

BOARD MEETING DATE: December 4, 2020

AGENDA NO. 3

PROPOSAL: Recognize Revenue and Execute Contracts for Electrification of Transport Refrigeration in Southern California Grocery Fleet

SYNOPSIS: South Coast AQMD has been awarded up to \$2,240,721 from U.S. EPA to replace diesel transport refrigeration units (TRUs) with electrified TRUs and install supporting infrastructure with Albertsons Companies. These actions are to: 1) recognize revenue, upon receipt, of up to \$2,240,721 from the U.S. EPA FY20 Clean Diesel Funding Assistance Program into the Clean Fuels Program Fund (31) for electrification of transport refrigeration; 2) execute a contract with Albertsons Companies to replace diesel TRUs with electrified TRUs and install supporting infrastructure in an amount not to exceed \$2,170,975 from the Clean Fuels Program Fund (31); and 3) reimburse the General Fund up to \$69,746 from the Clean Fuels Program Fund (31) for administrative costs.

COMMITTEE: Technology, November 20, 2020; Recommend for Approval

RECOMMENDED ACTIONS:

1. Recognize revenue, upon receipt, of up to \$2,240,721 from the U.S. EPA FY20 Clean Diesel Funding Assistance Program into the Clean Fuels Program Fund (31) for electrification of transport refrigeration;
2. Authorize the Chairman to execute a contract with Albertsons Companies to replace diesel TRUs with electrified TRUs and install supporting infrastructure in an amount not to exceed \$2,170,975 from the Clean Fuels Fund (31); and
3. Reimburse the General Fund up to \$69,746 from Clean Fuels Program Fund (31) for administrative costs.

Wayne Nastri
Executive Officer

Background

The 2016 AQMP identifies the need for NO_x reductions in meeting upcoming national ambient air quality standards. Mobile sources are major contributors to NO_x emissions with adverse impact on public health in the South Coast Air Basin, particularly in EJ communities. Significant increases in NO_x, PM and GHG emissions from these sources are expected due to increased demand in goods movement activities. In order to mitigate these emissions, South Coast AQMD strongly supports many pathways to accelerated deployment of zero and near zero emission technologies. The electrifying refrigerated trailers to eliminate idling with electrified parking infrastructure and facilitate zero-emission over-the-road operation are one of many ways to pursue a zero and near-zero emission technologies roadmap.

Staff submitted a proposal to the U.S. EPA for Diesel Emission Reduction Act (DERA) grants for electrification of transport refrigeration units (TRUs) in Southern California grocery fleet. In August 2020, U.S. EPA notified staff that this application had been selected for \$2,240,721 in funding.

Proposal

Staff proposes a project that will a) replace up to 41 diesel TRUs and trailers with a combination of 15 all-electric TRUs and insulated trailers (refrigerated trailers) and 26 hybrid-electric standby refrigerated trailers; b) install eligible infrastructure to support the 15 all-electric refrigerated trailers; c) install idle reduction electrified parking spaces and 194 spaces to allow hybrid-electric refrigerated trailers to plug in at Albertson's project site locations. The proposed idle reduction parking spaces will supply electricity to the proposed 26 hybrid-electric TRUs on trailers, and another 194 pre-existing hybrid-electric refrigerated trailers which have never had the infrastructure to support electrified idle reduction.

Staff proposes the following actions: recognize revenue, upon receipt, of up to \$2,240,721 from the U.S. EPA FY20 Clean Diesel Funding Assistance Program into the Clean Fuels Program Fund (31) for electrification of transport refrigeration, authorize the Chairman to execute a contract with Albertsons Companies to replace diesel TRUs with electrified TRUs and install supporting infrastructure in an amount not to exceed \$2,170,975 from the Clean Fuels Program Fund (31) and reimburse the General Fund up to \$69,746 for administrative costs.

Sole Source Justification

Section VIII.B.3 of the Procurement Policy and Procedure identifies four major provisions under which contracts funded in whole or in part with federal funds may be made as a sole source award. This request for sole source award is made under provision B.3.c, which states the awarding federal agency authorizes noncompetitive proposals in response to a written request from the non-Federal entity.

Benefits to South Coast AQMD

Projects to support development and demonstration of hybrid and all-electric TRUs and infrastructure are included in the *Technology Advancement Office Clean Fuels Program 2020 Plan Update* under the categories of “Develop and Demonstrate Electric and Hybrid Vehicles,” and “Develop and Demonstrate Electric Charging Infrastructure.” Successful accomplishment of this project will contribute to the attainment of national ambient air quality standards in the South Coast Air Basin by eliminating PM and NOx emissions from replaced diesel TRUs and idle reduction from installation of electrified parking spaces. Communities surrounding facilities proposed under the project, which will take emissions reduction benefits from project investments, are considered disadvantaged communities.

Resource Impacts

The U.S. EPA FY20 DERA Grant award of \$2,240,721 for the electrification of TRUs in Southern California grocery fleet project includes \$2,170,975 for project costs and \$69,746 for South Coast AQMD administrative costs. The proposed project budget of \$6,281,500 includes \$2,170,975 from U.S. EPA and \$4,110,525 in cost-share from Albertsons Companies.

Source	Amount	Percent
U.S. EPA	\$2,170,975	35%
Albertsons Companies	\$4,110,525	65%
Total	\$6,281,500	100%