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4.27.23

RECOMMENDATION APPROVED;
RESOLUTION 23-10163 ADOPTED AND;
AGREEMENT 23-3723-A APPROVED
BY THE BOARD OF HARBOR COMMISSIONERS

April 27, 2023
AM KLESGES
AMBER M. KLESGES
Board Secretary



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 18, 2023

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. 23-10163 - APPROVAL OF THE FIRST AMENDMENT TO SUBRECIPIENT AGREEMENT NO. 20-3723 WITH WEST BASIN CONTAINER TERMINAL AND WIRELESS ADVANCED VEHICLE ELECTRIFICATION, LLC. FOR THE ADVANCED INFRASTRUCTURE DEMONSTRATION PROJECT

SUMMARY:

Staff requests approval of the First Amendment to Subrecipient Agreement No. 20-3723 (Agreement) for the Port of Los Angeles' Advanced Infrastructure Demonstration Project (Project) with West Basin Container Terminal (WBCT) and Wireless Advanced Vehicle Electrification (WAVE), LLC. This Project is funded under a Grant Agreement with the California Energy Commission (CEC), Agreement No. 19-3666. An amendment to Agreement No. 19-3666 is being considered under a separate Board Action. This First Amendment to Subrecipient Agreement No. 20-3723 will extend the term of the Agreement until June 30, 2025, incorporate scope of work changes made to Grant Agreement No. 19-3666 and change the name of Subrecipient Wireless Advanced Vehicle Electrification, Inc. to Wireless Advanced Vehicle Electrification, LLC. The extension to the Agreement term addresses extended delays in the project timeline due to COVID-19 impacts on suppliers. Additionally, the First Amendment addresses an assignment of the Agreement from WAVE Inc. to WAVE, LLC. due to changes in the entity's business status. All other terms and conditions of the Agreement remain the same.

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 exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the First Amendment to Agreement No. 20-3723 among the City of Los Angeles Harbor Department, West Basin Container Terminal, and Wireless Advanced Vehicle Electrification, LLC. for the Port of Los Angeles' Advanced Infrastructure Demonstration Project;
3. Direct the Board Secretary to transmit the First Amendment to the City Council for approval pursuant to City Charter Section 606;

DATE: APRIL 18, 2023

PAGE 2 OF 5

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 20-3723 WITH WEST BASIN CONTAINER TERMINAL AND WIRELESS ADVANCED VEHICLE ELECTRIFICATION, LLC.

4. Authorize the Executive Director to execute and the Board Secretary to attest to said First Amendment to Grant Agreement No. 20-3723 with the California Energy Commission for and on behalf of the Board; and
5. Adopt Resolution No. 23-10163.

DISCUSSION:

Background/Context – On February 23, 2018, the City of Los Angeles Harbor Department (Harbor Department) submitted a grant proposal to the CEC under the Alternative and Renewable Fuel Vehicle Technology Program (ARFVTP). The Harbor Department applied for the grant on behalf of West Basin Container Terminal (WBCT), who developed the Project to provide the infrastructure required to support 10 battery-electric yard tractors that will be purchased under a separate grant, the U.S. Environmental Protection Agency's (EPA) Targeted Air Shed Grant (TASG). On April 6, 2018, the CEC offered the Harbor Department a preliminary grant award in the amount of \$7,842,270 to fund the Project. On June 20, 2019, the Harbor Department approved Agreement No. 19-3666 with the CEC, and a related Subrecipient Agreement No. 20-3723, with WBCT and WAVE was approved on February 6, 2020. On March 10, 2022, the Harbor Department approved the First Amendment to Agreement 19-3666 to modify the project schedule, update the budget table, change the Subrecipient and supplier of the battery storage system, move infrastructure construction in-house, and extend the term of the Agreement until March 31, 2024. The approved First Amendment also added the Special Terms and Conditions attachment to the agreement, detailing specific deadlines associated with the amendment.

Port of Los Angeles' Advanced Infrastructure Demonstration Project – The Project, which began in July 2019, consists of an advanced inductive charging system to support 10 battery-electric yard tractors that will be operated at WBCT under the CEC grant. Twelve inductive charging stations will be installed at WBCT: 10 stations at the equipment corral lanes where WBCT currently parks their yard tractors when off-duty, and two additional stations at a central break facility as an opportunity charging location. The yard tractors are partially funded by a separate grant from the EPA. The development of the yard tractors and wireless charging systems was delayed due to the COVID-19 pandemic as factory shutdowns and stay-at-home orders affected the project team internationally and within the United States and affected availability of materials and project components.

The Project is divided into two phases. Phase 1, construction of two charging stations at the central break facility, was successfully commissioned the week of April 11, 2022. Two yard tractors were commissioned and began demonstration on June 16, 2022. Phase 2 is the construction of 10 additional charging stations supported by a large battery storage system to reduce overall power demand from the grid. Phase 2 construction was partially completed during the first quarter of 2023 and is expected to resume the fourth quarter of 2023, once the battery storage system and associated gear are delivered. The delivery

DATE: APRIL 18, 2023

PAGE 3 OF 5

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 20-3723 WITH WEST BASIN CONTAINER TERMINAL AND WIRELESS ADVANCED VEHICLE ELECTRIFICATION, LLC.

of this equipment has been delayed due to lack of availability of the required components. Phase 2 infrastructure and the remaining yard tractors are targeted for commissioning in the first quarter of 2024.

Proposed Grant Agreement Second Amendment – The proposed Second Amendment to Grant Agreement No. 19-3666 will extend the term of the Grant Agreement until June 30, 2025 to provide additional time to demonstrate the effectiveness of the advanced charging system. This is a no-cost term extension of CEC Grant Agreement No. 19-3666 (CEC No. ARV-17-049). The Second Amendment also adjusts the dates in the Special Terms and Conditions attachment to reflect the extended timeline. It will be presented to the Board for consideration under a separate item.

Proposed Subrecipient Agreement First Amendment – The proposed First Amendment to Subrecipient Agreement No. 20-3723 among the Harbor Department, WBCT, and WAVE is necessary to align its terms with the Grant Agreement No. 19-3666 Amendment. The Subrecipient Amendment also addresses a name change for WAVE Inc. to Wireless Advanced Vehicle Electrification, LLC. due to changes in business entity status (Transmittal 1). All other responsibilities and terms of the Agreement remain unchanged.

ENVIRONMENTAL ASSESSMENT:

Environmental Assessment: The proposed action is the approval of the First Amendment to the Agreement with WBCT and WAVE for the proposed Project, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed First Amendment to the Subrecipient Agreement No. 20-3723 will extend the term of the Subrecipient Agreement to June 30, 2025. Since the Harbor Department applied for the grant on behalf of WBCT and functions as the grant administrator, it will pass \$2,843,420 in funds to WAVE upon milestone completion. The remaining grant balance of \$4,998,850 will be retained by the Harbor Department to offset its cost for infrastructure development. WBCT is responsible for the electricity costs associated with charging the zero-emission equipment but will not receive any grant funds. The Harbor Department's financial responsibility for infrastructure development is budgeted in Capital Improvement Program Work Order 25576 – B. 100 West Basin Container Terminal (WBCT) - Advanced Infrastructure Demonstration.

There are no changes to the project costs due to this amendment. The table below summarizes the costs and funds for the overall grant project.

DATE: APRIL 18, 2023

PAGE 4 OF 5

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 20-3723 WITH WEST BASIN CONTAINER TERMINAL AND WIRELESS ADVANCED VEHICLE ELECTRIFICATION, LLC.

Participants	CEC Funds	TASG Funds*	Match Funds	TOTAL
WAVE	\$2,843,420		\$126,885	\$2,970,305
WBCT *		\$1,787,500	\$1,200,000	\$2,987,500
Harbor Department	\$4,998,850		** \$392,500	\$5,391,350
TOTAL	\$7,842,270	\$1,787,500	\$1,719,385	\$11,349,155

* EPA's TASG funding is considered Match Funds by the CEC and includes cost-share from the SCAQMD for support of that grant.

** This total represents \$312,500 to support the TASG plus an estimated \$80,000 in Harbor Department staff time.

CEC funds are expected to be disbursed as follows:

FY2022/23	\$ 6,362,799
FY2023/24	<u>\$ 1,479,471</u>
TOTAL	\$ 7,842,270

CITY ATTORNEY:

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

DATE: APRIL 18, 2023

PAGE 5 OF 5

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 20-3723 WITH WEST BASIN
CONTAINER TERMINAL AND WIRELESS ADVANCED VEHICLE
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TRANSMITTAL:

1. First Amendment to Subrecipient Agreement No. 20-3723

FIS Approval: *MB*
CA Approval: SO



CHRISTOPHER CANNON
Director of Environmental Management

Michael DiBernardo

MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins

EUGENE D. SEROKA
Executive Director

AUTHOR: J. Goldberg

FILE: Y:\ADMIN\BOARD REPORTS\AIR QUALITY\GRANTS\CEC - SUBRECIPIENTS - ADVANCED YARD INFRASTRUCTURE (WAVE AND WBCT)\SUBRECIPIENT
FIRST AMENDMENT\Environmental_AID First Amendment Subrecipients WAVE and WBCT_Board Report - FINAL.docx
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