

BOARD MEETING DATE: February 7, 2025

AGENDA NO. 4

PROPSAL: Amend Contracts for Joint Electric Truck Scaling Initiative Pilot Project; and Establish Special Revenue Fund and Recognize Revenue for Ports Charging Infrastructure Projects

SYNOPSIS: This item covers two separate programs including the Joint Electric Truck Scaling Initiative (JETSI) Project and MOUs with the Ports of Los Angeles (POLA) and Long Beach (POLB). In June 2021, the Board approved the execution of contracts for the CARB and CEC funded JETSI Project. Delays with the charging infrastructure at one location require that the project be extended another 21 months. CARB and CEC approved the project extension as well as reallocation of up to \$974,504 of unused administrative funds to be used as additional project funds. Amended CEC/CARB agreements are expected in the next few weeks. Separately, in September 2024, the Board approved a MSRC item establishing MOUs between the South Coast AQMD, on behalf of the MSRC, and POLA and POLB, providing up to \$23,827,036 to implement heavy duty truck infrastructure projects. It is necessary to establish a Special Revenue Fund and recognize revenue for these projects. These actions are to: 1) amend and increase JETSI contract awards by reallocating unspent administrative funds to cover partial energy storage cost, deploy additional chargers, and other project management costs from the GHG Reduction Projects Special Revenue Fund (67); 2) establish the POLA/POLB Electric Vehicle Supply Equipment Infrastructure Projects Special Revenue Fund (92); and 3) recognize revenue, upon receipt up to \$23,827,036 into Fund 92.

COMMITTEE: Technology, January 24, 2025; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to amend five contracts with NFI Interactive Logistics, Inc. (NFI), Daimler Trucks North America, LLC, CALSTART, Inc., Electric Power Research Institute, and TRC Companies, Inc. (formerly Gladstein, Neandross and Associates) to add \$455,247, \$300,000, \$48,785, \$39,000, and \$131,472, respectively for a total of up to \$974,504, to install energy storage and chargers, conduct studies, perform data analysis, develop a workforce plan, and

conduct project reporting, by reallocating unused administrative funds from CEC/CARB grants to cover additional project costs for the Joint Electric Truck Scaling Initiative (JETSIS) project implementation from the GHG Reduction Projects Special Revenue Fund (67), pending receipt of amended grant agreements from CEC and CARB.

2. Establish the POLA/POLB Electric Vehicle Supply Equipment (EVSE) Infrastructure Projects Special Revenue Fund (92), and
3. Recognize revenue, upon receipt, up to \$11,306,375 from the Port of Los Angeles and \$12,520,661 from the Port of Long Beach into Fund (92) for MSRC's administration of heavy-duty zero emission drayage truck charging infrastructure projects under MOUs with the Ports of Los Angeles and Long Beach.

Wayne Natri
Executive Officer

AK:MW:VP:CR:SC

Background

This Board letter encompasses two separate programs including the JETSIS Pilot Project and MSRC's administration of heavy-duty truck infrastructure projects pursuant to MOUs between the South Coast AQMD, on behalf of the MSRC, and the Ports of Los Angeles (POLA) and Long Beach (POLB). Although these programs are separate, the overall approach is to support the deployment of zero emission goods movement and to execute, amend and implement awards and agreements previously approved by the Board.

JETSIS Pilot Project

In June 2021, the Board approved the execution of contracts for the CARB and CEC funded JETSIS Pilot Project to deploy 100 Daimler and Volvo Class 8 battery electric trucks, charging infrastructure, and distributed energy resources technologies at two fleets in overburdened communities. South Coast AQMD was awarded \$16.1 million in CARB funds and \$10.9 million in CEC Funds for the JETSIS Pilot Project. Under this project, South Coast AQMD is leading a collaborative effort with MSRC, Southern California Edison, POLA, and POLB. These partners provided a total cost share of \$21.4 million in addition to \$25.4 million in cost share from the two participating fleets. By the end of 2024, all 100 Class 8 battery electric trucks had been deployed and had accumulated more than 4.7 million zero-emission miles. This project has demonstrated the viability of using zero-emission goods movement trucks through at-scale deployments at two fleet locations. Although most of the project has been completed, the final deployment of charging infrastructure is among the final tasks to be implemented.

Ports MOUs Implementation

MSRC released a Request for Information (RFI) on September 2, 2022, to seek partnerships and facilitate the investment in zero-emission infrastructure for goods movement trucks in the South Coast AQMD region. Both POLB and POLA responded to the RFI, expressing an interest in partnership opportunities to implement electric vehicle support infrastructure projects for zero-emission heavy-duty drayage trucks operating at the ports. MOUs were subsequently executed between both ports and South Coast AQMD on behalf of the MSRC for the work and to receive funds from both ports for the projects, with MSRC taking the lead in project administration. Completing the project requires creating a special fund to recognize revenue from the ports.

Proposal – JETSI Project

As the JETSI project nears completion, the NFI fleet location has experienced significant charging infrastructure installation delays due to utility requirements that resulted in increased project scope and cost. As a result, the JETSI project will be extended from March 2025 to December 2026 to accommodate the infrastructure delays at NFI. Therefore, South Coast AQMD staff recommends reallocating up to \$974,504 of its previously recognized and unspent administrative funds from CARB and CEC to cover additional project costs which include the project management costs for the extended period, deployment of additional chargers, and additional cost-share for the NFI infrastructure installation. These actions are to amend a contract with NFI Interactive Logistics, Inc. to add up to \$455,247 consisting of \$300,000 to support charging infrastructure deployment, and \$155,247 for communication and outreach activities; amend a contract with Daimler Trucks North America, LLC to add up to \$300,000 to deploy additional chargers with Schneider National Inc.; amend a contract with CALSTART, Inc. to add up to \$48,785 for charger pricing analysis and fleet case studies; amend a contract with Electric Power Research Institute to add up to \$48,785 for enhancing fleet and charger data analysis; and amend a contract with TRC Companies, Inc. (formerly Gladstein, Neandross and Associates) to add up to \$131,472 for JETSI Pilot Project reporting and ZEV workforce plan development. CARB and CEC provided preliminary approval of these reallocations, pending receipt of amended grant amendments. There have been no net changes in grant awards.

Proposal – Ports MOUs Implementation

Additionally, in order for the MSRC to implement the MOUs with POLA and POLB for charging infrastructure projects, this action is to establish the POLA/POLB EVSE Infrastructure Projects Special Revenue Fund (92) and recognize revenue, upon receipt, up to \$11,306,375 from the Port of Los Angeles and \$12,520,661 from the Port of Long Beach into Fund (92).

Benefits to South Coast AQMD

The JETSI Pilot and its partnership with the ports to deploy infrastructure support the development, demonstration, and deployment of zero-emission freight transport technologies. The JETSI Pilot Project also includes the installation of solar-powered infrastructure coupled with energy storage to enable the microgrids for fleets charging heavy-duty trucks, yard tractors, and forklifts. These technologies are included in the *Technology Advancement Office Clean Fuels Program 2024 Plan*. These projects are to develop and demonstrate zero-emission heavy-duty trucks, freight handling equipment, and infrastructure coupled with solar and battery storage. These projects help contribute to the attainment of national ambient air quality standards in the Basin by eliminating PM and NOx emissions from diesel heavy-duty trucks and off-road freight handling equipment.

With respect to the MSRC's MOUs with the ports, the establishment of the Special Revenue Fund (92), and subsequent receipt and recognition of revenue into the Fund, will allow the funding of agreements for projects to install over 150 total truck chargers across eight locations, greatly enhancing the charging network.

Resource Impacts

The JETSI contract amendments will be fully covered by the existing administrative funds from CARB and CEC for the JETSI Pilot Project in the GHG Reduction Projects Special Revenue Fund (67); there are no net changes in the total grant award.

To fulfill the goals of the MOUs, the POLA/POLB EVSE Infrastructure Projects Special Revenue Fund would be created. Funds from POLA and POLB will be deposited into the POLA/POLB EVSE Infrastructure Projects Special Revenue Fund (92). Costs of the projects specified in the MOUs will be covered by these funds.