

BOARD MEETING DATE: March 6, 2020

AGENDA NO. 2

PROPOSAL: Execute Contracts to Replace Heavy-Duty Diesel Trucks with Near-Zero Emissions Natural Gas Trucks

SYNOPSIS: In October 2018, the Board approved awards totaling \$14 million to replace 140 heavy-duty diesel trucks with near-zero emissions natural gas trucks. The clean trucks will be funded using \$8 million in grant funds provided by the CEC plus \$6 million in local match funds. Since approval of these awards, some fleets have declined their award or opted to switch to a fuel type not allowed under the CEC grant. These changes resulted in available funds that may be reallocated to other eligible trucks. These actions are to execute two contracts in the amount of \$3,900,000 from the Community Air Protection AB 134 Fund (77) and, in the case of turnback funds, authorize the Executive Officer to execute additional contracts for eligible trucks meeting the CEC grant requirements from the applications received through the Proposition 1B-Goods Movement solicitation until all funds are exhausted.

COMMITTEE: Technology, February 21, 2020; Less than a quorum was present; a concurrence of the staff recommendation will be forwarded to the Board

RECOMMENDED ACTIONS:

1. Authorize the Chairman to execute the following agreements from the Community Air Protection AB 134 Fund (77):
 - a. A contract with National Ready Mixed Concrete Company to replace 29 diesel trucks with near-zero emissions natural gas trucks in an amount not to exceed \$2,900,000; and
 - b. A contract with Pacific Green Trucking, Inc., to replace 10 diesel trucks with near-zero emissions natural gas trucks in an amount not to exceed \$1,000,000.
2. Authorize the Executive Officer, in case of turnback funds, to execute additional contracts (or contract amendments) from the Community Air Protection AB 134 Fund (77) for eligible trucks meeting the CEC grant requirements from the

applications received through the Proposition 1B-Goods Movement until the \$8M in CEC funding and \$6M in local match funds are exhausted.

Wayne Natri
Executive Officer

MMM:NB:VW:TL:FX

Background

In October 2018, the Board approved awards totaling \$14 million to replace 140 heavy-duty diesel trucks with near-zero emissions natural gas trucks. These clean trucks will be funded using \$8 million in grant funds provided by the CEC plus \$6 million in local match funds, comprising \$2 million each from the Ports of Los Angeles and Long Beach and \$2 million from the Community Air Protection AB 134 Fund (77). Since approval of these awards, some fleets have declined their award or opted to switch to a fuel type not allowed under the CEC grant. A total amount of \$3.9 million is now available for other eligible trucks.

In October 2019, the Board issued a Proposition 1B-Goods Movement Program Announcement to solicit additional projects to utilize turnback funds until all Proposition 1B funds are exhausted. Under the CEC grant, near-zero emissions natural gas trucks meeting the criteria of Proposition 1B-Goods Movement are eligible for funding. Staff has identified eligible trucks from applications received under Proposition 1B #PA2020-01.

Proposal

This action is to execute contracts with National Ready Mixed Concrete Company to replace 29 diesel trucks with near-zero emissions natural gas trucks and Pacific Green Trucking, Inc., to replace 10 diesel trucks with near-zero emissions natural gas trucks in amounts not to exceed \$2,900,000 and \$1,000,000, respectively, from the Community Air Protection AB 134 Fund (77).

In case of turnback funds and to meet tight CEC grant deadlines, this action is to also authorize the Executive Officer to execute additional contracts from the Community Air Protection AB 134 Fund (77) for eligible trucks meeting the CEC grant requirements from the applications received through the Proposition 1B-Goods Movement solicitation until the \$8M in CEC funding and \$6M in local match funds are exhausted.

Benefits to South Coast AQMD

The successful deployment of near-zero emissions natural gas trucks approved under the CEC grant will provide direct emission reductions of both NO_x and PM. The

vehicles and equipment will operate for the life of the awarded contracts and beyond, thus providing long-term emission reductions and associated public health benefits. Some of the trucks will operate in and adjacent to disadvantaged and low-income communities, resulting in direct air quality benefits to communities most affected by goods movement.

Resource Impacts

Trucks to be funded under the CEC grant will not exceed \$8M and the local match funds will not exceed \$6 million. The contracts with National Ready Mixed Concrete Company and Pacific Green Trucking will not exceed available funds.