

BOARD MEETING DATE: September 6, 2024

AGENDA NO. 10

PROPOSAL: Issue Request for Information and Approve MOUs, Clarified Funding Allocation and Fund Transfer for Miscellaneous and Direct Expenditures Costs in FY 2024-25 as Approved by MSRC

SYNOPSIS: The MSRC and Los Angeles County Metropolitan Transportation Authority are seeking Request for Information responses to inform a grant application under the California Transportation Commission's Trade Corridor Enhancement Program. The MSRC also approved proposed MOUs with the Ports of Los Angeles and Long Beach and a clarification of their previous funding allocation to Penske Truck Leasing. Additionally, every year the MSRC adopts an Administrative Budget which includes transfer of funds to the South Coast AQMD Budget to cover administrative expenses. At this time, the MSRC seeks Board approval of the MOUs, clarified allocation, and fund transfer, and authority to release the Request for Information as part of the FYs 2021-24 and 2024-27 Work Programs.

COMMITTEE: Mobile Source Air Pollution Reduction Review, August 15, 2024, Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve MOUs with Port of Los Angeles (POLA) and Port of Long Beach (POLB) to establish a framework to allow the Ports to invest Clean Truck Fund rate proceeds in heavy-duty zero emission drayage truck charging infrastructure projects to be administered by the MSRC, with each Port contributing \$12,520,661 for a total of \$25,041,322 towards eight total projects, as part of approval of the FYs 2021-24 Work Program, as described in this Board Letter;
2. Approve modification to previous funding allocation to Penske Truck Leasing Co., L.P. to clarify that partnering with Penske in responding to PA2024-02 includes partnering under the earlier PA2023-04 Carl Moyer Program, as part of approval of the FYs 2021-24 Work Program, as described in this Board Letter;
3. Issue Request for Information (RFI) for Goods Movement Zero Emission Infrastructure in the Long Beach-East Los Angeles Corridor, in support of a

potential application by Los Angeles County Metropolitan Transportation Authority under the California Transportation Commission’s Trade Corridor Enhancement Program as part of approval of the FYs 2024-27 Work Program, as described in this Board Letter and in the attached; and

4. Recognize up to \$56,000 in revenue in the General Fund from the AB 2766 Discretionary Fund, Special Fund 23, and appropriate up to \$56,000 to the FY 2023-24 Technology Advancement Office Budget, Services and Supplies Major Object, to facilitate the payment of MSRC Miscellaneous Direct and Travel Costs, as provided in Table 1 of this Board Letter.

Larry McCallon
Chair, MSRC

AK:CR

Background

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220–44247) authorizing an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvended to South Coast AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

Proposals

At its August 15, 2024 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

FYs 2021-24 MOUs with Ports of Los Angeles and Long Beach

MSRC RFI 2023-01 was released on September 2, 2022. The RFI requested submittal of information packages seeking partnerships to facilitate investment in zero-emission infrastructure to support the transition of goods movement trucks to zero-emissions within the South Coast AQMD region. A total of \$50,000,000 was allocated by the MSRC for this Work Program category. POLB and POLA both responded to the RFI, expressing an interest in investigating partnership opportunities to implement electric vehicle support infrastructure projects that would benefit zero-emission heavy-duty drayage trucks operating at the Ports.

As a result of a collaborative work effort involving the MSRC and the staff of the POLB and POLA, a list of RFI projects were identified that were deemed meritorious and would further mutual goals of expanding accessible zero-emission electric vehicle charging equipment. Proposed MOUs were developed to facilitate a partnership

between POLB, POLA, and South Coast AQMD on behalf of the MSRC. These two MOUs, which have already been approved by the Boards of the Ports, outline the terms and conditions to allow each Port to invest a portion of their respective Clean Truck Fund rate proceeds towards projects included in each MOU. Each Port would contribute \$12,520,661, for a total of \$25,041,322, towards eight total projects for the installation of accessible charging equipment. The MSRC would administer the projects as an element of their FYs 2021-24 Work Program.

FYs 2021-24 Partnership with Penske Truck Leasing

Penske Truck Leasing also responded to the RFI discussed above. Previously, the MSRC approved partnering with Penske in pursuing funding under PA2024-02 Carl Moyer Zero Emission Infrastructure Program for the project which had been submitted in response to the RFI. In January 2024, the MSRC allocated an amount not to exceed \$17,980,000 towards co-funding an application to install Level III charging stations at 20 facilities dispersed throughout the region. Penske had applied for the same charging stations under the earlier PA2023-04 Carl Moyer Program opportunity. In February 2024, 5 of the 20 locations, sites in Carson, Corona, Fontana, and two in Montebello, were awarded Clean Air Protection Program funding under PA2023-04. This award had not yet been made when the MSRC considered partnership on a 2024 application. The MSRC has now clarified that partnering with Penske in responding to PA2024-02 includes partnering under the earlier PA2023-04 Carl Moyer Program. \$6,353,697 would be awarded to Penske now for the five locations, and \$11,626,303 would remain allocated under the original terms pending the outcome of PA2024-02, as part of approval of the FYs 2021-24 Work Program.

FYs 2024-27 MSRC/Los Angeles County Metropolitan Transportation Authority (Metro) Joint Request for Information

Previously, the MSRC approved a cooperative agreement with Metro to facilitate the pursuit of shared objectives regarding electrified and alternative fuel transportation systems for heavy duty commercial vehicles in Los Angeles County. The MSRC and Metro are now seeking RFI responses that will be used to inform a grant application being prepared by Metro for submittal to the California Transportation Commission Trade Corridor Enhancement Program (TCEP) - Cycle 4 funding program. Responses to this RFI will be used as potential candidate projects for inclusion in the Metro funding application. The identified trade corridor is Long Beach to East Los Angeles. The RFI response period commences September 6, 2024 and closes October 7, 2024. No MSRC funding is currently identified and any potential MSRC funding allocation would be considered following receipt and evaluation of RFI responses, prior to TCEP application submittal, and be brought back to the South Coast AQMD Board for approval.

FY 2024-25 Administrative Budget

Every year the MSRC adopts an Administrative Budget for the upcoming fiscal year to ensure costs remain within the limitation, currently 6.25 percent. For FY 2024-25, the

MSRC adopted an Administrative Budget in the amount of \$965,560, which is \$69,683 below the 6.25 percent cap. Administrative expenditures such as postage and office supplies are not directly drawn from the MSRC fund account, but instead from South Coast AQMD’s budget. To cover these expenses, the MSRC approved up to a \$56,000 fund transfer to South Coast AQMD (see Table 1 for further details).

Table 1.

Estimated FY 2024-25 MSRC Miscellaneous and Direct Expenditures Proposed to be Allocated to South Coast AQMD Technology Advancement Office FY 2024-25 Budget

	Work Program Code	Account	Amount
Professional & Special Services	44003	67450	\$9,000
Public Notice	44003	67500	\$8,000
Communications	44003	67900	\$5,000
Postage	44003	68060	\$7,500
Office Expense/Supplies	44003	68100	\$12,000
Miscellaneous Expense	44003	69700	\$7,000
Conference-Related Expense	44003	69700	\$5,000
Travel Costs	44003	67800	\$2,500
Total			\$56,000

Appropriations and revenues for staff salaries have previously been approved by the South Coast AQMD Governing Board.

Outreach

In accordance with South Coast AQMD’s Procurement Policy and Procedure, public notices advertising the Programmatic Outreach Services RFP will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County’s Press Enterprise to leverage the most cost-effective method of outreach to the South Coast Basin. Additionally, potential bidders may be notified utilizing South Coast AQMD’s own electronic listing of certified minority vendors. Notice of the RFP will be emailed to the diverse spectrum of Legislative Caucuses and chambers of commerce and business associations and placed on South Coast AQMD’s website (<http://www.agmd.gov>), where it can be viewed by making the selection “Grants and Bids.” Further, the RFP will be posted on the MSRC’s website at <http://www.cleantransportationfunding.org> and electronic notifications will be sent to those subscribing to this website’s notification service.

At this time, the MSRC requests that the South Coast AQMD Board approve the MOUs, clarified allocation and fund transfer and the release of the RFI as part of approval of the FYs 2021-24 and 2024-27 Work Programs as outlined above.

Resource Impacts

South Coast AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contract specified herein will be drawn from this fund.

Attachment

RFI2025-01 - Goods Movement Zero-Emission Infrastructure in the Long Beach – East Los Angeles Corridor



Metro[™]



**Clean
Transportation
Funding**
from the MSRC

REQUEST FOR INFORMATION

For

Goods Movement Zero-Emission Infrastructure
in the Long Beach – East Los Angeles Corridor

A Collaboration Between the MSRC & LA Metro

RESPONSES REQUESTED ON OR BEFORE OCTOBER 7, 2024

RFI2025-01

September 6, 2024

Clean Transportation Funding[™] from the
Mobile Source Air Pollution Reduction Review Committee (MSRC)

SECTION 1: INTRODUCTION

In early 2024, the Los Angeles County Metropolitan Transportation Authority (Metro) and the Mobile Source Air Pollution Reduction Review Committee (MSRC) entered into a Cooperative Agreement wherein both agencies agreed to partner on projects and programs that support the air quality improvement objectives of both agencies.

The MSRC and Metro have identified a near-term partnership opportunity that would allow both agencies to further support the transition of heavy-duty truck goods movement to zero-emissions, while significantly leveraging funding available from each agency. Metro and the MSRC intend to pursue funding available through the California Transportation Commission – Trade Corridor Enhancement Program¹ – Cycle 4 (TCEP) as an immediate opportunity. When awarded, the funding will be used to construct zero-emission infrastructure to support goods movement trucks.

Over the past several years, both Metro and the MSRC have taken direct actions - and achieved tangible results - in reducing ozone precursor, particulate matter, and greenhouse gas air pollutant emissions associated with Goods Movement in the South Coast Region.

- Metro adopted the 2021 Los Angeles County Goods Movement Strategic Plan to address the issues facing goods movement throughout the region. The plan presents a roadmap of strategic initiatives and priority elements centered on Metro’s core values of equity and sustainability, as shaped by the myriads of stakeholders and local community groups that participated in the plan’s development. The Plan focuses on improving the region’s multimodal freight system, a critical element of LA County’s overall surface transportation system.
- Also in 2021, Metro reaffirmed its zero-emission Clean Truck Program (CTP). Metro has committed \$50 million in seed funding for the zero-emission CTP, developed in collaboration with Metro’s 710 Task Force and other stakeholders.
- In 2022, Metro’s Board directed Metro Staff to work with the Los Angeles Cleantech Incubator (LACI) on implementing its Clean Truck Program, based on LACI’s work executing a California Energy Commission (CEC) Medium/Heavy-duty Zero-Emission Vehicle Infrastructure Blueprint grant for drayage truck infrastructure along the 710 Corridor (710 Blueprint).
- In 2020, the MSRC launched its Inland Ports Program, focusing on heavy-duty truck goods movement between the San Pedro Bay Ports and the network of warehouse, distribution, and logistics facilities located in the Inland Empire. In 2021, the MSRC invested over \$37 million in heavy-duty trucks and supporting infrastructure, including electric vehicle charging (EVSE)

¹ <https://catc.ca.gov/programs/sb1/trade-corridor-enhancement-program>

and hydrogen refueling (H₂), along major corridors to support zero and near-zero emission goods movement.

- Most recently, the MSRC, in partnership with the Port of Long Beach, Port of Los Angeles, and South Coast AQMD, has pursued the implementation of publicly accessible EVSE and H₂ infrastructure. The total investment from all stakeholders in the Publicly Accessible Goods Movement Zero-Emission Infrastructure Program is anticipated to exceed \$400 million.
- In 2023, LACI completed its 710 Blueprint, and shared updates with the Metro Zero-Emission Truck Working Group.

The MSRC and Metro have selected the Long Beach to East Los Angeles Corridor (LB-ELA) as the targeted trade corridor to seek California Transportation Commission TCEP funding. As discussed below, the MSRC and Metro are seeking willing partners to help facilitate MSRC, Metro, and CTC-TCEP investment in publicly accessible infrastructure to support an equitable transition of goods movement trucks to zero-emissions in this corridor.

While the California Transportation Commission TCEP is identified as an immediate State funding opportunity, it is Metro's and MSRC's intent to work with private partners in seeking additional federal and state funding opportunities beyond TCEP Cycle 4.

SECTION 2: OVERVIEW OF THIS REQUEST FOR INFORMATION

The purpose of this Request for Information (RFI) is to identify potential partners to join Metro and the MSRC in pursuit of Trade Corridor Enhancement Program – Cycle 4 funding offered through the California Transportation Commission. When awarded, TCEP funds, plus the potential for additional funding from Metro and the MSRC, will be used to construct zero-emission vehicle refueling infrastructure along the Long Beach to East Los Angeles Corridor.

Metro and the MSRC will use the information obtained through this RFI to develop the TCEP grant application. This will include the identification of infrastructure development sites, project partners, the amount of TCEP funding sought, and co-funding that will be brought to the program by the participating partners.

2.1 – Long Beach to East Los Angeles Trade Corridor

The LB-ELA Corridor encompasses the Interstate 710 freeway and 23 surrounding communities:

- Bell
- Bellflower
- Bell Gardens
- Carson
- Commerce
- Compton
- Cudahy
- Downey
- Huntington Park
- Lakewood

- Commercial real estate development companies and service agents
- Zero-Emission-related Business Enterprises, including:
 - Charging as a-Service (CaaS) providers
 - Trucking as a Service (TaaS) providers
 - EVSE & H₂ technology providers
- Engineering, architecture, construction, & infrastructure development firms
- Agencies seeking to leverage their available zero-emission infrastructure funding
 - County Transportation Commissions
 - State Agencies
 - Metropolitan Planning Organization (SCAG)
 - Local Governments
 - Nongovernmental organizations & non-profits

Interested parties are asked to submit an Information Package that identifies the respondent's potential role and available resources to partner with Metro and the MSRC to pursue California Transportation Commission TCEP funding and, when awarded, work with Metro and the MSRC to develop zero-emission truck charging/refueling infrastructure. Details on the requested contents of an Information Package are included in Section 3 of this RFI, below.

Based on information submitted in response to this RFI, Metro and the MSRC may take the following actions:

- Include the RFI respondent in a grant application to the California Transportation Commission seeking an award of TCEP Cycle 4 funding;
- Issue a joint Metro – MSRC Request for Proposals (RFP), or at the discretion of Metro and the MSRC, issue separate RFPs;
- Metro and the MSRC may, at each agency's discretion, select one or more RFI respondents and enter into discussions and/or negotiations. Metro and the MSRC, at each agency's discretion, may enter into sole source contractual agreements with a RFI respondent(s) as a result of this RFI.

SECTION 3: HOW TO RESPOND TO THIS RFI – INFORMATION PACKAGE PREPARATION

Metro and the MSRC seek the submittal of Information Packages from stakeholders who share the goal of accelerating deployment of infrastructure to support zero-emissions goods movement.

While there are no absolute requirements when submitting an Information Package under this RFI, adherence to the following guidelines and content suggestions will enable Metro and the MSRC to

prepare a more comprehensive, and thus competitive, grant funding application to the California Transportation Commission TCEP funding program. A more complete Information Package will also allow the MSRC and Metro to evaluate candidate infrastructure development locations for a separate RFP or sole source agreement negotiation, as discussed above.

Recommended elements of an Information Package include the following:

3.1 - Transmittal Letter that identifies the name of the organization submitting the Information package, contact information, including but not limited to company website URL, telephone and e-mail address of the contact person(s) for technical and contractual matters, and any other relevant contact information.

3.2 - Candidate Project Location – Please provide the address of the site location within the LB-ELA Corridor. To the extent available, please provide Information on the proposed location’s ownership status, parcel size, existing conditions, accessibility, existing environmental or remediation needs, and any other descriptive information as available.

3.3 - Conceptual Project – If your organization has a zero-emission truck refueling concept that could benefit from a partnership with the Metro and the MSRC, please provide a description of the proposed conceptual project. Please include the following elements to the extent applicable and feasible:

Please include the following elements to the extent applicable and feasible:

- a. Current Status: Please provide an overview of your agency or firm’s conceptual project, addressing the following topics to the extent known:
 - Customer Base - Describe the targeted customer base, such as trucking fleets, independent owner operators, other users, and/or some combination thereof.
 - Charging and/or H₂ Refueling Scenarios - Describe how the site will support battery-electric truck charging or H₂ refueling, such as opportunity charging, overnight charging, etc.
 - Hours of Operation and Public Accessibility - Include general operating hours and the hours of public accessibility if the development is not exclusively public. Describe any restrictions on public access.
 - Customer Service Model - Describe your firm’s customer service model, such as how you plan to handle payments, reservations, etc.
 - Anticipated new CEQA requirements and permits needed to complete construction and the status of obtaining approvals.

- b. Site Design & Capital Improvements: To the best of your ability, describe the proposed capital improvements planned for the site. Include a conceptual design drawing, indicating the rough locations of charging units and/or H₂ refueling equipment, power supply equipment, and supportive services. If you are not proposing to develop the entire site, indicate the square-footage required. Additionally, please describe the following to the extent information is available:
- Number of charging units - Include the anticipated number of charging units, noting the number of units in overnight or opportunity configurations.
 - Type of charging units - Identify the charging rate(s) and connector type(s).
 - Energy storage: If applicable, describe any onsite energy storage or generation.
 - Supportive services - Identify plans for supportive services, such as restrooms, offices, and/or car parking, if applicable, and their approximate site locations.
- c. Conceptual Development Schedule: Provide a high-level development schedule, including the timeframe for permitting, construction and full operations.
- d. Cost Estimate and Budget: To the extent feasible, please provide a cost estimate and cost breakdown for the charging/refueling-facility concept. The MSRC understands that these are preliminary costs and subject to change. Please identify the following:
- Estimated capital costs - Include all costs associated with the design and construction of a publicly accessible truck charging/refueling facility. Please list the assumptions used to derive the estimated capital costs.
 - Estimated operations costs - Include costs such as energy, staffing, and maintenance. Please state the assumptions used in estimating operations costs and the minimum re-fueling or charging sales needed to cover operating costs.
 - Expected commitment of private investment and source of funding.
 - Grants or subsidies - Please describe any grants, subsidies, incentives, and/or public utility participation or incentives that are assumed in your budget.
- e. Business Plan and Financial Projections: Provide a description of your business model, including proposed revenue-generating mechanisms and cost-recovery strategies. Indicate the level of financial assistance requested from Metro and the MSRC. If your business plan relies on additional grant funding (or utility program funding), describe the agency or firm's plan for securing such funds. Qualitatively, describe the resources and actions needed to ensure the long-term viability of the charging/refueling facility.

- f. Support for Disadvantaged Fleet Operators: Please discuss if your conceptual project or business plan supports the unique needs of smaller, disadvantaged trucking operators, including independent owner operators. Include information, to the extent applicable, on financing mechanisms to support smaller operators, availability of overnight parking, or other support mechanisms that benefit disadvantaged trucking operators.

SECTION 4 TCEP PRIORITY SITES

As discussed above, all organizations with candidate Conceptual Projects within the identified LB-ELA Trade Corridor are encouraged to submit an Information Package, addressing the above-listed elements to the extent feasible and applicable.

Additionally, Metro has been in preliminary discussions with property owners of sites identified in the 710 Blueprint. Four priority sites have been identified for potential inclusion in a TCEP application:

710 Blueprint Identified Sites:

- 4570 and 4610 Ardine Street, South Gate CA 90280
- 4223 Independence Ave, South Gate CA 90280
- 8530 S Alameda Street, Los Angeles, CA 90001
- 5340 Bandini Blvd, Bell CA 90201 (eastern half of property)

If your organization has a zero-emission truck refueling concept that could benefit from a partnership with the Metro and the MSRC, and be developed on one of the above-listed properties, please submit an Information package detailing the proposed conceptual project, taking into consideration the physical attributes of the 710 blueprint/TCEP priority site.

Note that Metro, the MSRC, and the 710 blueprint Developer LACI cannot assist in connecting potential RFI respondents with any property owners while this RFI is open. Respondents interested in developing zero-emission truck refueling infrastructure on a 710 blueprint-Identified site should rely on publicly available data and knowledge of the surrounding area when developing a Conceptual Project Information Package.

However, upon Information Package submittal and review, Metro and the MSRC will assist in connecting respondents to the identified property owners to advance project development discussions.

SECTION 5: ADDITIONAL INFORMATION REQUESTS

5.1 - Community Engagement – Please affirm that your business or agency is willing to participate with Metro to engage surrounding communities and, to the extent feasible, incorporate community benefit agreement (CBA) features into the project design.

5.2 - Workforce Development – Please discuss to what degree your business or agency is willing to work with Metro and local workforce resource centers, trade schools, and community colleges to fulfill the TCEP funding State Workforce Development commitment.

5.3 - Use of Licensed & Certified Contractors – Please affirm that should your project be selected to receive funding from the California Transportation Commission, Metro, or the MSRC, that your business or agency will utilize licensed electrical contractors with EVITP certification or other relevant state certification programs.

5.4 - Unique Project Attributes: Please highlight any elements of your organization structure, project concept, business model, or any other element that enhances a potential partnership with Metro and the MSRC.

SECTION 6: INFORMATION PACKAGE SUBMITTAL INSTRUCTIONS

The Information Package submittal period for this RFI closes on October 7, 2024, unless extended by the MSRC. Responses should be sent via e-mail to:

Cynthia Ravenstein
MSRC Contracts Administrator
cravenstein@aqmd.gov

If you have any questions regarding this Request for Information, please contact Ray Gorski, MSRC Technical Advisor, at rgorski@aqmd.gov or by phone at (909) 396-2479.