

0150-12352-0000

TRANSMITTAL

TO Eugene D. Seroka, Executive Director Harbor Department	DATE 09/01/2023	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 15	

**RESOLUTION NO. 23-10163 AND PROPOSED FIRST AMENDMENT TO
CALIFORNIA ENERGY COMMISSION GRANT SUBRECIPIENT AGREEMENT NO. 20-3723
WITH WEST BASIN CONTAINER TERMINAL LLC AND
WIRELESS ADVANCED VEHICLE ELECTRIFICATION, LLC
FOR THE ADVANCED INFRASTRUCTURE DEMONSTRATION PROJECT**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.



MAYOR
(Chris Thompson for)

Attachment

MWS/PJH/JVW:SHF:10230150t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: June 13, 2023


CAO File No. 0150-12352-0000

Council File No.

Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer



Reference: Correspondence from Los Angeles Board of Harbor Commissioners (Board) dated April 27, 2023 regarding April 27, 2023 Board Resolution; referred by the Mayor for report on April 28, 2023

Subject: **RESOLUTION NO. 23-10163 AND PROPOSED FIRST AMENDMENT TO CALIFORNIA ENERGY COMMISSION GRANT SUBRECIPIENT AGREEMENT NO. 20-3723 WITH WEST BASIN CONTAINER TERMINAL LLC AND WIRELESS ADVANCED VEHICLE ELECTRIFICATION, LLC FOR THE ADVANCED INFRASTRUCTURE DEMONSTRATION PROJECT**

RECOMMENDATIONS

That the Mayor:

1. Approve Los Angeles Harbor Department (Port) Resolution No. 23-10163 authorizing approval of the proposed First Amendment to California Energy Commission Grant Subrecipient Agreement No. 20-3723 between the Port, West Basin Container Terminal LLC, and Wireless Advanced Vehicle Electrification, LLC to extend the term by 15 months from April 1, 2024 through June 30, 2025, for the Zero Emission Freight Vehicle Advanced Infrastructure Demonstration Project;
2. Adopt the April 27, 2023 Board of Harbor Commissioners findings 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; and
3. Authorize the Port Executive Director, or designee, to execute the proposed amendment, already approved as to form by the City Attorney, and return the Resolution to the Port for further processing, including Council consideration.

SUMMARY

The Los Angeles Board of Harbor Commissioners (Board) requested approval of its April 27, 2023 Resolution No. 23-10163 (Attachment 1) authorizing approval of the proposed First Amendment to California Energy Commission (CEC) Grant Subrecipient Agreement 20-3723 (Agreement) with

West Basin Container Terminal LLC (WBCT) and Wireless Advanced Vehicle Electrification, LLC (WAVE) for the Zero Emission (EZ) Freight Vehicle Advanced Infrastructure Demonstration Project (Project). The proposed no costs amendment will extend the term by 15 months from April 1, 2024 through June 30, 2025, align scope of work changes made to CEC Grant Agreement 19-3666, and change the name of subrecipient Wireless Advanced Vehicle Electrification, Inc. to Wireless Advanced Vehicle Electrification, LLC due to changes in the entity's business status. All other terms and conditions of the Agreement remain the same.

The proposed amendment has been approved as to form by the City Attorney. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council approval is required because the cumulative contract term exceeds three years. Our office has reviewed the request and recommends approval.

BACKGROUND

WBCT is a leading global container carrier providing shipping services worldwide and a major container terminal tenant of the Port of Los Angeles (POLA). WAVE is a premiere developer of inductive charging solutions for medium- and heavy-duty vehicles and equipment in the U.S. WAVE's innovated charging systems provide wireless charging pads, which allow completely hands-free connection for tractors and equipment to charge without a physical connection to the power source (i.e., charging with no plug). These systems are extremely efficient in their power transfer that are estimated to fully charge a yard tractor in as little as two hours.

EZ Freight Vehicle Advanced Infrastructure Demonstration Project – Began in July 2019, the Project consists of construction and demonstration of an advanced infrastructure system developed by WAVE to support the operations of 10 battery-electric yard tractors at West Basin Container Terminal (Terminal). WAVE is responsible for providing and installing a wireless charging system on the 10 tractors and constructing 12 charging stations at the Terminal. Ten charging stations will be located at the equipment corral lanes where WBCT currently parks their yard tractors when off-duty, and two at a central break facility as an opportunity charging location. WBCT is responsible for acquiring and operating the 10 tractors. The Port is financially responsible for \$392,500, comprised of \$312,500 in matching fund and \$80,000 in staff time.

Unforeseen Delays - Construction of the two charging stations at the central break facility was successfully commissioned in April 2022. Two EZ yard tractors were commissioned and began the required 12-month demonstration in June 2022. However, the completion of constructing the remaining 10 charging stations supported by a large battery storage system and the delivery of the remaining yard tractors are delayed due to the COVID-19 pandemic, as factory shutdowns and stay-at-home orders affected the project team and supply chains internationally and domestically. These remaining infrastructure and yard tractors are targeted for commissioning in the first quarter of 2024. Subsequently, the 12-month demonstration and data collection will begin.

Project Cost and Funding – The total Project cost is \$11,349,155. The Port applied for a CEC grant on behalf of WBCT and was preliminarily awarded in April 2018 for up to \$7,842,270 for the infrastructure and demonstrate of the 12 charging stations and supporting system. Separately,

the South Coast Air Quality Management District (SCAQMD) applied for a U.S. Environmental Protection Agency (EPA), 2016 Targeted Air Shed Grant (TASG) on behalf of the Port and WBCT, and was awarded for \$1,787,500 in October 2017 to partially fund the purchase of 10 EZ yard tractors. The matching funds, including in-kind contributions, in the amount of \$1,719,385 come from WBCT (\$1,200,000), WAVE (\$126,885), and the Port (\$392,500).

CEC Grant Agreement and Amendments – On June 20, 2019, the Board approved the CEC Grant Agreement 19-3666 in the amount of \$7,842,270 with CEC funding for a term from June 15, 2018 through March 31, 2022. The First Amendment was approved by the Board on March 10, 2022 to extend the term by two years from April 1, 2022 through March 31, 2024 and move the infrastructure construction in-house. The Second Amendment was approved by the Board on April 27, 2023 to further extend the term by 15 months from April 1, 2024 through June 30, 2025 due to aforementioned delays.

CEC Subrecipient Agreement – On February 6, 2020, the Board approved the CEC Subrecipient Agreement 20-3723 with WBCT and WAVE for a three year term expiring on March 31, 2024 for the Project. Approval of the proposed amendment will extend the term by 15 months from April 1, 2024 through June 30, 2025 and align its terms with the amended CEC Grant Agreement.

CITY COMPLIANCE

The City Attorney has reviewed and approved the proposed amendment to the Subrecipient Agreement 20-3723 as to form. Pursuant to Charter Section 373 and Los Angeles Administrative Code Section 10.5, Council approval is required because the cumulative contract term exceeds three years.

California Environmental Quality Act (CEQA) – On April 27, 2023, the Board determined that the proposed amendment with WBCT and WAVE is administratively exempt from the requirements of the CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

The proposed amendment does not have any additional fiscal impact. As the grant administrator of the CEC grant, the Port will pass \$2,843,420 in grant funds to WAVE upon milestone completion. The Port's matching commitment remains at \$392,500, including \$80,000 in-kind contribution for grant management. There is no impact on the City's General Fund. The recommendations in this report and proposed actions comply with the Port Financial Policies.

Attachment 1 – April 27, 2023 Harbor Board report, Resolution 23-10163

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