

BOARD MEETING DATE: August 2, 2024

AGENDA NO. 5

PROPOSAL: Adopt Resolution to Recognize Funds and Accept Terms and Conditions of the 2022 Port and Freight Infrastructure Program Award from the California State Transportation Agency

SYNOPSIS: In December 2023, the Board recognized an award of \$76,250,003 from California State Transportation Agency (CalSTA) under the 2022 Port and Freight Infrastructure Program (PFIP) to demonstrate a short line hydrogen fuel cell locomotive and deploy direct current fast chargers and hydrogen refueling dispensers for heavy duty trucks. The Board also established the CalSTA Special Revenue Fund (89) to receive the funds. CalSTA requires a Resolution of the Board in order to release the funds. The Board also recognized \$500,000 from DOE through a FY 2023 Congressional Direct Spending Request for the project. These actions are to: 1) Adopt a Resolution to recognize funds, accept terms and conditions of the 2022 PFIP award from CalSTA and authorize the Executive Officer to execute the necessary agreements with CalSTA and California Department of Transportation to receive the award; 2) Reimburse the General Fund up to \$24,000 for administering the DOE grant and 3) Temporary loan up to \$10 million from the Clean Fuels Program Fund (31) to the CalSTA Special Revenue Fund (89) until PFIP grant funds are received.

COMMITTEE: Technology; June 21, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

- 1) Adopt a Resolution to recognize funds, accept terms and conditions of the 2022 Port and Freight Infrastructure Program (PFIP) award from California State Transportation Agency (CalSTA) and to authorize the Executive Officer to execute the necessary agreements with CalSTA and California Department of Transportation (Caltrans) to receive the funds;
- 2) Reimburse the General Fund for up to \$24,000 for administering the DOE grant; and

- 3) Temporary loan up to \$10 million from the Clean Fuels Program Fund (31) to the CalSTA Special Revenue Fund (89) until PFIP grant funds are received.

Wayne Natri
Executive Officer

AK:MW:VP:MH

Background

South Coast AQMD partnered with Prologis Mobility, LLC and Wabtec Corporation to submit a Freight Air Quality Solutions (FAQS) proposal to CalSTA under the 2022 PFIP. The proposed projects included the deployment of direct current fast chargers (DCFC) and hydrogen refueling dispensers at seven locations to support zero emission drayage fleets and the demonstration of a short-line fuel cell locomotive that will transport cargo in and around the San Pedro ports. CalSTA awarded a PFIP grant to South Coast AQMD for these projects in July 2023. In December 2023, the Board recognized \$76,250,003 from CalSTA under the PFIP award and \$500,000 from DOE, established CalSTA Special Revenue Fund (89) to receive the funds, and authorized the execution of contracts with Prologis Mobility, LLC and Wabtec Corporation. Caltrans, which is administering the PFIP award for CalSTA, requires a Resolution from the Board to recognize funds, accept the terms and conditions and authorize the execution of necessary agreements with CalSTA and Caltrans to receive the funds.

The PFIP grant funds will be paid to South Coast AQMD on a reimbursement basis. A temporary loan of up to \$10 million from the Clean Fuels Program Fund (31) to the CalSTA Special Revenue Fund (89) is necessary to ensure sufficient funds are available for the projects. The loaned amount will be returned to Fund 31 as reimbursements from the PFIP grant are received.

Proposal

This action is for the Board to adopt the Resolution to recognize funds, accept the terms and conditions and authorize the execution of necessary agreements with CalSTA and Caltrans to receive the funds. In addition, this action is to authorize the reimbursement of the General Fund of up to \$24,000 for administering the DOE grant. Finally, this action is to temporary loan up to \$10 million from the Clean Fuels Program Fund (31) to the CalSTA Special Revenue Fund (89) until PFIP grant funds are received.

Benefits to South Coast AQMD

South Coast Air Basin is classified as an “extreme” nonattainment area for ozone under the Federal Clean Air Act. Successful deployment of chargers and fuel dispensers and the demonstration of fuel cell locomotives will help reduce Ozone and PM2.5 air

pollution. The project supports the Technology Advancement Office Clean Fuel Program 2023 Plan Update under the categories of “Electric/Hybrid Technologies,” “Hydrogen/Mobile Fuel Cell Technologies,” and “Zero Emission Infrastructure.” Estimated annual emission reductions of 632 tons of NOx, 1.7 tons of PM2.5 and 147,104 tons of CO2 may be expected from these projects.

Resource Impacts

Sufficient funds are available in the Clean Fuels Program Fund (31) for the temporary loan to CalSTA Special Revenue Fund (89) until PFIP grant funds are received.

Attachment

Resolution

**A Resolution of the South Coast Air Quality Management District Board
Recognizing Funds and Accepting the Terms and Conditions of the
California State Transportation Agency
2022 Port and Freight Infrastructure Program Award**

WHEREAS, under Health & Safety Code § 40400 *et seq.*, the South Coast Air Quality Management District (South Coast AQMD) is the local agency with the primary responsibility for the development, implementation, monitoring and enforcement of air pollution control strategies, clean fuels programs and motor vehicle use reduction measures;

WHEREAS, the South Coast AQMD is authorized by Health & Safety Code §§ 40402, 40404, 40440, and 40448.5 to implement programs to reduce transportation emissions, including programs to encourage the use of alternative fuels and low-emission vehicles; to develop and implement other strategies and measures to reduce air contaminants and achieve the state and federal air quality standards;

WHEREAS, the South Coast AQMD is designated as an extreme non-attainment area for ozone and as such is required to utilize all feasible measures to meet national ambient air quality standards;

WHEREAS, the South Coast AQMD has been awarded up to \$76,250,003 million from the California State Transportation Agency (CalSTA) 2022 Port and Freight Infrastructure Program (PFIP) for eligible projects and program administration through the California Department of Transportation (Caltrans);

WHEREAS, the South Coast AQMD is eligible to receive Federal and/or State funding for certain transportation projects, through Caltrans; and

WHEREAS, Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements and/or Fund Transfer Agreements need to be executed with CalSTA and/or Caltrans before such funds can be claimed;

NOW, THEREFORE BE IT RESOLVED that the Executive Officer is authorized to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements and any amendments thereto with CalSTA and/or Caltrans or its designee;

BE IT FURTHER RESOLVED that the Governing Board, in regular session assembled on August 2, 2024, does hereby accept the terms and conditions of the CalSTA 2022 PFIP award and recognize up to \$76,250,003 million in the CalSTA Special Revenue Fund (89) for eligible projects; and

BE IT FURTHER RESOLVED that the Executive Officer is authorized and directed to take all steps necessary to carry out this Resolution.