

BOARD MEETING DATE: March 4, 2022

AGENDA NO. 4

PROPOSAL: Amend Contracts to Deploy Trucks for Volvo Low Impact Green Heavy Transport Solutions Project

SYNOPSIS: In November 2018, the Board approved execution of contracts for the Volvo Low Impact Green Heavy Transport Solutions (LIGHTS) project. CARB approved reallocation of up to \$1,044,854 of administrative funding to project costs and extending the project to September 2022 to deploy up to five trucks at freight handling facilities. This action is to amend a contract with Volvo Group North America, LLC in an amount not to exceed \$1,044,854 from the GHG Reduction Projects Special Revenue Fund (67) to deploy up to five trucks, and amend a contract with Green Paradigm Consulting, Inc. in an amount not to exceed \$14,000 from the GHG Reduction Projects Special Revenue Fund (67) to provide project implementation assistance.

COMMITTEE: Technology, February 18, 2022; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Chair (or by the Chair's designation, the Executive Officer) to amend a contract with Volvo Group North America, LLC, in an amount not to exceed \$1,044,854 from the GHG Reduction Projects Special Revenue Fund (67) to deploy up to five trucks at freight handling facilities; and
2. Authorize the Chair (or by the Chair's designation, the Executive Officer) to amend a contract with Green Paradigm Consulting, Inc., in an amount not to exceed \$14,000 from the GHG Reduction Projects Special Revenue Fund (67) to provide project implementation assistance.

Wayne Natri
Executive Officer

Background

In November 2018, the Board approved an award of \$44,839,686 for the Volvo Low Impact Green Heavy Transport Solutions (LIGHTS) project to develop and demonstrate Class 8 battery electric trucks, freight handling equipment, infrastructure and solar under CARB's Low Carbon Transportation GHG Reduction Fund Investments. South Coast AQMD received 5 percent of the total grant for administrative funding towards project management including reporting, contracting, invoicing, and other administrative tasks.

Proposal

As the Volvo LIGHTS project nears completion, South Coast AQMD staff recommends reallocating up to \$1,044,854 of its unspent administrative funding to project costs for deployment of up to five battery electric trucks. This will enable the deployment of trucks with the latest generation battery pack with higher than expected vehicle range. Volvo will also be providing approximately \$600,000 in match share for this work. The LIGHTS project will be extended from March 2022 to September 2022. Therefore, staff is requesting an additional \$14,000 from CARB administrative funds for continued project implementation assistance from Green Paradigm Consulting, Inc. These actions are to amend a contract with Volvo Group North America, LLC (Volvo) to add up to \$1,044,854 in CARB funding for the Volvo LIGHTS project and amend a contract with Green Paradigm Consulting, Inc., in an amount not to exceed \$14,000 from the GHG Reduction Projects Special Revenue Fund (67). CARB has approved these reallocations and there are no net changes in grant funds.

Benefits to South Coast AQMD

Projects to support development and demonstration of various electric container and freight transport technologies and infrastructure, as well as to demonstrate solar and energy storage technologies to enable development and demonstration of microgrids with fleets charging heavy-duty trucks, yard tractors, and forklifts are included in the *Technology Advancement Office Clean Fuels Program 2021 Plan Update* under the categories of "Develop and Demonstrate Electric and Hybrid Vehicles," "Develop and Demonstrate Electric Container Transport Technologies," "Develop and Demonstrate Electric Charging Infrastructure," and "Develop and Demonstrate Microgrids with Photovoltaic/Fuel Cell/Battery Storage/EV Chargers and Energy Management." This project is to develop and demonstrate zero emissions heavy-duty trucks, freight handling equipment, infrastructure and solar. Successful demonstrations of such projects 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 heavy-duty trucks and off-road freight handling equipment. The project also includes installation of infrastructure powered by solar and energy storage.

Resource Impacts

The amended contract with Volvo will not exceed \$47,733,409 from the GHG Reduction Projects Special Revenue Fund (67). This will not exceed CARB funding of \$43,233,409, \$4,000,000 in South Coast AQMD cost share from the Clean Fuels Fund (31), and \$500,000 from the U.S. EPA Clean Air Technology Initiative (CATI) program. CARB funding of \$42,188,555 was previously recognized by the Board, and up to \$1,044,854 is being reallocated from South Coast AQMD administrative funding to project funding from this grant. The funding sources and amounts for the project are in the following table:

Proposed Volvo Project Costs

Source	Amount	Percent
CARB <i>(previously recognized)</i>	\$42,188,555	46%
CARB <i>(reallocation from admin to project funds)</i>	\$1,044,854	1%
Volvo and partners <i>(cash & in-kind)</i>	\$43,146,552	48%
South Coast AQMD <i>(approved Nov 2018)</i>	\$4,000,000	4.4%
U.S. EPA (CATI) <i>(approved Sept 2020)</i>	\$500,000	.6%
Total	\$90,879,961	100%

Sufficient funds will be available in GHG Reduction Projects Special Revenue Fund (67) to amend the Volvo and Green Paradigm Consulting, Inc. contracts from CARB funding for the Volvo LIGHTS project.