To: Ray Gorski, MSRC
From: Jack Symington, LACI

RE: Conditional Award for Port of Los Angeles Drayage Truck Charging Depot; RFO 2023-01

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.

An Information Package was received by LACI seeking MSRC funding to implement zero-emission battery electric drayage truck recharging at sites located on Port of Los Angeles property. In a separate RFI response, the Los Angeles Harbor Department (Port of Los Angeles) submitted an Information Package seeking to establish a partnership with the MSRC to implement zero emission truck refueling at sites located on, and in proximity to, Port property. In addition to submitting an Information Package to the MSRC, LACI was successful in receiving $1,500,000 in federal funding to co-fund transition of the two Port sites into publicly accessible battery electric drayage truck charging facilities. The Port of Los Angeles informed MSRC Staff of their support for the project, and committed a co-funding contribution on the order of $3,000,000. Due to the proximity of the two publicly accessible charging locations to the I-710 corridor, LA Metro also indicated their support for the project, and committed $3,000,000 of funding to the project.

LACI and the Port of Los Angeles requested the MSRC commit $3,000,000 in Clean Transportation Funding™ towards the partnership with LACI, the Port, and LA Metro. The MSRC approved this funding request at the August 2023 Board Meeting, conditional on Port of Los Angeles selecting a site developer and operator, and securing co-funding commitments, to demonstrate to potential site developers and operators that incentives are available to mitigate site development risk and support a third party operator business case.

This future disbursement of MSRC funding was conditioned upon the following occurring to the satisfaction of the MSRC:

1. Successful RFI Process & Selection of Site Developer;
2. Co-Funding Commitments Formalized;
3. LACI Successfully Assumes Role as Project Implementer on Behalf of the City of Los Angeles Harbor Department.

1. Successful RFI Process & Selection of Site Developer

In September 2023, the Port of Los Angeles released a Request for Proposal (RFP) seeking a developer and operator for charging facilities on the two parcels. LACI's role as administrator of Federal, MSRC and Metro funding during development of the two sites was outlined in the RFP. In June 2024, the Port of Los Angeles sent a Notice of Intent to Recommend Award to Prologis Mobility to be the developer and operator of truck charging infrastructure for the two parcels.

Site Design:
The project will utilize 600kW chargers serving four (4) stalls each, with a minimum stall charge rate of 150kW per stall that will be future proofed to 1MW charging capability (implementable once the CharIn Megawatt Charging Standard is commercially available). The site will have a total of **40 EV fast charging stalls**. Fast charging will minimize the amount of charging time required so fleets can get back on the road as quickly as the vehicle's onboard charger will allow.

Though the initial request to MSRC referenced two parcels for charging sites, **the final project design has charging stalls on one of the parcels, though both parcels will be used for operations.** The north lot will be used as a trailer drop lot for customers with a trailer in tow. An EV yard hostler will be provided for fast and easy trailer drops/pickups. The south lot will host all of the charging infrastructure. This layout allows for maximum charging density while remaining flexible for fleet users with and without a trailer. This strategy also reduces capital costs by limiting new service requests to one instead of two, with two being required if both lots were energized. This design leaves open the possibility of installing chargers on the other north parcel in the future as well.

Facility Operation:
Prologis proposes the charging infrastructure to be available 24 hours a day, 7 days a week, 365 days per year to maximize charger utilization and meet the ever-growing charging needs of PDTR fleet customers. Prologis will provide public charging stalls while balancing and meeting the needs of how fleets expect to charge. Prologis will collect feedback from our existing customer relationships and those registered in the PDTR to ensure our offering continues to meet the evolving needs of fleets at the Port.

Project Schedule	
Site Entitled	**Q3 2025**
Completion of Engineering and Utility Design	**Q4 2025**
Equipment Procurement:	**Q2 2026**

Equipment Delivered:	**Q3 2027**
Construction Complete & Site Commissioning:	**Q4 2027**

Project Costs	
Engineering, Design, Utility Studies:	**$725,000**
Equipment Purchases (EVSE, DER, High Voltage Dist. Equipment):	**$7,125,000**
Site Prep (Remediation, Grading, Paving):	**$3,900,000**
Construction (Labor + Materials + Utility Payments):	**$7,500,000**
Project Management and Commissioning:	**$1,000,000**
Total	**$20,500,000**

2. Co-funding Commitments:

   In June 2023, LACI entered into a contract with the US Department of Housing and Urban Development for $1,500,000 to fund a drayage truck charging depot on public property, with support from POLA to deploy the charging infrastructure on the parcels on 1519/1520 East I St.

   The Los Angeles Harbor Department has committed to providing $3,000,000 to Prologis in the terms of their lease agreement (still under negotiation) to defray a portion of the Site Prep costs. The below language was included in the RFP issued January 2024:

   "Up to $3 million in funding from the POLA Clean Truck Fund is available for zero emission heavy-duty truck charging infrastructure construction, subject to required City approvals, including funding agreement"

   LA Metro, through a cooperative and financing agreement with the MSRC, has committed to contributing $3,000,000 with 97.5% funding either the Equipment Purchases (only EVSE or High Voltage Distribution Equipment) or the Construction component of the project; the remaining 2.5% would support Project Management. LA Metro's Board approved this contribution June 2023.

LACI is asking MSRC to commit $3,000,000 to this project; 97.5% of the funds would go towards Equipment Purchases (only EVSE or High Voltage Distribution Equipment), the remaining 2.5% would support Project Management.

3. LACI's Role with Los Angeles Harbor Department

   The Los Angeles Harbor Department RFP issued January 2024 (Truck Drayage Charging Depot Operator) included the below language:

   "This solicitation does not serve as a grant funding opportunity notification. Grant funds may be available via a separate funding contract between the successful Proposer and the funding entity.

   - *$1.5 million in Federal grant funds is available from Los Angeles Cleantech Incubator (LACI) which was secured through a Congressional earmark (Barragan). The Harbor Department will not be a party to this funding contract*
   - *Additional grant funding is authorized through METRO and the Mobile Sources Air Pollution Reduction Review Committee (MSRC). See the following links regarding funding that has been authorized for this project. See the agenda and minutes for the METRO June 22, 2023 Board Meeting, and the agenda from the MSRC Board Meeting on August 17, 2023. It is the Harbor Department's understanding that the $6 million of METRO/MSRC funding will contractually flow through LACI to the Successful Proposer. The Harbor Department will not be a party to this funding agreement.*

   LACI has already been in contact with Prologis about the site details and contracting details for the federal funds, as well as the LA Metro and MSRC funds, should the latter be confirmed.

4. Proposed Milestone Payment Schedule

   To improve the ability for Prologis to meet its proposed schedule, LACI proposes a milestone based payment schedule for MSRC's $3,000,000.

Milestone	**Schedule Completion**	**Proposed Funding Proportion**
Site Entitled	**Q3 2025**	**0%**
Completion of Engineering & Utility Design	**Q4 2025**	**0%**
Equipment Procurement:	**Q2 2026**	**25%**

Equipment Delivered:	**Q3 2027**	**25%**
Construction Complete & Site Commissioning:	**Q4 2027**	**50%**