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 19-3666 WITH THE CALIFORNIA ENERGY COMMISSION**

**DISCUSSION:**

Background/Context – On February 23, 2018, the City of Los Angeles Harbor Department (Harbor Department) submitted a grant proposal to the CEC under the Alternative and Renewable Fuel Vehicle Technology Program (ARFVTP). The Harbor Department applied for the grant on behalf of West Basin Container Terminal (WBCT), who developed the Project to provide the infrastructure required to support 10 battery-electric yard tractors that will be purchased under the U.S. Environmental Protection Agency’s (EPA) Targeted Air Shed Grant (TASG). On April 6, 2018, the CEC offered the Harbor Department a preliminary grant award in the amount of \$7,842,270 to fund the Project. On June 20, 2019, the Harbor Department approved Agreement No. 19-3666 with the CEC. A Subrecipient Agreement No. 20-3723, with WBCT and Wireless Advanced Vehicle Electrification, Inc. (WAVE) was approved on February 6, 2020.

Port of Los Angeles’ Advanced Infrastructure Demonstration Project – The Project, which began in July 2019, consists of an advanced inductive charging system to support 10 battery-electric yard tractors that will be operated at WBCT under the CEC grant. Twelve inductive charging stations will be installed at WBCT: 10 stations at the equipment corral lanes where WBCT currently parks their yard tractors when off-duty, and two additional stations at a central break facility as an opportunity charging location. The yard tractors are partially funded by a separate grant from the EPA. The development of the yard tractors and wireless charging systems were delayed due to the COVID-19 pandemic as factory shutdowns and stay-at-home orders affected the project team internationally and within the U.S.

The Project has been divided into two phases. Phase 1 is the construction of the two stations at the central break facility, and is scheduled to be completed in the second quarter of 2022. The yard tractors will begin demonstration once the first charging station is completed. Phase 2 is the construction of 10 additional stations supported by a large battery storage system to reduce overall power demand from the grid.

Grant Agreement First Amendment – The proposed First Amendment to the Agreement will modify the project schedule, update the budget table, will change the sub recipient and supplier of the battery storage system, move infrastructure construction in-house, and extend the term of the Agreement until March 31, 2024 (Transmittal 1). This is a no-cost term extension of CEC Agreement No. 19-3666 (CEC No. ARV-17-049).

Subrecipient Agreement Second Amendment – An amendment to Subrecipient Agreement No. 20-3723 between the Harbor Department, WBCT, and WAVE will also be necessary in order to align its terms with the Agreement. It will be presented to the Board for consideration at a future meeting.

**SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 19-3666 WITH THE CALIFORNIA ENERGY COMMISSION**

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the First Amendment to the CEC Grant Agreement to modify the project schedule and extend the term of the Agreement, 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 Amendment to the Grant Agreement will extend the term of the Grant Agreement to March 31, 2024. Since the Harbor Department applied for the grant on behalf of WBCT and functions as the grant administrator, it will pass the \$2,843,420 in funds to WAVE upon milestone completion. No funds will be passed to WBCT. Additionally, WBCT will continue being responsible for the electricity costs associated with charging the zero-emission equipment. The Harbor Department’s financial responsibility is budgeted in Capital Improvement Program Work Order 25576 – B. 100 West Basin Container Terminal (WBCT) - Advanced Infrastructure Demonstration.

The table below summarizes the costs and funds for the overall grant project.

| <b>Participants</b> | <b>CEC Funds</b>   | <b>TASG Funds *</b> | <b>Match Funds</b> | <b>TOTAL</b>        |
|---------------------|--------------------|---------------------|--------------------|---------------------|
| WAVE                | \$2,843,420        |                     | \$126,885          | <b>\$2,970,305</b>  |
| WBCT *              |                    | \$1,787,500         | \$1,200,000        | <b>\$2,987,500</b>  |
| Harbor Department   | \$4,998,850        |                     | ** \$392,500       | <b>\$5,391,350</b>  |
| <b>TOTAL</b>        | <b>\$7,842,270</b> | <b>\$1,787,500</b>  | <b>\$1,719,385</b> | <b>\$11,349,155</b> |

\* EPA’s TASG funding is considered Match Funds by the CEC, and includes cost-share from the SSCAQMD for support of that grant.

\*\* This total represents \$312,500 to support the TASG plus an estimated \$80,000 in Harbor Department staff time.

No grant funds have been disbursed to subrecipients at this time. CEC funds are expected to be distributed as follows:

|              |                     |
|--------------|---------------------|
| FY2021/22    | \$ 480,000          |
| FY2022/23    | \$ 6,378,044        |
| FY2023/24    | \$ 984,226          |
| <b>TOTAL</b> | <b>\$ 7,842,270</b> |

**CITY ATTORNEY:**

The City Attorney’s Office has reviewed and approved the proposed Amendment as to form and legality.

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**TRANSMITTAL:**

1. First Amendment to Grant Agreement No. 19-3666 with the California Energy Commission

FIS Approval: MB  
CA Approval: SO



CHRISTOPHER CANNON  
Director of Environmental Management



MICHAEL DIBERNARDO  
Deputy Executive Director

APPROVED:

*Marla Bleavins* For

EUGENE D. SEROKA  
Executive Director

CC: LW:TD:TGP  
AUTHOR: J. Goldberg

FILE: Y:\\_ADMIN\\_BOARD REPORTS\\_AIR QUALITY\GRANTS\CEC - ADVANCE YARD INFRASTRUCTURE (WBCT and WAVE)\FIRST AMENDMENT\Environmental\_CEC  
First Amendment\_Board Report - FINAL.docx  
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