



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MAY 16, 2023

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF A COST SHARE AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE PORT OF LONG BEACH TO FUND A TECHNOLOGY ADVANCEMENT PROGRAM PROJECT WITH SSA TERMINALS, LLC

SUMMARY:

Staff requests approval of the proposed Cost Share Agreement between the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB) to fund a Clean Air Action Plan (CAAP) Technology Advancement Program (TAP) project with SSA Terminals, LLC (SSA) to design, manufacture, and demonstrate two zero-emission Hybrid Hydrogen Fuel Cell (HFC) Top Handlers (Project). The total cost of the Project is \$6,482,295. TAP funding in the amount of \$2,191,000 will be split equally between the Harbor Department and POLB. SSA and their project team will be responsible for the remaining costs as part of the manufacturing of the top handlers and the demonstration at SSA's POLB terminal. As lead agency, POLB has already entered into an agreement with SSA to implement the Project. If the proposed Cost Share Agreement is approved, then the Harbor Department would be financially responsible for funding \$1,095,500 of the proposed TAP amount.

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 and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines;
2. Approve the Cost Share Agreement between the City of Los Angeles Harbor Department and the Port of Long Beach for the reimbursement of \$1,095,500 for the SSA HFC Top Handlers Project;
3. Authorize the Executive Director to execute and Board Secretary to attest to said agreement for and on behalf of the Board of Harbor Commissioners; and
4. Adopt Resolution No. _____.

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SUBJECT: COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH TO FUND A TECHNOLOGY ADVANCEMENT PROGRAM PROJECT WITH SSA TERMINALS, LLC

DISCUSSION:

Background/Context – On November 20, 2006, during a joint meeting between the Los Angeles and Long Beach Boards of Harbor Commissioners, the 2006 San Pedro Bay Ports CAAP was adopted. A significant initiative of the CAAP is the TAP, which is the catalyst for identifying, evaluating, and demonstrating new and emerging emissions reduction technologies applicable to the port industry that could be utilized in future updates to the CAAP as new control measures, alternatives to existing measures, or as additional mitigation options for new projects. A TAP Advisory Committee (TAC) comprised of the United States Environmental Protection Agency (EPA), the California Air Resources Board (CARB), the California Energy Commission (CEC) and the South Coast Air Quality Management District (AQMD), along with the Harbor Department and POLB, meet regularly to review and recommend projects for funding.

Project Description – SSA and project partners Taylor Machine Works, Tetra Tech, and a hydrogen fuel supplier to be selected will design, manufacture, and demonstrate two zero-emission HFC Top Handlers at SSA in the Port of Long Beach. The zero-emission top handlers will be powered by onboard batteries and will utilize a hydrogen fuel cell system for recharging the batteries while in use. This configuration is unique from previous demonstrations, as the top handler design solely uses the HFCs to charge the battery system without the need to purchase and construct electric charging infrastructure at the terminal.

Cost Share – In June 2007, the Harbor Department and POLB executed the CAAP Master Cost Share Agreement No. 2546 (Transmittal 1) to establish a cost sharing arrangement for TAP projects. In accordance with the provisions of this Master Cost Share Agreement, the SSA HFC Top Handlers Project Cost Share Agreement between the Harbor Department and POLB is being submitted for approval (Transmittal 2).

The entire cost of the Project will be \$6,482,295. The total amount of funding to be provided through the TAP is \$2,191,000, shared equally by the Harbor Department and POLB, totaling \$1,095,500 each. SSA and their project team will pay the remaining costs as match-share. POLB has already entered into an agreement directly with SSA and assumes all Project and contract management responsibilities. As milestones are completed, POLB will pay SSA directly and submit invoices to the Harbor Department for reimbursement of half of the amounts paid by POLB. The POLB contract with SSA Terminals expires on December 31, 2026.

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SUBJECT: COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH TO FUND A TECHNOLOGY ADVANCEMENT PROGRAM PROJECT WITH SSA TERMINALS, LLC

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the proposed Cost Share Agreement between the Harbor Department and the POLB to fund a CAAP TAP project with SSA to design, manufacture, and demonstrate two zero-emission Hybrid HFC Top Handler, which is an administrative activity involving basic data collection, field testing, and research. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Class 6(2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed action is to approve a Cost Share Agreement with POLB for funding of the SSA HFC Top Handlers Project. POLB is the lead agency and is responsible for implementing the Project. The total cost of the Project is \$6,482,295 and TAP funding in the amount of \$2,191,000 will be split equally between the Harbor Department and POLB. The Harbor Department will reimburse POLB \$1,095,500 (50%) of the total TAP funding. It is anticipated that funds will be expended as follows:

FY 2022/23	\$	0
FY 2023/24	\$	0
FY 2024/25	\$	219,375
FY 2025/26	\$	547,750
FY 2026/27	\$	328,375
TOTAL	\$	\$1,095,500

Future fiscal year funds in the amounts of \$1,095,500 will be requested as part of the annual budget adoption process in Account 59965 (Customer Environmental Subsidies & Incentives), Center 0330, and Program 000.

CITY ATTORNEY:

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

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SUBJECT: COST SHARE AGREEMENT WITH THE PORT OF LONG BEACH TO FUND A TECHNOLOGY ADVANCEMENT PROGRAM PROJECT WITH SSA TERMINALS, LLC

TRANSMITTALS:

1. Master Cost Share Agreement with the Port of Long Beach
2. SSA HFC Top Handlers Project Cost Share Agreement with the Port of Long Beach

FIS Approval: MB
CA Approval: SO



CHRISTOPHER CANNON
Director of Environmental Management

Michael DiBernardo

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APPROVED:

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Executive Director

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