

BOARD MEETING DATE: February 2, 2024

AGENDA NO. 11

PROPOSAL: Approve Funding Allocations and Cooperative Agreement as Approved by MSRC

SYNOPSIS: The MSRC approved funding allocations to partner with Southern California Gas Company, Penske Truck Leasing Co., L.P., and Pilot Travel Center, LLC in applications seeking funding under the Carl Moyer Program. The MSRC also approved a proposed cooperative agreement with Los Angeles County Metropolitan Transportation Authority. The MSRC is seeking Board approval of the funding allocations as part of the FYs 2021-24 Work Program.

COMMITTEE: Mobile Source Air Pollution Reduction Review Committee, January 18, 2024; Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve MSRC allocations in a total amount not to exceed \$26,980,000 for partnership in applications seeking funding under the South Coast AQMD Carl Moyer Program solicitation, as part of approval of the FYs 2021-24 Work Program, as described in this letter and as follows:
 - a. A partnership with Southern California Gas Company in an amount not to exceed \$6,000,000 in an application to install a public-access hydrogen station in Pico Rivera;
 - b. A partnership with Penske Truck Leasing Co., L.P. in an amount not to exceed \$17,980,000 in an application to install Level III charging stations at 20 facilities dispersed throughout the region; and
 - c. A partnership with Pilot Travel Center, LLC in an amount not to exceed \$3,000,000 in an application to install a public-access hydrogen fueling station in Rialto;
2. Approve cooperative agreement with Los Angeles County Metropolitan Transportation Authority (Metro) to facilitate the pursuit of shared objectives regarding electrified and alternative fuel transportation systems for heavy duty commercial vehicles in Los Angeles County; and

3. Authorize the Chair of the Board (or by the Board Chair's designation, the Executive Officer) to execute the cooperative agreement, as described above and in this letter.

Larry McCallon
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 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.

Proposals

At its January 18, 2024 meeting, the MSRC considered recommendations from its MSRC Technical Advisory Committee (MSRC-TAC) and approved the following:

Carl Moyer Zero-Emission Infrastructure Program

MSRC RFI 2023-01 was released on September 2, 2022, requesting submittal of Information Packages seeking partnerships to facilitate investment in zero-emission infrastructure to support the transition of goods movement trucks to zero-emissions within the South Coast AQMD region. A total of \$50M was allocated by the MSRC for this Work Program category. The RFI closing date was November 30, 2022. To date, multiple projects have been reviewed and approved by the MSRC under this RFI.

On December 1, 2023, South Coast AQMD issued Program Announcement PA2024-02 under the Carl Moyer Memorial Air Quality Standards Attainment Program. This funding opportunity seeks applications for the implementation of zero-emission fueling infrastructure, including electric charging infrastructure and hydrogen refueling, to support medium and heavy-duty zero emission trucks. A total of up to \$200 million is potentially available under the Carl Moyer Zero-Emission Infrastructure Program. The application period opened on December 5, 2023, and will close at 1:00 pm on February 6, 2024.

Three respondents to MSRC RFI 2023-01 that, to date, have not received MSRC funding, seek to partner with the MSRC and pursue funding under the Carl Moyer Program Announcement. The MSRC considered this opportunity and approved allocations in a total amount not to exceed \$26,980,000 to augment the partners' contributions as an element of the FYs 2021-24 Work Program, as follows:

- a. A partnership with Southern California Gas Company in an amount not to exceed \$6,000,000 in an application to install a public-access hydrogen station in Pico Rivera;
- b. A partnership with Penske Truck Leasing Co., L.P. in an amount not to exceed \$17,980,000 in an application to install Level III charging stations at 20 facilities dispersed throughout the region; and
- c. A partnership with Pilot Travel Center, LLC in an amount not to exceed \$3,000,000 in an application to install a public-access hydrogen fueling station in Rialto.

If South Coast AQMD does not select one or more of these applications for funding, the relevant portion of the MSRC allocation would revert to the unallocated AB 2766 Discretionary Fund balance.

Cooperative Agreement with Metro

Both MSRC and Metro are interested in the deployment of zero emission trucks in the Interstate 710 (I-710) corridor as soon as possible. As part of its FYs 2021-24 Work Program, MSRC is seeking partners to help facilitate investment in publicly accessible infrastructure to support an equitable transition of goods movement trucks to zero emissions. Metro is interested in funding projects identified in responses to MSRC's RFI 2023-01 for Publicly Accessible Goods Movement Zero-Emission Infrastructure. A proposed cooperative agreement with Metro has been prepared to facilitate the pursuit of shared objectives. The cooperative agreement specifies that the parties would jointly pursue funding opportunities and proposals regarding electrified and alternative fuel transportation system for heavy duty commercial vehicles in Los Angeles County. The MSRC considered and approved the proposed cooperative agreement. This agreement does not commit any MSRC funding; any follow-on funding commitments would require future MSRC and South Coast AQMD Board consideration and approval.

The MSRC is requesting that the Board approve the funding allocations as part of approval of the FYs 2021-24 AB 2766 Discretionary Fund Work Program, as well as approving the proposed cooperative agreement as outlined above.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, public notices advertising the Publicly Accessible Goods Movement Zero-Emission Infrastructure RFI was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise to leverage

the most cost-effective method of outreach to the South Coast Basin. In addition, the RFI was advertised in the Desert Sun newspaper for expanded outreach in the Coachella Valley. Additionally, potential respondents may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFI was emailed to the diverse spectrum of Legislative Caucuses and chambers of commerce and business associations and placed on South Coast AQMD's website (<http://www.agmd.gov>), where it could be viewed by making the selection "Grants and Bids." Further, the RFI was posted on the MSRC's website at <http://www.cleantransportationfunding.org> and electronic notifications were sent to those subscribing to this website's notification service.

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 contracts specified herein will be drawn from this fund.