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DATE: 1/14/2019

TO: Board of Harbor Commissioners

FROM: Matthew Arms, Acting Director of Environmental Planning

SUBJECT: Approve Memorandum of Understanding with the Port of Oakland to Support the California Air Resources Board Zero- and Near-Zero Emissions Freight Facility Grant

EXECUTIVE SUMMARY

The Port of Long Beach has received a grant award from the California Air Resources Board (CARB) for $50 million in funds for near-zero and zero-emissions vehicles and equipment in Long Beach, Port of Oakland, and Port of Stockton. The Board of Harbor Commissioners is requested to approve a Memorandum of Understanding (MOU) with the Port of Oakland to support the execution of this project.

Key Points

- The Port of Long Beach has received a $50 million grant under the Zero- and Near-Zero Emissions Freight Facility funding program (ZANZEFF). The Sustainable Terminals Advancing Regional Transformation (START) Project will deploy 102 pieces of zero-emissions cargo-handling equipment and trucks in Port of Long Beach, Port of Oakland, and Port of Stockton; deploy a near-zero-emissions tugboat in Long Beach, and deploy two Tier 3 ships - the cleanest in the world - to Long Beach and Oakland.
- The Board of Harbor Commissioners approved the CARB grant agreement on December 10, 2018.
- The total project cost is nearly $103,000,000, which includes nearly $53,000,000 in matching funds from public and private partners. The Port has committed $7,891,157 in matching funds, consisting of in-kind expenditures, $496,157 in cash, and funds expected from other partners.
- At the Port of Oakland, SSA Terminals will deploy five battery-electric yard tractors and one battery-electric top handler, and Shippers Transport Express will deploy 10 battery-electric drayage trucks.
- The Port of Long Beach has committed to managing the procurement of the equipment and overall grant administration. The Port of Oakland has committed to installing the charging infrastructure for the 10 trucks at a value of $1,250,000, which is to be used as match.
- In order to memorialize these mutual commitments, the Port requests approval of an MOU with Port of Oakland.

Recommendation

Approve a Memorandum of Understanding (MOU) with the Port of Oakland to support the California Air Resources Board Zero- and Near-Zero Emissions Freight Facility Grant.

Financial Impact

There is no exchange of funding and thus no financial impact associated with this MOU; however, Port of Oakland is committing to provide $1,250,000 in matching funding, and the Port is committing to pass through
grant funding to SSA Terminals and Shippers Transport Express, which will occur through separate subgrant agreements, in order to support the Oakland equipment deployments.

**Background**
The Port received a $50 million CARB grant under the Zero- and Near-Zero Emissions Freight Facility Grant program. The overall grant requires a 50% cost share of which 10% must be in cash. The project must be completed by June 2021. Under the START Project, operators will deploy 102 pieces of zero-emissions cargo-handling equipment and trucks in Port of Long Beach, Port of Oakland, and Port of Stockton; deploy a near-zero-emissions tugboat in Long Beach, and deploy two Tier 3 ships - the cleanest in the world - to Long Beach and Oakland.

At the Port of Oakland, SSA Terminals will deploy five battery-electric yard tractors and one battery-electric top handler, and Shippers Transport Express will deploy 10 battery-electric drayage trucks. The Port of Long Beach has committed to managing the procurement of the equipment and overall grant administration. The Port of Oakland has committed to installing the charging infrastructure for the 10 trucks at a value of $1,250,000, which is to be used as match.

In order to memorialize these mutual commitments, the Port requests approval of an MOU with Port of Oakland.

**Detailed Discussion of Current Issues**
The CARB grant does not require establishment of this MOU as there is no pass-through of grant funding; however, it is recommended to establish a formal agreement with the Port of Oakland in order to ensure mutual cooperation in executing the project components and meeting the match funding requirements of the grant. The Board is asked to approve the MOU with the Port of Oakland.

Attachment: Port of Oakland MOU