

BOARD MEETING DATE: June 6, 2025

AGENDA NO. 14

PROPOSAL: Approve Allocation as Approved by MSRC

SYNOPSIS: The MSRC approved a \$2,000,000 funding allocation to partner with South Coast AQMD on the Strategic Pathways for Extended Electric Drayage project to deploy Class 8 battery electric trucks and truck chargers in Southern California, develop and demonstrate a high-power charging-capable truck, collect truck and charger operational data, and develop and implement a workforce training program for battery electric trucks and charging equipment. The MSRC seeks Board approval of the allocation as part of the FYs 2024-27 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review, May 15, 2025;
Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve MSRC allocation in an amount not to exceed \$2,000,000 to partner with South Coast AQMD on the Class 8 battery electric truck portion of the Strategic Pathways for Extended Electric Drayage (SPEED) project as part of approval of the FYs 2024-27 Work Program, as described in this Board Letter.

Larry McCallon
Committee Chair, MSRC

AK:CR

Background

In September 1990, Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvented to the South Coast AQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

Proposal

At its May 15, 2025 meeting, the MSRC considered recommendations from its MSRC Technical Advisory Committee (MSRC-TAC) and approved the following:

FYs 2024-27 Advanced Technology Demonstration and Pilot Projects

On October 26, 2023, South Coast AQMD submitted a proposal for the Strategic Pathways for Extended Electric Drayage (SPEED) project in response to a joint CARB and CEC solicitation for CARB's FY 2021-22 and FY 2022-23 Advanced Technology Demonstration and Pilot Project program. South Coast AQMD, in partnership with Volvo, is leading a collaborative effort to expand battery electric truck deployment in the South Coast AQMD jurisdiction and beyond. This new initiative will further advance battery electric truck technologies by developing and demonstrating a high-power (750 kW) charging-capable truck for regional transportation between Southern California and the Central Valley. This project also aims to meet the workforce needs for increasing adoption of battery electric trucks, supporting infrastructure, and the upcoming rollout of high-power truck charging technologies. The project aligns with the goal of Advanced Technology Demonstration and Pilot Project to strategically accelerate the advancement of innovative and economically viable technologies into the commercial marketplace.

On February 6, 2025, CEC released a Notice of Proposed Awards in which South Coast AQMD was awarded \$22,000,000 in CARB funds and \$19,295,211 in CEC funds for the SPEED project. South Coast AQMD and its project partners plan to deploy a total of 100 Class 8 Volvo battery electric trucks with approximately 10 truck fleets in the South Coast AQMD and San Diego County Air Pollution Control District (SDCAPCD) areas. With the addition of funding from MSRC, each truck deployed within the South Coast AQMD area will receive funding up to \$242,222, while each truck deployed within SDCAPCD area will receive funding up to \$220,000. An estimated 79 Combined Charging System ports, each receiving funding up to \$80,000, will be deployed at the participating fleets' depots. The MSRC considered this partnership opportunity and approved an allocation of up to \$2,000,000 to augment the partners' contributions as an element of the FYs 2024-27 Work Program. The MSRC's funding would be designated towards the truck incentives within South Coast AQMD.

At this time, the MSRC requests South Coast AQMD Board to approve the allocation as part of approval of the FYs 2024-27 AB 2766 Discretionary Fund Work Program as outlined above.

Sole Source Justification

Section VIII.B.2. of the Procurement Policy and Procedure includes four possible provisions under which a sole source award may be justified. The request for sole source awards for the technology and fleet partners in this project is made under the provisions B.2.c.(1): The unique experience and capabilities of the proposed contractor or contractor team; B.2.c.(2): The project involves the use of proprietary technology; and B.2.d.(1): Projects involving cost-sharing by multiple sponsors. Volvo, CARB, CEC, truck fleets,

WattEV, workforce training providers, including Cerritos College, Clean Fuels Education, TRC Environmental Corporation Companies, and CharIN, Inc. and other partners have extensive knowledge and experience in advanced EV technologies that are needed to complete this project successfully. The manufacturer will utilize their proprietary technologies to develop high-power capable trucks for future Class 8 battery electric truck production design for the North American market. The Project's megawatt chargers will support the future state of high-power heavy-duty truck charging. The proposed project includes match share by South Coast AQMD, CARB, CEC, Volvo, participating fleets, and WattEV.

Resource Impacts

South Coast AQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the allocation specified herein will be drawn from this fund.