BOARD MEETING DATE: September 4, 2026 AGENDA NO. 6

PROPOSAL: Recognize Revenue, Execute Contracts for Battery Electric Class 8 Trucks and Charging Infrastructure to Implement INVEST CLEAN and Transfer Funds for ELECTRIC

SYNOPSIS: In September 2024, the Board recognized an award of $499,997,415 from the U.S. EPA CPRG program titled INVEST CLEAN. Additionally, in January 2025, the Board recognized an award of $33,898,522 from the U.S. EPA Clean Heavy-Duty Vehicles Grant program titled ELECTRIC. For INVEST CLEAN, the Ports of Los Angeles and Long Beach committed to contributing $10,000,000 in Clean Truck Fund Rate dollars collected by the ports to support the implementation of a Battery Electric Freight Vehicle Deployment Incentive Program and a Charging Infrastructure Deployment Incentive Program. For ELECTRIC, South Coast AQMD proposed providing a cost share of up to $3,096,720. These actions are to: 1) execute MOUs with the Cities of Los Angeles and Long Beach acting by and through their respective Boards of Harbor Commissioners to implement INVEST CLEAN; 2) recognize revenue up to $10,000,000 into the U.S. EPA CPRG Special Revenue Fund (90), upon receipt from the Ports of Los Angeles and Long Beach; 3) execute contracts under INVEST CLEAN in an amount not to exceed $54,246,495 from the U.S. EPA CPRG Special Revenue Fund (90) with a backup project list in the event of project fall through; and 4) transfer up to $3,096,720 from Clean Fuels Program Fund (31) to Advanced Technology, Outreach and Education Fund (17) for South Coast AQMD cost-share to implement ELECTRIC.

COMMITTEE: Technology; August 21, 2026; Recommended for Approval

RECOMMENDED ACTIONS:
Authorize the Executive Officer to:

1. Execute MOUs with the Cities of Los Angeles and Long Beach, acting by and through their respective Boards of Harbor Commissioners to implement INVEST CLEAN;

2. Recognize revenue consisting of up to $5,000,000 from each port, into U.S. EPA CPRG Special Revenue Fund (90), upon receipt, from the Ports of Los Angeles and Long Beach, up to $10,000,000;
3. Execute contracts under INVEST CLEAN in an amount not to exceed $54,246,495 from the U.S. EPA CPRG Special Revenue Fund (90) as follows:
   A. Up to $26,264,148 for Heavy-Duty Charging Infrastructure Deployment Incentive Program as listed in Table 1;
   B. Up to $27,982,347 for Battery Electric Freight Vehicle Deployment Incentive Program as listed in Table 2;
   C. Up to $23,187,156 for Battery Electric Freight Vehicle Deployment Incentive Program backup list as listed in Table 3, in the event that projects in Table 2 fall through; and
4. Transfer up to $3,096,720 from Clean Fuels Program Fund (31) to Advanced Technology, Outreach and Education Fund (17) for South Coast AQMD cost-share to implement ELECTRIC.

Wayne Nastri
Executive Officer

AK:MW:TL:FX:DC

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 action plans and to implement projects to reduce CO2e emissions, criteria pollutants, and hazardous air pollution. In July 2024, U.S. EPA awarded South Coast AQMD the full proposal request of $499,997,415 for INVEST CLEAN, the largest CPRG award among the 25 projects funded nationwide. 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; and
(4) Battery Electric Locomotive Pilot Program: replacement of switcher locomotives with battery electric switchers and the installation of supporting infrastructure

As part of South Coast AQMD CPRG application, the Ports of Los Angeles and Long

Beach jointly issued a letter of support committing to collectively contribute $10,000,000, consisting of $5,000,000 from each port in Clean Truck Fund Rate dollars, to support South Coast AQMD INVEST CLEAN program measures for the deployment of Class 8 battery-electric goods movement trucks and heavy-duty truck charging infrastructure.

In August 2025, Program Announcements (PAs) for Charging Infrastructure, Battery Electric Freight Trucks, and Cargo Handling Equipment were released and subsequently closed in December 2025 for Electric Freight Trucks and Cargo Handling Equipment and January 2026 for Charging Infrastructure. The three PAs generated approximately $315 million in grant applications. All the applications received have been evaluated in accordance with the PAs. The projects were selected based on their ability to meet eligibility requirements, emission reduction goals, and balanced geographic distribution to the two Metropolitan Statistical Areas (MSAs).

Additionally, in January of 2025, South Coast AQMD recognized an EPA Clean Heavy-Duty Vehicle (CHDV) award of up to $33,898,522 for the ELECTRIC program to replace diesel or gasoline-powered Class 6 and 7 freight delivery vehicles with zero-emission vehicles. To help participating fleets lower their purchasing costs, South Coast AQMD has committed up to $3,096,720 in cost-share funding for ELECTRIC.

Proposal

Ports' Commitment for Zero Emission Trucks and Infrastructure

The Ports of Los Angeles and Long Beach committed to collectively contribute $10,000,000, consisting of $5,000,000 from each port, to INVEST CLEAN for new zero-emission Class 8 trucks and charging infrastructure. The action is required to recognize revenue and execute Memorandums of Understanding with the City of Los Angeles and the City of Long Beach, acting by and through their respective Board of Harbor Commissioners.

Staff also proposes to award up to $54,246,495 from the U.S. EPA CPRG Special Revenue Fund (90) as follows:

Heavy-Duty Freight Vehicle Charging Infrastructure Deployment Awards (Table 1):

Staff recommends awarding the projects listed in Table 1, for up to $26,264,148, from the U.S. EPA CPRG Special Revenue Fund (90). The projects listed in Table 1 were selected based on project readiness, compliance status with federal, state, and local laws, location meeting goods movement charging needs, projected utilization, public accessibility, and reasonableness of cost. The solicitation is undersubscribed; therefore, all the eligible charging infrastructure projects will be recommended for award. However, some applications are still being evaluated or completed, therefore, additional applications may be awarded at a later date.

Battery Electric Freight Vehicle Deployment Awards (Table 2):
Staff recommends awarding the projects listed in Table 2, for up to $27,982,347, from the U.S. EPA CPRG Special Revenue Fund (90). The projects listed in Table 2 are distributed based on the applications received for target areas most heavily impacted by goods movement, while ensuring geographic distribution to balance funding across the two MSAs.

Battery Electric Freight Vehicle Deployment Backup List (Table 3):
Staff recommends that the projects listed in Table 3 be backup projects in the event project(s) fall through or cannot be implemented. The backup list includes projects totaling up to $23,187,156.

CHDV ELECTRIC
Staff recommends the transfer of $3,096,720 from Clean Fuels Program Funds to Advanced Technology, Outreach and Education Fund (17) to cost-share the truck replacement under the ELECTRIC grant.

Geographic Distribution
Based on the recommended awards from this and the prior round of awards, there is a geographic distribution of 51 percent and 49 percent 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. The International Agency for Research on Cancer classifies diesel engine exhaust and diesel particulate matter as a Group 1 carcinogen. Recommended awards are estimated to result in annual emission reductions of 19 tons/year of NOx, 0.2 tons/year of PM2.5, and 0.2 tons/year of diesel particulate matter. These reductions will contribute to the South Coast Air Quality Management District's efforts to meet the ozone and PM2.5 National Ambient Air Quality Standards set forth by the Clean Air Act.

Resource Impacts
Funding for these eligible projects will not exceed $54,246,495 from the U.S. EPA CPRG Special Revenue Fund (90).

PA	Total Funds Awarded
Heavy-Duty Freight Vehicle Charging Infrastructure Deployment Awards (Measure 1)	$26,264,148
Battery Electric Freight Vehicle Deployment Awards (Measure 2.1)	$27,982,347
Total	**$54,246,495**

Attachments
Table 1: Heavy-Duty Freight Vehicle Charging Infrastructure Deployment Awards
Table 2: Battery Electric Freight Vehicle Deployment Awards
Table 3: Battery Electric Freight Vehicle Deployment Awards Backup List

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

Company Name	Award Amount**	MSA
All American Asphalt	$350,000	Riverside-San Bernardino-Ontario, CA
BNSF Railway Company	$1,400,000	Los Angeles-Long Beach-Anaheim, CA
BNSF Railway Company	$1,680,000	Riverside-San Bernardino-Ontario, CA
Greenlane Infrastructure, LLC	$1,680,000	Riverside-San Bernardino-Ontario, CA
Pactrack Logistics, Inc.	$4,200,000	Los Angeles-Long Beach-Anaheim, CA
San Bernardino County	$504,000	Riverside-San Bernardino-Ontario, CA
San Fernando Valley Pallet Company, Inc.	$840,000	Los Angeles-Long Beach-Anaheim, CA
Tesla, Inc.	$3,010,148	Los Angeles-Long Beach-Anaheim, CA
TCI Transportation Services	$2,520,000	Riverside-San Bernardino-Ontario, CA
TCI Transportation Services	$1,680,000	Los Angeles-Long Beach-Anaheim, CA
Westcoast Trucking, Inc.	$3,360,000	Los Angeles-Long Beach-Anaheim, CA
Zeem Solutions Long Beach Depot LLC	$5,040,000	Los Angeles-Long Beach-Anaheim, CA
Total	$26,264,148	

*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 Freight Vehicle Deployment Awards (Measure 2.1)*

Company Name	Award Amount**	MSA
Alto Xpress, Inc.	$1,095,201	Riverside-San Bernardino-Ontario, CA
Big F Transport, LLC	$2,920,536	Los Angeles-Long Beach-Anaheim, CA
Dependable Highway Express, Inc.	$5,423,816	Los Angeles-Long Beach-Anaheim, CA
FedEx Freight, Inc.	$2,800,000	Los Angeles-Long Beach-Anaheim, CA
Harbor Team Logistics, Inc.	$705,988	Los Angeles-Long Beach-Anaheim, CA
Hunter Logistics Los Angeles, Inc.	$1,825,335	Los Angeles-Long Beach-Anaheim, CA
Keystone Freight Corp	$1,600,000	Los Angeles-Long Beach-Anaheim, CA
KRD Logistics, Inc.	$361,819	Los Angeles-Long Beach-Anaheim, CA
MLI Leasing, LLC	$730,136	Los Angeles-Long Beach-Anaheim, CA
Overseas Freight, Inc.	$4,706,676	Los Angeles-Long Beach-Anaheim, CA
RE:Circle Ontario, LLC	$2,000,000	Riverside-San Bernardino-Ontario, CA
San Fernando Valley Pallet Company, Inc.	$800,000	Los Angeles-Long Beach-Anaheim, CA
Transportation Commodities, Inc.	$3,012,840	Riverside-San Bernardino-Ontario, CA
Total	$27,982,347	

*Some awards are pending application supplemental information

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

Table 3 – Battery Electric Freight Vehicle Deployment Awards Back Up List *

Measure	Company Name	Award Amount**	MSA
2.1	Big F Transport, LLC	$2,555,469	Los Angeles-Long Beach-Anaheim, CA
2.1	Dependable Highway Express, Inc.	$8,933,344	Los Angeles-Long Beach-Anaheim, CA
2.1	Fedex Freight, Inc	$1,200,000	Los Angeles-Long Beach-Anaheim, CA
2.1	KRD Logistics, Inc.	$1,809,095	Los Angeles-Long Beach-Anaheim, CA
2.1	Overseas Freight, Inc.	$8,689,248	Los Angeles-Long Beach-Anaheim, CA
	Total	$23,187,156	

*Some applications are pending supplemental information submittal. Awards are conditional upon the applications meeting all program and 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