



**TECHNICAL ADVISORY COMMITTEE TO THE MSRC
THURSDAY, MARCH 11, 2021 MEETING MINUTES
21865 Copley Drive, Diamond Bar, CA 91765**

**All participants attended the meeting remotely pursuant to
Executive Orders N-25-20 and N-29-20**

MSRC-TAC MEMBERS PRESENT:

MSRC-TAC Chair Anthony (AJ) Marquez, representing Orange County Board of Supervisors
Adriann Cardoso, representing Orange County Transportation Authority
Cliff Thorne (Alt), representing Orange County Transportation Authority
Jason Farin, representing Riverside County Board of Supervisors
Steve Hillman, representing City of Los Angeles
Ron Lindsay (Alt), representing County of San Bernardino
Steven Lee, representing Los Angeles County Metropolitan Transportation Authority
Rongsheng Luo, representing Southern California Association of Governments
Kelly Lynn, representing San Bernardino County Transportation Authority
Sean O'Connor, representing Cities of San Bernardino County
Tim Olson, Air Pollution Control Expert
Nicole Soto, representing Regional Rideshare Agency
Nancy Strickert (Alt), representing Regional Rideshare Agency
Vicki White, representing South Coast AQMD
Ash Nikravan (Alt), representing South Coast AQMD
Derek Winters, representing California Air Resources Board

OTHERS PRESENT:

Alek Van Houghton
Alfredo Barajas
Brendan O'Donnell
Claire Garcia
Dallas Plattsmier
Debbie Thomas
Lauren Dunlap
Louis Zhao
Ramine Cromartie
Tony Williamson
Vic La Rosa

SCAQMD STAFF & CONTRACTORS PRESENT:

Leah Alfaro, MSRC Contracts Assistant
Maria Allen, MSRC Administrative Liaison
Ray Gorski, MSRC Technical Advisor
John Kampa, Financial Analyst
Daphne Hsu, Senior Deputy District Counsel
Josephine Lee, Senior Deputy District Counsel
Matt MacKenzie, MSRC Contracts Assistant
Matt Miyasato, Deputy Executive Officer
Cynthia Ravenstein, MSRC Contracts Administrator
Alejandra Vega, MSRC Administrative Liaison
Donna Vernon, Secretary

CALL TO ORDER

- Call to Order
MSRC-TAC Chair AJ Marquez called the meeting to order at 1:31 p.m.

CONSENT CALENDAR

Receive and Approve

Agenda Item #1 – Minutes of the February 4, 2021 MSRC-TAC Meeting

The Minutes for the February 4, 2021 MSRC-TAC Meeting were included in the agenda package.

ON MOTION BY MSRC-TAC ALTERNATE RON LINDSAY AND SECONDED BY MSRC-TAC MEMBER ADRIANN CARDOSO, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 - #3, THE MSRC-TAC RECEIVED AND UNANIMOUSLY APPROVED THE MINUTES OF THE FEBRUARY 4, 2021 MSRC-TAC MEETING.

ACTION: MSRC staff will place the approved meeting minutes on the MSRC's website.

Information Only – Receive and File

Agenda Item #2 – MSRC Contracts Administrator's Report

The Contracts Administrator's Report for January 28, 2021 through March 3, 2021 was included in the agenda package.

ON MOTION BY MSRC-TAC ALTERNATE RON LINDSAY AND SECONDED BY MSRC-TAC MEMBER ADRIANN CARDOSO, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 – #3, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE MSRC CONTRACTS ADMINISTRATOR'S REPORT LISTED ABOVE.

ACTION: The Contracts Administrator's Report will be included on the MSRC's next agenda for final action.

Agenda Item #3 – Financial Report on AB 2766 Discretionary Fund

The Financial Report on the AB 2766 Discretionary Fund for January 2021 was distributed at the meeting.

ON MOTION BY MSRC-TAC ALTERNATE RON LINDSAY AND SECONDED BY MSRC-TAC MEMBER ADRIANN CARDOSO, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 – #3, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE MONTH OF JANUARY 2021.

ACTION: No further action is required.

ACTION CALENDAR

FYs 2016-18 WORK PROGRAM

Agenda Item #4 – Consider Project Concepts Received under the Hydrogen Infrastructure Partnership Program

MSRC-TAC Chair AJ Marquez stated that as an element of the 2016-18 Work Program, the MSRC allocated \$3 million for the implementation of hydrogen refueling stations within South Coast AQMD's jurisdiction. The Program Opportunity Notice (PON) was released on April 6, 2018 and will close April 9, 2021. The PON encouraged partnerships with regulatory agencies such as the California Energy Commission, South Coast AQMD and CARB, but also allows participation by other public and private stakeholders. A geographic funding minimum of \$500,000 per county has been established and \$1 million has been awarded to date. The MSRC has received two project concepts, one from Cal State Los Angeles (CSULA) and the other one from the San Bernardino County Transportation Authority (SBCTA).

The CSULA project proposes to expand the capacity of its existing publicly accessible hydrogen fueling station as well as to deploy some new technologies. The proposed expansion would increase the hydrogen storage capacity from about 60 kilograms to 200 kilograms through the installation of additional medium and high-pressure tanks. The expansion would also include the installation of a new dual storage compressor, capable of achieving rapid high-pressure fills. It also includes a stanchion for unloading delivered hydrogen and new T40 chilling equipment and a corresponding 350 and 700 bar fueling dispenser. CSULA proposes to partner with Argonne Laboratories to demonstrate a compression strategy which will save energy and assure sustained back-to-back refueling and to investigate hydrogen generation with an electrolyzer, powered by the University's recently commissioned one megawatt solar installation. The Subcommittee noted that while perhaps this project was not exactly what they had envisioned for this funding category, they felt the project showed significant merit. There was some concern that DOD funding had not yet been secured and the Subcommittee also wanted more information on anticipated usage, additional throughput for the expanded station.

The SBCTA plans to deploy a zero emission, multi-unit hydrogen battery, hybrid passenger train, for short ZEMU. The specific project submitted involves retrofit of the Arrow Maintenance Facility to provide hydrogen fueling capabilities for the ZEMU. In its initial configuration the facility would not be able to fuel any other vehicles. He noted that a future expansion with such fueling options may be possible. One element of their proposal included operating costs and the MSRC has never funded operating costs, only infrastructure. Past guidance has noted that operating costs are not an appropriate use of MSRC funds. There was also concern that given the demonstration nature of the ZEMU vehicle, if the demonstration is halted early, this could have an effect of stranding the funding for the hydrogen station. But the Subcommittee felt it did show significant merit. The Infrastructure Subcommittee is recommending that the MSRC seek submission of full proposals for these project proponents to include specific information discussed in the staff report and to provide additional details.

ON MOTION BY MSRC-TAC MEMBER VICKI WHITE AND SECONDED BY MSRC-TAC MEMBER RONGSHENG LUO, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO SEEK FULL PROPOSALS UNDER THE HYDROGEN INFRASTRUCTURE PARTNERSHIP PROGRAM FROM CSULA AND SBCTA.

ACTION: MSRC staff will place this item on the MSRC's next agenda for final action.

FYs 2018-21 WORK PROGRAM

Agenda Item #5 – Received Status Update and Consider Midcourse Adjustment for Voucher Incentive Program (VIP) Plus Up

Cynthia Ravenstein, MSRC Contracts Administrator, gave a presentation regarding this item. She explained that in April of 2020 the MSRC made an allocation to partner with the South Coast Air District on their Voucher Incentive Program to provide funding to increase the incentive for vehicles that went above and beyond in order to achieve some additional emission reductions. The MSRC had asked for an update on the Program. Interest in the Program was a little slow in 2020. And so in order to revive interest in the Program, it was suggested that the MSRC might want to consider raising the maximum incentive for the Class 8 vehicles up to \$125,000 per truck. There had been \$5 million allocated; up to now \$180,000 of that has been tapped. It was also suggested that a portion of that \$5 million could be redeployed to address immediate MSRC funding needs. It's estimated that \$2.5 million could be reallocated and would still allow a sufficient balance to remain in the VIP Plus Up Program, so that it would still be viable, even with that increased funding cap. If there is a marked increase in interest in this incentive, the MSRC can revisit it and consider allocating additional funds as part of their next Work Program that they're going to be embarking on soon.

This program provides funding for the cost of replacing older, higher-polluting vehicles with newer, lower-emission vehicles. To meet the basic program, they only have to meet the 0.2 g/bhp-hr NOx standard. Under that basic program, they don't even necessarily have to get a brand new truck and it could be a diesel truck. This is a program for small fleets; it is limited to fleets of 10 or fewer vehicles. Partnering on this program is one of the MSRC's key avenues for getting to the small fleets with relatively quick turnaround on the funding. Several other MSRC funding opportunities have been competitive and the small fleets may not necessarily be able to access those as easily. The MSRC allocated \$5 million, the sunset date on this funding is at the end of this year. The current funding caps are: for Class 7 and 8 vehicles \$100,000; for Class 6 vehicles \$80,000; and for Class 5 vehicles \$60,000. There is also a provision that the funding cannot exceed 90% of the total cost of the new truck.

The suggested change is for the Class 8 vehicles. In 2020 there was a fairly slow uptake on this Plus Up Program. There were two voucher applications approved. Staff are currently processing those invoices. There was kind of a late program launch, the information from Air Resources Board came out a little later in the year than usual. There was also uncertainty that fleets were facing with the pandemic and under that situation a lot of them may not have wanted to try an alternate fuel. The 2021 round of the Voucher Incentive Program has launched and they're expecting that to be gaining more traction, especially later in the year. The low NOx engines that

meet the 0.02-gram standard are now eligible under the baseline program. What that means is that the amount of MSRC funding that will be needed for a Plus Up vehicle is actually decreased. You could do more vehicles for less MSRC money. There are also some immediate needs for this \$2.5 million that's been allocated here, but not really being accessed. The feeling is that the funding could have some real immediate uses, and yet with a little bit of adjustment that this program could see some real interest and it's important to maintain this partnership and this availability for the small fleets.

MSRC-TAC Member Vicki White stated some of the issues her team had with the Voucher Incentive Program. Last year CARB was very late in getting out the funding tables to enable air districts to move forward. They had less than six months of program implementation in 2020. Although the interest was small, it was not unexpected because of how the program was launched with only five to six months of program implementation. Ms. White added that sometimes it takes that long just to get the word out to make sure the dealers know how to offer that additional Plus Up incentive to the customers. Ms. White wanted to highlight the importance of this program, though there are a lot of competing programs out there that provide funding for low NOx trucks, including the Proposition 1B program, which is currently open. However, the small fleets as Ms. Ravenstein said can't compete as well, they tend to not be able to make that stretch to pay for their out-of-pocket expense to get them into a low NOx truck. This program is designed for smaller fleets and if an additional Plus Up can be considered, it will generate more interest this year. She added that 2020 was a unique VIP implementation year for her team. The DMV offices were closed for about a three-month period, which meant a lot of the smaller fleets that rely on month-to-month registrations had gaps in their registration. Based on the program eligibility requirements, gaps are not allowed in the registration to qualify for funding. There were a number of things that happened in 2020 that affected program participation overall, but Ms. White wanted the TAC to consider this information moving forward, since this is one of the only programs for smaller fleets and an additional Plus Up would generate more interest among the smaller fleets.

MSRC-TAC Member Derek Winters stated that he understands the complications with the VIP program, his only suggestion would be to prioritize the zero emission projects when they do get funded.

ON MOTION BY MSRC-TAC MEMBER KELLY LYNN AND SECONDED BY MSRC-TAC MEMBER SEAN O'CONNOR, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE THE MIDCOURSE ADJUSTEMENT FOR THE VOUCHER INCENTIVE PROGRAM (VIP) PLUS UP.

ACTION: MSRC staff will include this midcourse adjustment on the next MSRC agenda for approval.

Agenda Item #6 – Consider Proposals Received under Cargo Handling Equipment & Infrastructure at Warehouse, Distribution & Intermodal Facilities in Riverside & San Bernardino Counties RFP

MSRC-TAC Member Tim Olson explained he is the Chair of the MSRC-TAC Inland Ports Subcommittee. Members include MSRC-TAC members Jason Farin, Kelly Lynn, Sean

O'Connor and Jenny Chan, as well as help from MSRC Contracts Administrator Cynthia Ravenstein and MSRC Technical Advisor Ray Gorski. Mr. Olson gave a presentation on the Inland Ports Off Road Solicitation. Cargo handling and infrastructure at warehouse facilities were the point of interest in this and eligible areas were near-zero and zero emission displacement of diesel. Mr. Olson stated they received six proposals, from proposers including RDS Logistics Group; MHX, LLC; Orange EV; Penske Truck Leasing Co. LP; ITS Technologies & Logistics, LLC; and CMA CGM (America) LLC. A summary of proposals was included in the agenda packet. All proposals were for zero emission electric equipment. The proposals were rated on two major criteria: cost effectiveness and project readiness. \$6 million was allocated to this Program. Based on scoring results, the Subcommittee recommends funding Penske Truck Leasing Co. LP, CMA CGM (America) LLC, and partial funding to ITS Technologies & Logistics Group. If additional funding were to become available, the Subcommittee recommends that ITS Technologies be fully funded, fund one crane for MHX, and three tractors for RDS Logistics. Regarding Orange EV the Subcommittee would not recommend an award.

MSRC-TAC Chair AJ Marquez asked what was the additional funding for the backup list for off-road vehicles?

Mr. Gorski answered Mr. Marquez by stating the additional funding request would be about \$2.5 million, making the total request to be \$8.5 million.

ON MOTION BY MSRC-TAC MEMBER TIM OLSON AND SECONDED BY MSRC-TAC MEMBER JASON FARIN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE AWARDS UNDER THE CARGO HANDLING EQUIPMENT & INFRASTRUCTURE AT WAREHOUSE, DISTRIBUTION & INTERMODAL FACILITIES IN RIVERSIDE & SAN BERNARDINO COUNTIES RFP AS RECOMMENDED BY THE SUBCOMMITTEE, INCLUDING THE RECOMMENDATION TO FUND ADDITIONAL PROJECTS WITH ADDITIONAL FUNDING

ACTION: MSRC staff will include the recommended awards on the next MSRC agenda for approval.

Agenda Item #7 – Consider Proposals Received under Trucking to Warehouse, Distribution & Intermodal Facilities in Riverside & San Bernardino Counties RFP

MSRC-TAC Member Tim Olson explained that this RFP is for on-road Inland Ports. Both the actual trucks and supporting infrastructure, zero emission and near-zero emission technologies were eligible. \$14 million was allocated for this RFP. The proposals exceeded the funding available; the Subcommittee received \$36 million in requests. The Subcommittee received proposals from MHX, LLC; Sea Logix LLC; Premium Transportation Services, Inc.; Clean Energy; 4 Gen Logistics; Ryder Systems, Inc.; Amazon Logistics, Inc.; PAC Anchor Transportation, Inc.; Green Fleet Systems, LLC; Volvo Financial Services/QCD; and CMA CGM (America) LLC. A summary of these proposals was included in the agenda package. The scoring criteria have three different categories: cost effectiveness, based on the Carl Moyer Guidelines; project readiness; and trucks trips that serve the facilities. Since \$14 million was the cutoff point, the Subcommittee recommends the top four proposals and part of the fifth proposal.

Several proposals did not make the cut, the scoring range shows a couple of tying scores at the top. The Subcommittee would like to seek an additional \$14.7 million added to the original \$14 million allocation and offer complete funding for the following proposals: MHX, PAC Anchor, Volvo, and Ryder Systems, and partial funding for Sea Logix and CMA. The Subcommittee is not recommending an award to Clean Energy, primarily because they couldn't verify the fleets that would be supported, and Ms. Ravenstein and Mr. Gorski spent a lot of time trying to get that information clarified. Mr. Olson stated there is \$16.6 million of unallocated budget under the Work Program, and Ms. Ravenstein identified some additional money that could be used on this project.

MSRC-TAC Chair AJ Marquez asked what was the additional funding for the backup list for the off-road program?

Mr. Gorski answered Chair Marquez by stating it's approximately \$2.5 million above the currently allocated \$6 million.

Chair AJ Marquez asked if some of the proponents on the backup list would be willing to downsize their statement of work?

Mr. Olson answered stated that they asked the proponents if they would accept partial funding, some responded and some did not. They decided to be as fair as possible by trying to fund as many proposals as possible to some level that made sense. For example, under the off-road RFP, the Subcommittee didn't feel they could justify fully funding the MHX project but wanted to at least fund one crane.

MSRC-TAC Member Adriann Cardoso asked if it was possible to get an overall work plan for all the funding? She asked to see where the \$16 million in unallocated resources would be coming from and how it would be allocated to each program.

Mr. Olson noted that these proposals would put over 230 near-zero and zero emission vehicles on the road. All the proposals estimated they can complete their projects by the end of 2021 or 2022 calendar year, however vehicle build times and COVID-19 could impact the supply chain.

Mr. Gorski answered Ms. Cardoso by stating that the Work Program from a solicitation standpoint is coming to a close. There are no additional categories which are anticipated under the current 2018-21 Work Program. The MSRC does have unallocated funding which could be applied to fund the backup lists of the on-road and off-road solicitations. The MSRC also has additional unallocated money which could be used to fund programs that the MSRC has ongoing which have not yet closed. In the event that the MSRC chose to fully fund the backup lists for the Inland Port programs that would still leave approximately \$2.25 million that is unallocated.

There are two ongoing programs. The first is the Major Event Centers Program that closes on March 30th. \$6.5 million was set aside for that program, and to date \$3.8 million has been awarded. However, due to the realities of the COVID-19 pandemic, the MSRC has only reimbursed \$520,000 to date. There is the potential that additional applications will be received, but there is still allocated funding within that category. The other opportunity is the Hydrogen program that currently has an allocation of \$3 million, of which \$1 million has been awarded to date. This application period closes on April 9th. That program however, based upon the action

the TAC took today, will be oversubscribed. There is still \$2 million that has not yet been awarded and \$2.5 million which would remain in the unallocated budget, even if the TAC acted today to recommend that the MSRC fund the Inland Ports backup lists. In summary, if the action in this meeting was to recommend to the MSRC to fund the program as presented and make a recommendation that they also consider funding the backup lists for the Inland Ports, there would still be \$2.25 million remaining. When the Inland Ports Subcommittee was doing their math to make a recommendation, they did take into account the other Work Program categories, which are about to close, and to ensure that there was some level of funding. In the not anticipated but not impossible case where the last few programs get significantly oversubscribed within the last week or so of their being available, the MSRC could choose to entertain that under their new fiscal Work Program, which begins on July 1st.

Ms. Cardoso asked if the Last Mile Program has funding set aside already, because she didn't hear that program mentioned.

Mr. Gorski stated that the Last Mile Program has two phases. For the first phase, the MSRC did allocate \$10 million and that money is fully accounted for, so there is no issue relative to the Last Mile Program. The second phase of the Last Mile Program will look at innovative projects, which are yet to be defined. The way that program works is that phase two would begin once phase one has been initiated. We expect that to happen sometime within the next fiscal year. The money for phase two, which is currently targeted to be \$5 million, would be allocated from the next MSRC Work Program. The way the Program is staggered there's a phase one implementation which will commence sometime within the next several months. We'll let that program get underway, then phase two will be developed, but it will be well within the next Work Program when that occurs.

Ms. Ravenstein added that it may be helpful to look at the financial report in the agenda that it shows for the fiscal year 2018-21 Work Program the different amounts that have been allocated to date.

MSRC-TAC Member Steven Lee asked for clarification regarding the approximate \$19.5 million unallocated amount if it does not include awarded amounts, correct?

Mr. Gorski answered Mr. Lee by stating that he is correct, that money is in the bank, but has no identified use at this time. There were three elements which made up the \$19.5 million, \$16.6 million plus \$0.4 million and then the \$2.5 million which was repurposed from an existing MSRC program, that all adds up to approximately \$19.5 million.

ON MOTION BY MSRC-TAC MEMBER TIM OLSON AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE THE PROPOSALS AS PROPOSED BY THE MSRC-TAC SUBCOMMITTEE WITH ADDITIONAL FUNDING UNDER TRUCKING TO WAREHOUSE, DISTRIBUTION & INTERMODAL FACILITIES IN RIVERSIDE & SAN BERNARDINO COUNTIES RFP.

ACTION: MSRC staff will include the recommended awards on the next MSRC agenda for approval.

OTHER BUSINESS

No other business was introduced.

PUBLIC COMMENTS:

No public comment.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, THE MSRC-TAC MEETING
ADJOURNED AT 2:34 P.M.

NEXT MEETING: Next meeting: Thursday, April 1, 2021, 1:30 p.m.

(Minutes prepared by Maria M. Allen)