

BOARD MEETING DATE: May 6, 2011

AGENDA NO. 31

PROPOSAL: Approve Ships-At-Berth Projects Under Proposition 1B-Goods Movement Program and Amend Contracts to Secure Technical Assistance

SYNOPSIS: On January 7, 2011, the Board released a Program Announcement to solicit eligible projects in the category of “ships-at-berth” for the Proposition 1B-Goods Movement Emission Reduction Program. This funding opportunity applies to projects at ports and intermodal rail yard facilities located in the Los Angeles/Inland Empire trade corridor and at Port Hueneme. This action is to approve ships-at-berth projects, subject to CARB’s final approval, in an amount not to exceed \$58,226,334. This action is also to amend contracts with consultants to assist in implementation of incentive programs.

COMMITTEE: Not Applicable

RECOMMENDED ACTIONS:

- 1) Authorize the Executive Officer to execute the following contracts for ships-at-berth projects as outlined in Table 1, subject to CARB’s final approval, in an amount not to exceed \$58,226,334 from the Proposition 1B-Goods Movement Program Fund (81):
 - a. Port of Los Angeles for 10 projects in an amount not to exceed \$23,720,625;
 - b. Port of Long Beach for 12 projects in an amount not to exceed \$30,000,000; and
 - c. Port of Hueneme for 3 projects in an amount not to exceed \$4,505,709.
- 2) Authorize the Executive Officer to amend the following contracts to assist in implementation of the Proposition 1B Program using administrative funds from the Proposition 1B-Goods Movement Program Fund (81):
 - a. TIAX, LLC in an amount not to exceed \$200,000 for shore power, truck and locomotive projects; and
 - b. Clean Fuel Connection in an amount not to exceed \$100,000 for truck projects.
- 3) Authorize the Executive Officer to amend the following contracts to assist in implementation of the Carl Moyer Program using administrative funds from the Carl Moyer Program SB 1107 Fund:
 - a. TIAX, LLC in an amount not to exceed \$50,000 for projects submitted under the Carl Moyer On-Road Voucher Incentive Program; and

- b. Clean Fuel Connection in an amount not to exceed \$50,000 for projects submitted under Year 13 of the Carl Moyer Program.
- 4) Authorize the Executive Officer to amend a contract with TIAX, LLC to assist in implementation of natural gas truck projects in an amount not to exceed \$100,000 using U.S. DOE administrative funds recognized in the Proposition 1B-Goods Movement Program Fund (81).

Barry R. Wallerstein, D.Env.
Executive Officer

CSL:MMM:FM:VAW

Background

On January 7, 2011, the Board released a Program Announcement to solicit eligible projects in the category of “ships-at-berth” for “Year 2” of the Proposition 1B-Goods Movement Program. This funding opportunity closed on February 11, 2011, and was limited to projects at ports and intermodal rail yard facilities located in the Los Angeles/Inland Empire trade corridor and at Port Hueneme. Based on initial agreement between CARB and the Ports, the Ports of Los Angeles and Long Beach were to be given priority for their top ten projects each, and Port Hueneme for three projects. While Port of Hueneme applied for three projects as originally discussed, Ports of Los Angeles and Long Beach applied for additional berth projects. AQMD worked closely with the two ports to identify the top ten priority projects for each, and the ranking of the additional projects based on cost-effectiveness as agreed with CARB. During the evaluation, the Port of Los Angeles requested to withdraw five projects, resulting in only two additional remaining projects submitted by the Port of Long Beach.

Proposal

This action is to approve 25 ships-at-berth projects to the Ports of Los Angeles, Long Beach, and Hueneme, as identified in Table 1, and subject to CARB’s final approval in an amount not to exceed \$58,226,334 from the Proposition 1B-Goods Movement Program Fund (81). The grant funds will be used to cofund the installation of turnkey shore power grid-based systems to allow appropriately equipped marine vessels to turn off their diesel auxiliary engines and plug into electrical power while at berth. The emission reductions from each berth project were quantified using the Proposition 1B calculator provided by CARB. The total reductions from the 25 shore power projects are 7,629 tons of NOx, and 130 tons of PM over the ten-year contract term. The projects are expected to be operational and generating emission reductions well beyond the ten-year contract term required by the Proposition 1B Program. The shore power projects are also expected to result in significant reductions in greenhouse gas emissions.

Finally, staff recommends amending contracts with several consultants to assist in the implementation of the AQMD's large incentive programs. Both the Carl Moyer and the Proposition 1B-Goods Movement Programs have administrative funds for implementation of the programs in accordance with the executed grant agreements and program guidelines. The AQMD may also use administrative funds from the U.S. DOE for the natural gas truck projects approved under the Proposition 1B Program. The AQMD has executed contracts with TIAX, LLC and Clean Fuel Connection to assist with these efforts.

Benefits to AQMD

The successful implementation of projects in the category of ships at berth and cargo handling equipment will reduce NOx, PM and other pollutant emissions in a cost-effective and expeditious manner which will help achieve the goals of the 2007 AQMP. The new equipment funded under this program is expected to operate for many years which will provide long-term emission reduction benefits at the Ports and in the region.

Resource Impacts

Total funding for ships at berth projects shall not exceed \$58,226,334 from the Proposition 1B-Goods Movement Program Fund (81). Total funding for consultants to assist in implementation of the incentive programs shall not exceed \$500,000 as outlined below:

Contractor	Carl Moyer SB 1107 Admin Funds	Proposition 1B Admin Funds	U.S. DOE Admin Funds Recognized in Prop. 1B Fund
TIAX, LLC	\$50,000	\$200,000	\$100,000
Clean Fuel Connection	\$50,000	\$100,000	

Attachment

Table 1: Recommended Awards for Ships-At-Berth Projects

Table 1: Recommended Awards for Ships-At-Berth Projects

Port	Terminal	Berth	Funding Amount (\$)
Los Angeles	Yusen	212	\$2,500,000
Los Angeles	APM/Pier 400	405	\$1,977,500
Los Angeles	Yusen	214	\$2,500,000
Los Angeles	APM/Pier 400	404	\$1,977,500
Los Angeles	APM/Pier 400	401	\$2,421,875
Los Angeles	West Basin	121	\$2,500,000
Los Angeles	Seaside	227	\$2,500,000
Los Angeles	APM/Pier 400	402	\$2,421,875
Los Angeles	West Basin	126	\$2,500,000
Los Angeles	APM/Pier 400	403	\$2,421,875
Long Beach	A	96	\$2,500,000
Long Beach	T	138	\$2,500,000
Long Beach	G	236	\$2,500,000
Long Beach	T	136	\$2,500,000
Long Beach*	J	245	\$2,500,000
Long Beach	J	266	\$2,500,000
Long Beach	A	94	\$2,500,000
Long Beach	T	140	\$2,500,000
Long Beach	T	132/134	\$2,500,000
Long Beach	A	92	\$2,500,000
Long Beach*	J	247	\$2,500,000
Long Beach	J	270	\$2,500,000
Hueneme	Wharf 1	1	\$1,501,903
Hueneme	Wharf 1	2	\$1,501,903
Hueneme	Wharf 1	3	\$1,501,903
TOTAL			\$58,226,334

*Projects selected in addition to the top ten priorities by each of the Ports of Los Angeles and Long Beach, contingent upon CARB's final approval.