File #: HD-19-014, Version: 1

DATE: 11/26/2018

TO: Board of Harbor Commissioners

FROM: Matthew Arms, Acting Director of Environmental Planning

SUBJECT: Approve Subgrant Award Agreement with Shippers Transport Express for the California Air Resources Board Zero- and Near-Zero Emissions Freight Facility Grant

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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 subgrant agreement with Shippers Transport Express (Shippers) in order to pass through grant funds and terms 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.
- Shippers Transport Express will deploy 15 battery-electric drayage trucks in Long Beach and Oakland. Also, the Port of Oakland will install charging infrastructure as match in Oakland, and Southern California Edison will install charging infrastructure as match in Long Beach, pending successful application to the Charge Ready Transport program.
- The total project cost for Shipper’s Transport Express’ portion of the project is $11,694,844. Shippers will receive $7,455,000 in grant funds to purchase the trucks and will provide $739,844 as match.
- The project must be completed by June 2021.
- The Port must enter into subgrant agreements with Shippers in order to pass through the grant funds and the terms and conditions of the grant.

Recommendation ..Title

Approve a subgrant award agreement with Shippers Transport Express for the California Air Resources Board Zero- and Near-Zero Emissions Freight Facility Grant...Body
Financial Impact
The Port will pass through $7,455,000 in grant funds to Shippers for zero-emissions trucks in Long Beach and Oakland. Match funding will be provided by Shippers, Port of Oakland, and Southern California Edison (pending approval). There are no Port funds allocated to these projects. These pass-through expenditures will take place largely in Fiscal Year 2020.

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.

Shippers Transport will deploy 15 battery-electric drayage trucks in Long Beach and Oakland. The trucks will be manufactured by Peterbilt with TransPower as the technology developer. The Port of Oakland will install charging infrastructure in Oakland, and Southern California Edison will install charging infrastructure in Long Beach, pending successful application to the Charge Ready Transport program.

The total project cost for Shippers Transport Express’ portion of the project is $11,694,844. Shippers will receive $7,455,000 in grant funds to purchase the trucks and will provide $739,844 as match.

Shippers has selected the equipment providers in alignment with its own procurement processes and operational needs. The trucks will be manufactured and integrated in Texas, North Carolina, and San Diego.

Detailed Discussion of Current Issues
The Port must enter into subgrant agreements with Shippers in order to pass through the grant funds and the terms and conditions of the grant. The Board is asked to approve the subgrant agreement with Shippers.

Attachments:  Shippers Transport Express Subgrant Agreement