

BOARD-APPROVED REVISIONS SHOWN IN STRIKETHROUGH/UNDERLINE

BOARD MEETING DATE: June 5, 2026

AGENDA NO. 6

PROPOSAL: Execute Contracts to Implement INVEST CLEAN Program

SYNOPSIS: In July 2024, U.S. EPA awarded South Coast AQMD a Climate Pollution Reduction Grant of nearly \$500 million for the Infrastructure, Vehicles, and Equipment Strategy for Climate, Equity, Air Quality, and National Competitiveness (INVEST CLEAN). In June and August 2025, an RFP for battery electric locomotives and three Program Announcements (PAs), for charging infrastructure, heavy-duty trucks, and cargo handling equipment were released and subsequently closed in December 2025 and January 2026. Projects have been evaluated and eligible projects were selected based on completeness and criteria detailed in the RFP and PAs, with additional consideration of the grant funds' geographical distribution. This action is to execute contracts from the U.S. EPA Climate Pollution Reduction Grant (CPRG) Special Revenue Fund (90) to implement INVEST CLEAN in the amount not to exceed \$249,~~4~~797,891, including up to \$38,397,891 for charging infrastructure deployment, \$20,~~600~~,300,000 for battery electric cargo handling equipment, and \$190,800,000 for battery electric locomotives.

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COMMITTEE: Technology, May 15, 2026; Recommended for Approval

RECOMMENDED ACTIONS:

Authorize the Executive Officer to execute contracts to implement INVEST CLEAN in an amount not to exceed \$249,~~4~~797,891 from the U.S. EPA Climate Pollution Reduction Grant (CPRG) Special Revenue Fund (90) as follows:

1. Up to \$38,397,891 for charging infrastructure deployment as listed in Table 1;
2. Up to \$20,~~600~~,300,000 for battery electric cargo handling equipment as listed in Table 2; and
3. Up to \$190,800,000 for battery electric locomotives as listed in Table 3.

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Wayne Nastri
Executive Officer

Background

The Inflation Reduction Act (Public Law 117-169) created the U.S. EPA CPRG program to provide \$4.6 billion in grants to states, local governments, tribes, and territories to develop climate action plans and to implement projects to reduce GHG emissions, criteria pollutants, and hazardous air pollution. CPRG required regional cooperation within Metropolitan Statistical Areas (MSA) and encouraged multi-jurisdictional partnerships for both planning and implementation efforts.

In April 2024, South Coast AQMD submitted the regional CPRG proposal entitled Infrastructure, Vehicles, and Equipment Strategy for Climate, Equity, Air Quality, and National Competitiveness (INVEST CLEAN). INVEST CLEAN is an initiative to help transform the Southern California goods movement corridor to zero-emission (ZE) technology by implementing four measures to replace Class 8 trucks, cargo handling equipment, deploy locomotives, and install charging infrastructure. The INVEST CLEAN geographic region spans the Los Angeles – Long Beach – Anaheim and Riverside – San Bernardino – Ontario MSAs.

In July 2024, U.S. EPA awarded South Coast AQMD the full proposal request of \$499,997,415 for INVEST CLEAN, which is the largest CPRG award out of the 25 projects funded nationwide. INVEST CLEAN is a transformational initiative aimed at overcoming barriers to transitioning the Southern California goods movement and logistics corridor to ZE technologies. The Project includes four measures, which are:

- (1) Heavy Duty Charging Infrastructure Deployment Incentive Program: install electrical charging equipment for heavy-duty trucks.
- (2) Battery Electric Freight Vehicle Deployment Incentive Program: replacement of Class 8 trucks with battery electric trucks.
- (3) Battery Electric Cargo Handling Equipment Deployment Incentive Program: replacement of yard tractors and top handlers with battery electric units.
- (4) Battery Electric Locomotive Pilot Program: replacement of switcher locomotives with battery electric switchers and the installation of supporting infrastructure.

In June and August 2025, an RFP for Battery Electric Locomotives and Program Announcements (PAs) for Charging Infrastructure, Battery Electric Freight Trucks, and Cargo Handling Equipment were released and subsequently closed in December 2025 and January 2026. The Locomotives RFP generated approximately \$371 million in grant proposals. The three PAs generated approximately \$315 million in grant applications.

All the applications received have been evaluated in accordance with the RFP and PAs. The projects were selected based on their ability to meet eligibility requirements and scoring criteria, emission reduction goals, and balanced geographic distribution to the two MSAs.

Proposal

Staff is proposing to award up to \$249,479,891 from the U.S. EPA CPRG Special Revenue Fund (90) as follows:

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Charging Infrastructure Deployment Awards (Table 1):

Staff recommends awarding the projects listed in Table 1, in an amount up to \$38,397,891 from the U.S. EPA CPRG Special Revenue Fund (90). The projects listed in Table 1 are based on project readiness, readiness in demonstrating compliance with federal, state, and local laws, location meeting goods movement charging needs, projected utilization, public accessibility, and reasonableness of cost. There are sufficient funds allocated for charging infrastructure measures; therefore, applications submitted by the application deadline that remain will continue to be evaluated and may be awarded if deemed eligible and complete for a later award.

Battery Electric Cargo Handling Equipment Awards (Table 2):

Staff recommends awarding the projects listed in Table 2, for up to \$20,600,300,000, from the U.S. EPA CPRG Special Revenue Fund (90). The projects listed in Table 2 are distributed based on the applications received to target areas most heavily impacted by goods movement, while ensuring geographic distribution to balance funding across the two MSAs.

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Battery Electric Locomotive Awards (Table 3):

Staff recommends funding the projects listed in Table 3, in an amount up to \$190,800,000 from the U.S. EPA CPRG Special Revenue Fund (90). The projects listed in Table 3 are based on cost-effectiveness, project approach and implementation, readiness of supporting infrastructure, strategy to achieve on-going reductions, impact on sensitive receptors, emission reduction plan/methodology, applicant experience with battery-electric technology, and proposal completeness.

Back Up List (Table 4):

Staff recommends that the projects listed in Table 4 be used as back up projects in the event project(s) fall through and cannot be implemented. The back up list includes projects in an amount up to \$72,401,117.

Recommended awards for proposals received under the Battery Electric Freight Vehicle (Measure 2) PA will be identified in a future Board action.

Geographic distribution

Based on the recommended awards, there is a geographic distribution of 45.81% and 54.19% of awarded funds in the Los Angeles-Long Beach-Anaheim and Riverside-San Bernardino-Ontario MSA territories, respectively.

Benefits to South Coast AQMD

The projects identified in this Board letter will achieve emission reductions beyond

existing rules and regulations and will occur throughout their lifetimes, yielding long-term emission reductions and public health benefits. Recommended awards are estimated to result in annual emission reduction of 586 tons/year of NOx, 14 tons/year of PM2.5, and 15 tons/year of diesel particulate matter.

Resource Impacts

Funding for these eligible projects will not exceed \$ 249,~~47~~97,891 from the U.S. EPA CPRG Special Revenue Fund (90).

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RFP/PA	Total Funds Awarded
Charging Infrastructure Deployment (Measure 1)	\$38,397,891
Battery Electric Cargo Handling Equipment (Measure 3)	\$20, 600 , <u>300</u> ,000
Battery Electric Locomotive (Measure 4)	\$190,800,000
Total	\$ 249,4797,891

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Attachments

Table 1: Charging Infrastructure Deployment Awards

Table 2: Battery Electric Cargo Handling Equipment Awards

Table 3: Battery Electric Locomotive Awards

Table 4: Backup List

Table 1 - Charging Infrastructure Deployment Awards (Measure 1)*

Company Name	Award Amount**	MSA
SGX Construction Services, Inc.	\$ 2,520,000	Los Angeles-Long Beach-Anaheim, CA
WattEV California Inc.	\$ 7,559,997	Riverside-San Bernardino-Ontario, CA
San Bernardino International Airport Authority	\$ 1,095,501	Riverside-San Bernardino-Ontario, CA
West Basin Container Terminal LLC	\$ 4,452,000	Los Angeles-Long Beach-Anaheim, CA
County of Orange (OC Waste & Recycling)	\$ 756,000	Los Angeles-Long Beach-Anaheim, CA
EV Mega Fast Charge LLC	\$ 4,536,000	Riverside-San Bernardino-Ontario, CA
Prologis Mobility LLC	\$ 282,870	Los Angeles-Long Beach-Anaheim, CA
Prologis Mobility LLC	\$ 1,181,664	Riverside-San Bernardino-Ontario, CA
Village Fuel Stop, Inc.	\$ 1,963,833	Los Angeles-Long Beach-Anaheim, CA
Tesla, Inc.	\$ 4,422,000	Riverside-San Bernardino-Ontario, CA
Totten Tubes, Inc	\$ 838,809	Los Angeles-Long Beach-Anaheim, CA
Arizona Knight-Transportation, Inc.	\$ 2,405,217	Riverside-San Bernardino-Ontario, CA
United Natural Foods West, Inc.	\$ 3,360,000	Riverside-San Bernardino-Ontario, CA
Parkcrest Construction, Inc.	\$ 3,024,000	Riverside-San Bernardino-Ontario, CA
Total	\$ 38,397,891	

*Awards are contingent upon the applicant meeting all EPA requirements (i.e. Davis Bacon and Related Acts, environmental statutes, Build America Buy America) prior to invoicing

**Award amount may not exceed the value listed and eligible costs determined during invoicing

Table 2 - Battery Electric Cargo Handling Equipment Awards (Measure 3)*

Company Name	Award Amount**	MSA
Anita's Mexican Foods Corp.	\$ 300,000	Riverside-San Bernardino-Ontario, CA
APM Terminals Pacific LLC	\$ 3,900,000	Los Angeles-Long Beach-Anaheim, CA
ITS Technologies & Logistics, LLC	\$ 3,600,000	Riverside-San Bernardino-Ontario, CA
Distribution Services of California, LLC	\$ 300,000	Riverside-San Bernardino-Ontario, CA
Central Transport LLC	\$ 600,000	Los Angeles-Long Beach-Anaheim, CA
Franco Logistics, Inc.	\$ 300,000	Los Angeles-Long Beach-Anaheim, CA
Fujitrans U.S.A., Inc.	\$ 600,000	Los Angeles-Long Beach-Anaheim, CA
Gibson Overseas, Inc.	\$ 300,000	Los Angeles-Long Beach-Anaheim, CA
Imperial CFS, Inc.	\$ 300,000	Los Angeles-Long Beach-Anaheim, CA
Jacques Moret Inc.	\$ 300,000	Riverside-San Bernardino-Ontario, CA
J.B. Hunt Transport LLC	\$ 300,000	Riverside-San Bernardino-Ontario, CA
Keystone Freight Corp.	\$ 600,000	Los Angeles-Long Beach-Anaheim, CA
Arizona Knight-Transportation, Inc.	\$ 600,000	Riverside-San Bernardino-Ontario, CA
Motivational Marketing, LLC	\$ 300,000	Riverside-San Bernardino-Ontario, CA
Splash Transport, Inc.	\$ 300,000	Riverside-San Bernardino-Ontario, CA
Transportation Commodities, Inc.	\$ 3,300,000	Riverside-San Bernardino-Ontario, CA
LGSI Equipment of Indiana, LLC	\$ 300,000	Los Angeles-Long Beach-Anaheim, CA
Warehouse Services No. 4 LLC	\$ 300,000	Riverside-San Bernardino-Ontario, CA
West Basin Container Terminal LLC	\$ 4,100,000	Los Angeles-Long Beach-Anaheim, CA
Total	\$ 20,600,300,000	

*Some awards are pending application supplemental information

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Table 3 - Battery Electric Locomotive Awards (Measure 4)*

Company Name	Award Amount**	MSA
Alameda Belt Line	\$ 65,761,183	Los Angeles-Long Beach-Anaheim, CA
Ardent Mills, LLC	\$ 10,565,601	Riverside-San Bernardino-Ontario, CA
Cemex, Inc.	\$ 31,793,651	Riverside-San Bernardino-Ontario, CA
Pacific Harbor Line, Inc.	\$ 26,870,185	Los Angeles-Long Beach-Anaheim, CA
Trona Railway Company LLC	\$ 46,439,500	Riverside-San Bernardino-Ontario, CA
Watco Companies, L.L.C.	\$ 9,369,880	Riverside-San Bernardino-Ontario, CA
Total	\$ 190,800,000	

*Awards are contingent upon applicant meeting all EPA requirements (i.e. Davis Bacon and Related Acts, environmental statutes, Build America Buy America) prior to invoicing

**Award amount may not exceed the value listed and eligible costs determined during invoicing

Table 4 – Back Up List *

Measure	Company Name	Award Amount**	MSA
3	APM Terminals Pacific LLC	\$ 5,100,000	Los Angeles-Long Beach-Anaheim, CA
3	Central Transport LLC	\$ 600,000	Los Angeles-Long Beach-Anaheim, CA
3	West Basin Container Terminal LLC	\$ 8,100,000	Los Angeles-Long Beach-Anaheim, CA
4	Alameda Belt Line	\$ 58,601,117	Los Angeles-Long Beach-Anaheim, CA
	Total	\$ 72,401,117	

* Some applicants are pending application supplementals. Awards are conditional upon applicant meeting all EPA requirements (i.e. Davis Bacon and Related Acts, environmental statutes, Build America Buy America) prior to invoicing

**Award amount may not exceed the value listed and eligible costs determined during invoicing