

0150-11820-0000

**TRANSMITTAL**

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|---|------------------------|------------------------|
| TO<br>Eugene D. Seroka, Executive Director<br>Harbor Department | DATE<br>06/18/21       | COUNCIL FILE NO.<br>-- |
| FROM<br>The Mayor   | COUNCIL DISTRICT<br>15 |                        |

**PROPOSED FIRST AMENDMENTS TO CALIFORNIA ENERGY COMMISSION GRANT AGREEMENT NO. 17-3532 AND SUBRECIPIENT AGREEMENT NO. 17-3533 FOR THE EVERPORT ADVANCED CARGO HANDLING DEMONSTRATION PROJECT**

Transmitted for further processing and Council consideration.  
See the City Administrative Officer report attached.



(Ana Guerrero for)

MAYOR

RHL:JCY:10210116t

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 24, 2021

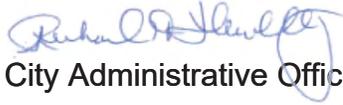
CAO File No. 0150-11820-0000

Council File No. --

Council District: 15

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Correspondence from the Harbor Department dated December 3, 2020; referred by the Mayor for report December 24, 2020

Subject: **PROPOSED FIRST AMENDMENTS TO CALIFORNIA ENERGY COMMISSION GRANT AGREEMENT NO. 17-3532 AND SUBRECIPIENT AGREEMENT NO. 17-3533 FOR THE EVERPORT ADVANCED CARGO HANDLING DEMONSTRATION PROJECT**

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### RECOMMENDATIONS

Approve Harbor Department (Port) Resolution No. 20-9732 authorizing proposed First Amendments to California Energy Commission Grant Agreement No. 17-3532 and Subrecipient Agreement No. 17-3533 to reflect a 15-month extension of the Port of Los Angeles Everport Advanced Cargo Handling Demonstration Project; and, return the Resolution document to the Port for further processing, including Council consideration.

### SUMMARY

The Harbor Department (Port) Board of Harbor Commissioners (Board) requests approval of Resolution No. 20-9732 authorizing proposed First Amendments to California Energy Commission (CEC) Grant Agreement No. 17-3532 and Subrecipient Agreement No. 17-3533 (collectively, Agreements) for the Port of Los Angeles (POLA) Everport Advanced Cargo Handling Demonstration Project (Project) to reflect a 15-month, no-cost Project term extension and timeline adjustments. The Project scope and all other terms of the Agreements remain the same, including the Port's Capital Improvement Program (CIP) commitment of \$2 million for the development of electrical infrastructure for the Project.

Everport Terminal Services Inc. (Everport) operates a containerized cargo marine terminal facility at Berths 226-236 on Terminal Island at POLA. The Project is a \$7.7 million joint effort among the Port, CEC, Everport, BYD Motors Inc. (BYD), and Taylor Machine Works, Inc. (Taylor) to fund the design, development, delivery, and 12-month demonstration of three pre-commercial battery electric zero emission (ZE) yard tractors and two pre-commercial battery electric ZE top handlers at the POLA Everport terminal. Everport and the Port jointly applied for a CEC Sustainable Freight

Transportation Projects grant program for the Project in January 2017. The goal of this CEC grant program is to enhance market acceptance and deployment of advanced medium- and heavy-duty vehicle technologies that will reduce greenhouse gas emissions, reduce petroleum use, and benefit disadvantaged communities. In May 2017, CEC Commissioners approved the Project for \$7,690,903, with \$4,524,000 in grant funding, with a term of approximately 3.5 years, from June 15, 2017 through December 31, 2020. The Port additionally signed a three-year Subrecipient Agreement with Everport, BYD and Taylor through November 14, 2020, with \$3,166,903 of in-kind, cost share contributions from each to complete the Project funding, including a \$2 million commitment from the Port to develop electrical infrastructure needed to charge the vehicles.

The Port reports that Taylor delivered the two ZE top handlers at the end of 2019 and Everport placed them into operation in February 2020, with generally good feedback from operators despite some maintenance needs and issues with charging. However, the development of the yard tractors was delayed due to equipment certification issues and Covid-19 factory shut downs and stay-at-home orders in both China and California for a significant portion of 2020. The CEC approved a 15-month no-cost extension through March 31, 2022 to complete the Project and the 12-month demonstration requirement, with related updates to the Project timeline milestones. The proposed Amendments accept the CEC extension and extend the Subrecipient Agreements through the same date.

The Port reports that there are no additional financial impacts associated with the proposed Amendments. The Port's committed funding is budgeted under the CIP in the Harbor Revenue Fund. The City Attorney has approved the proposed Amendments as to form and legality. In accordance with Administrative Code Section 14.8(b)(2), the Amendments require Council approval because they propose extensions exceeding one year. The Port states that the proposed action is an administrative activity involving basic data collection, field testing, and research by City Departments, which do not result in serious or major disturbances to an environmental resource. Therefore, the Port Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) and Article III, Class 6(2), of the Los Angeles CEQA Guidelines.

## **FISCAL IMPACT STATEMENT**

The proposed First Amendments to California Energy Commission Grant Agreement No. 17-3532 and Subrecipient Agreement No. 17-3533 for the Port of Los Angeles Everport Advanced Cargo Handling Demonstration Project to reflect a 15-month, no-cost Project term extension and timeline adjustments maintains a \$2 million commitment requirement from the Harbor Department (Port) to develop electrical infrastructure, funds for which are budgeted in the Harbor Revenue Fund Capital Improvement Program. There is no additional impact on the Harbor Revenue Fund. The recommendations in this report and proposed actions comply with Port Financial Policies. There is no impact on the City General Fund.