



**TECHNICAL ADVISORY COMMITTEE TO THE MSRC  
THURSDAY, NOVEMBER 7, 2019 MEETING MINUTES  
21865 Copley Drive, Diamond Bar, CA 91765 - Room CC8**

**MSRC-TAC MEMBERS PRESENT:**

MSRC-TAC Chair Dan York, Cities of Riverside County  
MSRC-TAC Vice-Chair Anthony (AJ) Marquez, Orange County Board of Supervisors  
Martin Buford, Regional Rideshare Agency  
Adriann Cardoso, Orange County Transportation Authority  
Jenny Chan, Riverside County Transportation Commission  
Jason Farin, Riverside County Board of Supervisors  
Jenny Herrera (Alt.), San Bernardino County Transportation Authority  
Steve Hillman, City of Los Angeles  
Jaime Lai, Cities of Orange County  
Minh Le, Los Angeles County Board of Supervisors  
Steven Lee, Los Angeles County Metropolitan Transportation Authority  
Kelly Lynn, San Bernardino County Transportation Authority  
Nicholas Nairn-Birch, California Air Resources Board  
Sean O'Connor, Cities of San Bernardino County  
Vicki White, South Coast Air Quality Management District

**OTHERS PRESENT:**

Sandra Solis, Metro  
Jeannette Klien, Metro  
George del Valle, Metro  
Gustavo Ortega, Metro  
Lauren Dunlap, SoCalGas  
Michael Le, OCTA  
Doe Girling, Clean Energy

**SCAQMD STAFF & CONTRACTORS**

Leah Alfaro, Contracts Assistant  
Penny Shaw Cedillo, MSRC Liaison  
John Kampa, Financial Analyst  
Daphne Hsu, Senior Deputy District Counsel  
Matt MacKenzie, Contracts Assistant  
Cynthia Ravenstein, MSRC Contracts Administrator

CALL TO ORDER

- Call to Order  
MSRC-TAC Chair Dan York called the meeting to order at 1:33 p.m.

**STATUS REPORT**

- Clean Transportation Policy Update

The Clean Transportation Policy Update provides information on key legislative and regulatory initiatives of potential interest to the MSRC. The report can be viewed at [www.cleantransportationfunding.org](http://www.cleantransportationfunding.org).

**CONSENT CALENDAR (Items 1 through 5)**

**Receive and Approve**

**Agenda Item #1 – Minutes for the March 7, 2019 and May 2, 2019 MSRC-TAC Meetings**

The minutes for the March 7, 2019 and May 2, 2019 MSRC-TAC meetings were not yet available.

**Agenda Item #2 – Summary of Final Report by MSRC Contractors**

Two final reports were submitted for MSRC-TAC review and approval during November:

- City of Hermosa Beach, Contract# MS18012 (\$36,000– Construct New Limited-Access CNG Station)
- City Rent A Bin DBA Serv-Wel Disposal, Contract#MS18123 (\$200,000– Install New Limited-Access CNG Infrastructure)

ON MOTION BY MSRC-TAC AND MEMBER STEVEN LEE AND  
SECONDED BY MSRC-TAC VICE-CHAIR AJ MARQUEZ, UNDER  
APPROVAL OF CONSENT CALENDAR ITEMS #2 – #5, THE MSRC-TAC  
UNANIMOUSLY VOTED TO RECEIVE AND APPROVE THE FINAL  
REPORT SUMMARIES LISTED ABOVE.

ACTION: The final report summaries will be included on the MSRC's next agenda for final action.

**Agenda Item #3 – Summary of Final Report by MSRC Contractors**

Annually, the MSRC considers a proposed meeting schedule for the upcoming year. The schedule continues with meetings on the first and third Thursdays, respectively for the MSRC-TAC and MSRC, with two exceptions. Staff recommends the MSRC-TAC

meetings in January and December be held on the second Thursday of the month to avoid holiday conflicts.

ON MOTION BY MSRC-TAC AND MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC VICE-CHAIR AJ MARQUEZ, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #2 – #5, THE MSRC-TAC UNANIMOUSLY VOTED TO APPROVE THE MEETING SCHEDULE FOR THE UPCOMING YEAR.

ACTION: The 2020 Meeting Schedule will be included on the MSRC's next agenda for consideration.

**Information Only – Receive and File**

**Agenda Item #4 – MSRC Contracts Administrator's Report**

The Contracts Administrator's Report for August 29, 2019 through October 30, 2019 was included in the agenda package.

ON MOTION BY MSRC-TAC AND MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC VICE-CHAIR AJ MARQUEZ, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #2 – #5, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE CONTRACTS ADMINISTRATOR'S REPORT FOR AUGUST 29, 2019 THROUGH OCTOBER 30, 2019.

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

**Agenda Item #5 – Financial Report on AB 2766 Discretionary Fund**

The Financial Report on the AB 2766 Discretionary Fund for October 2019 was distributed at the meeting.

ON MOTION BY MSRC-TAC AND MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC VICE-CHAIR AJ MARQUEZ, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #2 – #5, THE MSRC-TAC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE MONTH OF OCTOBER 2019.

ACTION: No further action is required.

**ACTION CALENDAR (Items 6 through 15)**

**Agenda Item #6 – Consider Twenty-Nine-Month Term Extension for the City of Los Angeles, General Services Department, Contract #ML14018 (\$810,000 – Purchase 27 Heavy-Duty Natural Gas Vehicles)**

The City requests a 29-month contract term extension due to a department restructuring and a delay in the cooperative agreement being established to purchase the vehicles.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF LOS ANGELES, GENERAL SERVICES DEPARTMENT, CONTRACT #ML14018, A 29-MONTH TERM EXTENSION.

**ACTION:** MSRC staff will include this contract modification on the next MSRC agenda for approval.

**Agenda Item #7 – Consider Two-Year Term Extension for the San Bernardino County Transportation Authority (SBCTA), Contract #MS14072 (\$1,250,000 – Signal Synchronization Partnership Program)**

SBCTA requests a two-year contract term extension because the Colton portion of the project has experienced delays with a related Caltrans project.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY, A TWO-YEAR TERM EXTENSION.

**ACTION:** MSRC staff will include this contract modification on the next MSRC agenda for approval.

**Agenda Item #8 – Consider One-Year Term Extension for the City of Yucaipa, Contract #ML16057 (\$380,000 – Implement County Line Road “Complete Streets” Project)**

The City requests a one-year term extension due to longer than expected time for coordination with partner agencies.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF YUCAIPA, CONTRACT #ML16057, A ONE-YEAR TERM EXTENSION.

**ACTION:** MSRC staff will include this contract modification on the next MSRC agenda for approval.

**Agenda Item #9 – Consider One-Year Term Extension for the City of San Fernando, Contract #ML16075 (\$354,000 – Install Class I Bikeway)**

The City requests a one-year term extension due to longer than expected time for U.S. Army Corps of Engineers' permit approval.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF SAN FERNANDO, CONTRACT #ML16075, A ONE-YEAR TERM EXTENSION.

**ACTION:** MSRC staff will include this contract modification on the next MSRC agenda for approval.

**Agenda Item #10 – Consider Modified Statement of Work, Reallocation of Costs Between Tasks and One-Year Term Extension for the City of Riverside, Contract #MS16110 (\$300,000 – Expand CNG Stations and Modify Maintenance Facility)**

The City requests to reduce the number of dispensers to be added to the Lincoln Station from three to one, and to add two dispensers to the Acorn Station. Projectwide, the total number of dispensers added would not change. The City further requests to reallocate \$30,000 between stations. The City also requests a one-year contract term extension due to delays associated with the procurement process.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF RIVERSIDE, CONTRACT #MS1611, MODIFIED STATEMENT OF WORK, REALLOCATION OF COSTS BETWEEN TASKS AND ONE-YEAR TERM EXTENSION.

**ACTION:** MSRC staff will include this contract modification on the next MSRC agenda for approval.

**Agenda Item #11 – Consider Five-Month Term Extension for the Riverside County Transportation Commission (RCTC), Contract #MS16124 (\$253,239 – Extended Freeway Service Patrols)**

RCTC requests a five-month contract term extension to maximize the project benefits and fully expend the contract allocation.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER KELLY LYNN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION, CONTRACT #MS16124, A FIVE-MONTH TERM EXTENSION.

**ACTION:** MSRC staff will include this contract modification on the next MSRC agenda for approval.

## **2018-21 WORK PROGRAM**

### **Agenda Item #12 – Update on Better World Group Advisors’ Activities in Support of MSRC’s Regional Goods Movement Program (Better World Group Advisors)**

Ruben Aronin, Better World Group, referred to the written report included in the agenda package. This provides a fairly comprehensive overview of the meetings and conversations that the Better World Group have been having independently and in conjunction with MSRC staff in the exploratory work to identify both the landscape and potential investment opportunities for the MSRC’s Regional Goods Movement Program. Phase 2 of this work officially kicked off in July. We had a meeting with the San Bernardino County Transportation Authority to share ideas as well as the program priorities. Then in August we spent a fair amount of time in initial and then follow-up discussions with the Los Angeles CleanTech Incubator. The Incubator has formed a regional transportation electrification initiative and they are working on a revised policy roadmap that they will be releasing later this month. They have been developing that to partner with DWP and Edison based on discussions with a lot of truck manufacturers and other stakeholders. In addition to working on this regional plan, they are hoping to incubate some initial programs as well as potentially pilot EV infrastructure somewhere on the 710 corridor. They are also looking at highlighting some medium-duty last mile projects. They are very aware of the MSRCs broad objective and they have been helping to circulate the opportunity that the MSRC is looking for as they carry forward their discussions with a lot of the same stakeholders. We also had the opportunity to be on a phone call with Metro and there have been some subsequent conversations about the 710-corridor project in particular and where there may be some synergistic thinking on that front. We have had several meetings and conversations with Edison, both to understand their heavy-duty infrastructure program, as well as the opportunities, pitfalls, and challenges of getting infrastructure. The PUC has green lit for Edison to use rate payer money to invest in charging infrastructure. It requires two electric truck purchases within 18 months of installation. That is proving to be one of the challenges, but we are both staying in touch with each other and looking at where there could be gap projects outside of their service territory. They can only fund their customers’ infrastructure. So, there is no public infrastructure that Edison could invest in. As part of the ongoing research, real-time intel gathering we’ve been tracking what ARB has been putting out publicly and with our relationships board and otherwise to just get a sense of where they were going with HVIP Program. Before the Board approval of the modifications and then trying to get a handle on this oversubscription, there were near zero project submissions. It is unclear if those were revised with respect to the new requirement for California based RNG fuels and how quickly we are going to get that information. Until a project voucher has been issued, they do not make that public because projects come in and out. So, we do not have a perfect picture of what those investments are going to look like. There was a local zero-emission delivery Zone Workshop, we hope to have some more information from that. Whether it is or is not a fit for MSRC funding, it should be a good learning opportunity for other potential projects that might come out of it. I had the opportunity last week to join the Hewlett Foundation and national stakeholders that were being gathered to look at opportunities to accelerate investments in food trucks and food truck infrastructure. It was actually international in scope, it was China,

Europe, and California, with the sense that, as goes California, so will go the nation and other countries. While the total cost of ownership is looking better and better for the electric truck market in particular, the upfront high cost was certainly identified as a barrier and the need for incentives and financial vehicles to make the case for that was highlighted as well. It has been busy and active with a lot of the stakeholders that you all represent and others that you are in touch with and so the word is certainly circulated at the agencies. We had a really productive meeting at the Energy Commission maybe two months ago because they have their \$30 million pot. There are a number of stakeholders that are saying you really need to look at Southern California geography and earmarks, or how can we ensure that there are investment dollars. That will continue to need to be heard and said to our state funders and any place that MSRC chooses or is looking to invest needs to be highlighted as an opportunity for leveraging other state dollars. It seems to be a challenge of how you orchestrate state, whether it is Energy Commission or ARB, dollars in a formal match.

MSRC-TAC Member Vicki White commented, of the summary provided it does seem like the discussions are primarily focused on zero-emissions investments with the exception of the recent HVIP decision but that is limited to the 12-liter engines. We were recently looking at our data, we still have not made significant investments into low NOx engines yet. A fair amount has been awarded but not very much has been paid yet. Based on your summary, perhaps some of the leveraging opportunities with MSRC money might primarily be focused on zero-emission because of all those other interests. It just seems like that is where all the discussions are headed and future investments.

Ray Gorski, MSRC Technical Advisor commented, there is a reason why so much priority seems to be being put on zero-emission. It is because that is where all the uncertainty is and that is where we keep hearing the future investments are going to be made. The good news is that today you are going to be hearing an actionable request for MSRC investment in the near zero category. From our perspective, the near zero component of the overall MSRC Goods Movement Program has much more clarity. There is a program that we're going to make a staff recommendation on today to partner with the South Coast AQMD, with an initial funding investment that could grow and we have had additional conversations with management as to other potential partnering on the near zero component. The truth is, should the MSRC choose to, they can make a substantive investment into near zero technology. The MSRC has made representations that they are going to support the South Coast AQMD goals for the air quality management plan (AQMP) in the near term, but also look towards working with the state agencies on the zero-emission solution in the further term.

MSRC-TAC Chair Dan York asked, do you think on the zero-emission front and based on the Better World Group's findings, are we going to have to competitively go after these funds and write grants to go after these funds? Mr. Gorski replied, we have multiple scenarios we are going to present to you. We are not ready today; we would like to convene a working group or subcommittee of the MSRC-TAC to go over some of these ideas. What we are looking for is, what should the role of the MSRC be? We are looking at all these agencies that have a role, all the state agencies, regulatory agencies, federal government, but the question is where does the MSRC fit? We are going to provide you some ideas where the MSRC could have a very meaningful contribution to the overall program. We are not in a position to necessarily be the lead, but that does not mean we cannot be enabling or at least have a substantive role. Not all of them are going to require competitively bidding for state money. Some of them will be forged

partnerships or some of the ideas are just simply have the MSRC act in a more independent way or in a smaller coalition to set the stage for others to come in behind us. There are the zero-emission advocates, and they are pretty much entrenched. The MSRC has pretty much stated as far as their policy direction, we are going to work both technologies. There is a near-term need to get emission reductions before 2023 to support the AQMP and looking towards the future to reach our longer-term goals with zero-emission technology.

**ACTION:** No further action required.

**Agenda Item #13 – Consider Partnership with Clean Energy and South Coast AQMD on Implementation of Market Acceleration Program**

Cynthia Ravenstein, MSRC Contracts Administrator, reported this item is to consider entering into a partnership with Clean Energy and South Coast AQMD on the implementation of the Market Acceleration Program (MAP). This falls under one of the four focus areas that the MSRC set up for the Regional Goods Movement Program. The Truck Cooperative technical working group was convened on September 10th. It was well attended meeting. It is a broad stakeholder base, including the California Air Resources Board, California Energy Commission, and South Coast AQMD. Vehicle manufacturers were represented, and utilities. At that meeting staff presented multiple pathways, the idea of looking at doing something for near-term emission reductions and the longer-term path of zero emission heavy-duty truck technology. Staff is going to be recommending to take two pathways, (1) to partner with South Coast AQMD and Clean Energy. This is a project that has actually been in the works for a while, to have this introduction of near zero emission trucks, the Market Acceleration Program; and (2) to partner with the Maritime Ports, environmental agencies and other organizations to do a large-scale demonstration of zero emission Class 8 trucks, but that would be for a future meeting.

Here is an overview of this Market Acceleration Program. The idea behind it is that there are a lot of fleets who would potentially adopt these near zero emission trucks, but they don't have the kind of old trucks that qualify for the incentives, the kind of trucks that they need to scrap. And the kind of incentives that can get without scrapping their truck are not enough to make them want to go forward and get a new truck. You also have people who own the really old diesel trucks, generally independent operators, they are often disadvantaged, who cannot afford those near zero trucks even with the incentives that are available. This program is trying to get each of those groups to get a cleaner truck, but maybe not necessarily all in one step. The solution is this program which South Coast AQMD and Clean Energy were already going to embark on. It has two types of transactions in it. The simplest kind of transaction is there is a fleet that has a pre-2010 truck that they will scrap and they will buy a new near zero truck with \$100,000 in incentives. The only way that this is really different than some of the other incentive programs, is that there is something about the truck that they have to scrap. Perhaps they didn't quite have all of the records that they would have needed to qualify for Prop 1B or something like that. It's not going to be completely without any records, but it just maybe didn't quite meet all the criteria that they would have needed to qualify for some of the other programs. It would still be a good project that is going to achieve some emission reductions. The other kind of transaction under this program, the one that really caught our attention but is a little bit more difficult to achieve, involves three trucks. It's what is called a trade down approach and this is where you are going to really get more often to the disadvantaged trucker. You have a fleet that has a newer truck--not a brand new truck, but it meets the current requirements which is 0.2 g/bhp NOx--and they're

going to trade that newer truck to the independent owner operator for their old truck plus \$10,000. So that independent owner operator gets a newer truck that's lower emitting for paying just \$10,000. Then the fleet is going to scrap that really old truck and buy the brand-new truck, that is the 0.02 g/bhp NOx/near-zero truck, with a combination of incentives from MSRC, South Coast AQMD and potentially state incentives. There are several different organizations that would be involved. South Coast AQMD will be contributing funding, they have already allocated funding this program. They also have a contract with Clean Energy that they are finishing up. That contract does not actually give money to Clean Energy. It tells Clean Energy what their responsibilities are, and South Coast AQMD would do the contracts with the fleets that are going to be receiving the incentive funding. CARB, hopefully, maybe will be contributing some HVIP funding. Clean Energy would be promoting and coordinating the program. They would be the ones going out and doing leg work, finding the fleets and the other operators and trying to get these projects going. The MSRC would be providing funding and any additional staff services that are needed. The original intention when Clean Energy proposed their MAP Program to South Coast AQMD was leveraging the \$45,000 per truck incentive which had been available through HVIP. But then as time went on, the proposal was floated that maybe this HVIP incentive for near zero natural gas trucks was not going to be available anymore. Three weeks ago, CARB voted they are going to continue those HVIP natural gas incentives but only for the larger 11.9-liter engines. This program is for those big size engines. They have to be filled with RNG that is produced within California.

Because of that uncertainty waiting to find out what CARB was going to do on the HVIP program, staff held off bringing this forward. One week after CARB decided what they were going to do, they announced they were oversubscribed and the program was placed on hold. Staff is continuing to investigate. CARB received a lot of requests for vouchers under the HVIP Program; we do not know how many of those are going to end up getting fulfilled. The safest thing at this point is to assume that that funding may not be available. Part of the formula for the incentives that were going to be provided under MAP assumed that \$45,000 per truck was coming from there. In the worst-case scenario, assuming there is no HVIP funding at all for this program, we looked at the possibility that essentially the MSRC funding would come in and take the place of that. If the MSRC were to put in \$4 million, that would be matched by approximately \$5 million from South Coast AQMD. That would result in 89 new near zero emission trucks and 89 trucks scrapped, assuming the levels that South Coast AQMD projected for how many trade downs there would be and how many would just be people buying new trucks with incentives. When you do a trade down, you need to give them a little bit more money. The best-case scenario is if the HVIP funding is available and there is enough there for all the trucks in this Market Acceleration Program. If the MSRC put in \$4 million, it would be matched by \$12 million, all the South Coast AQMD money plus all the HVIP money, that would be 75% co-funding. We would get 159 new trucks. I have to say that that is not likely, but there is some potential for some cases in between these two. What the recommended action is today is for the MSTC-TAC to recommend that the MSRC approve the allocation of \$4 million, with the understanding that we would be getting at least 89 trucks. Should this program prove effective the MSRC could choose to allocate additional funding.

MSRC-TAC Member Steven Lee asked if the Metro 710 Program could come in with \$4 million, would that be a co-funding opportunity to meeting that \$4 million. Could we add on another \$4 million to co-fund this program? Ray Gorski, MSRC Technical Advisor replied, the near zero component certainly could. This is a near zero program that is partnering with

Clean Energy. If another fleet or agency wanted to come in and participate, they absolutely could. If they could bring financial resources what we would simply do is implement the program within the contractual guidelines, which are already being established between the South Coast AQMD and Clean Energy and just increase the overall number of vehicles which would be accounted for within that program.

PUBLIC COMMENT: Doe Girling, Clean Energy commented, there are 8,000 trucks that this program would be targeted at. There are a lot of trucks that could participate in the program and show accelerated transition into an ultra-low NOx vehicle that runs on RNG and shows a negative carbon effect within 20 months, if not sooner.

MSRC-TAC Member Minh Le commented, have you looked into what portion of the \$4 million incentive would go towards the fleet owners that used to have 2014 and newer vehicles versus limited operators who have the 2010 or prior trucks? What is the ratio split? Ms. Ravenstein replied, all of it would be going towards the fleet owner as it turns out because basically the independent owner operator would just end up with that 2014 truck. That is what they walk away with. Mr. Le commented, that fleet owner currently has trucks that would not be eligible under this program if there were money and trucks that older owners have, they can effectively capture a benefit that you would not have been able to capture before. Mr. Gorski replied, when we first became aware of what the South Coast AQMD was negotiating with Clean Energy, we thought this is the absolute perfect program because it accomplishes all of the MSRC's objectives. It helps the independent owner operator get a cleaner truck. It gets additional near zero emission vehicles on the road and the truck that is displaced is the oldest truck. When we take a 2014 truck off the road, that is a 90% reduction, but we are taking a truck which is prior to 2010 off the road. Well, that is going to give you a substantial emission reduction. When the HVIP money was there, that was great. If HVIP goes away, it is still a good program, it is just not as large of a program. That is really the only thing that changes. The financials on a per truck basis do not really change. It is simply how many can you afford to replace with the total amount that you have. Of course, we would like to have a bigger problem. We have our trucks, but it is not like they are really losing anything. Other than scale, that is the only thing we are losing here. The MSRC is now even more important to this program if HVIP is unable to fulfill that incentive because their program is oversubscribed. This is a real program between the South Coast AQMD and Clean Energy. It is going to happen. If HVIP is not there, it is not going to happen very well. If the MSRC steps in to help displace some of that, then it is going to become a viable program again. From a relationship standpoint, the MSRC is stepping up and helping the South Coast AQMD continue to implement a program and we are more than simply enhancing it now. We are enabling it.

MSRC-TAC member Nicholas Nairn-Birch asked, how is independent owner operator being defined? How is that being operationalized? Does it have an income component to it or just simply you own the truck yourself? Ms. Ravenstein replied you are not actually required to be an independent owner operator. That is just what I am using to describe them. MSRC-TAC Member Vicki White commented, they are typically a single person that owns anywhere between one to three trucks. Most of them are single truck owner and operators, basically they are the sole owner of that vehicle. At South Coast AQMD we follow the truck and bus definition for small fleet, they are generally owners of one to three trucks. This is in my opinion a great program because under our traditional incentive programs, we have to turn away a lot of these independent owner operators because the incentive programs have a lot of requirements that they can't comply with,

like owning the vehicle for the previous two years in California. There could be something like that not having an annual registration, instead they only have business for a seasonal registration. These are the guys we want to get into cleaner trucks. The HVIP decision is unfortunate because you could see the backlog they have on their website. It is \$142 million already applied and on a waitlist for those funds. The smaller fleets need to get into a cleaner truck by January 1, 2023 before the state truck and bus regulation requires them to do so. This is helping a lot of these smaller guys be able to stay in business in California.

MSRC-TAC Chair Dan York commented, this is not too dissimilar to what we did back when we were focusing initially on cars, then we did a similar incentive program to help folks get into the cars and make it really affordable. This is consistent with a path that MSRC has already gone down, but we are really now targeting the bigger polluters. It has got the potential for a lot longer viability.

ON MOTION BY MSRC-TAC MEMBER SEAN O'CONNOR AND  
SECONDED BY MSRC-TAC MEMBER NICHOLAS NAIRN-BIRCH, THE  
MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE  
THE PARTNERSHIP WITH CLEAN ENERGY AND SOUTH COAST AQMD  
ON IMPLEMENTATION OF MARKET ACCELERATION PROGRAM.

**ACTION:** This partnership will be included on the next MSRC agenda for final action.

**Agenda Item #14 – Consider Program Opportunity Notice (PON) for Inland Ports Goods Movement Emission Reduction Projects**

Ray Gorski, MSRC Technical Advisor, reported the Inland Ports are the network of warehouse distribution centers where the containers that leave the Maritime Ports end up before they're transloaded and sent off along their merry way either by another truck or to another rail facility across the country. Now, the MSRC has asked because of the increasing number of these warehouse distribution centers within the Inland Empire, that a program be set up to help mitigate the emissions that are generated by these facilities. This is a pretty daunting task because there are 100s of warehouses within the Inland Empire, the counties of Riverside and San Bernardino, and that number is going to go up. The task that we had was to go off and put together viable programs to partner with these companies to reduce their emissions footprint. But there are a lot of ways to go off and solicit programs and ideas. If you have a really good understanding of what the issues and needs are, you can put together a pretty well-defined program, put out a Request for Proposals, solicit proposals within a very targeted area and then do an evaluation to find out which ones best meet your needs. We do not believe that we are currently in that position. What we are recommending, as a very first step, is to issue a Program Opportunity Notice (PON). What we are going to do, more or less, is test the waters. We are looking to find out what the needs are, and if there are any entities which are actually wanting to partner with the MSRC in a program. What we are trying to do is cast a wide net and find out what the lay of the land is before we can go in and then refocus our funding opportunities. Why a PON? Because the PON gives the MSRC the maximum flexibility. If a respondent to a PON has a proposal, the MSRC reserves the right to enter into negotiations with that respondent, which could potentially lead to a sole source contract. The MSRC can also say it looks like there is going to be a big demand for electric drayage tractors or yard tractors. Then we could put out a separate solicitation only looking at that specific source category. Or if we get nothing back that

is of value, then we go on to Plan B. Again, what we are trying to do is gather more information, but not tie the MSRC's hands if something is presented to them that's really good. That is why we are advocating to do it through a PON, as opposed to a more traditional Program Announcement or Request for Proposals. We have also put in a number for what the targeted amount could be. There is a \$20 million number shown in that PON. The MSRC is not obligated to actually invest \$20 million. We are looking at the total amount of MSRC funding we have and the portion which could go to the Inland Empire for this type of program. As far as the outreach component is concerned, what we intend to do is work with the South Coast AQMD, who is currently working with all the warehouse distribution centers and logistics centers within the Inland Empire because there are developing an indirect source rule (ISR) that could potentially in the future impact those entities. We are going to work with them to make sure that we have access to their list and make sure this is widely distributed. If you could review the document and get us your comments over the next week or so, we could do another iteration for consideration by the MSRC. We really want to start moving on this new Work Program, all four elements, the drayage component, the Maritime Ports, the Last Mile, and the Inland Ports.

MSRC-TAC Chair Dan York commented, for the clarity of the group, this is not obligating the funds, we are only appropriating those funds and obligation would come back as a recommendation to the TAC, that then would also be recommended up to the MSRC. As far as the timeframe, it looks like it is going to be early December that the PON would be released. It was not clear how long that would be and what our criteria would be as far as making a decision or at least a statement that we are not obligated or required to actually give an announcement. We are doing a letter of interest for lack of other terms and then we are going to get some proposals or interest at that point and then that would be a future agenda item back to us. Mr. Gorski commented, this will result in the formation of a subcommittee. What this is really intended to do, is to do some of the early legwork that would allow a subcommittee to actually get in and start to do their work. The ISR that the South Coast AQMD is propagating may have a chilling effect. I can foresee warehouses and logistics centers thinking we are not going to do anything because if we do something now, maybe it will not count towards fulfilling what the South Coast AQMD future ISR requirements are. We know that rulemaking complicates the situation and there are multiple rule makings going on right now. CARB is promulgating rules around TRUs, electrification in 2024-2025. There are a lot of moving pieces because everyone now realizes these warehouses, where you have them all together, equal the emissions of a port. It really is the ports, the same equipment, just smaller scale, but you have 100s of them. It is a big source category, now a lot of regulatory attention is on it.

MSRC-TAC Member Adriann Cardoso commented, would it be possible to say outright that we expect that a match might be required or just put a little bit stronger language there because this \$20 million could easily turn into \$40 million in projects if you have enough projects and there was a dollar for dollar match required. Based on some of our policy conversation where we said we wanted to bring in as much money as possible from other sources, we might want to be a little stronger instead of just saying, we strongly encouraged, maybe we could say, we expect that a match would be required in the range of 20% to 50% or something just to give them a little bit more guidance so that they know that they have to have some skin in the game and that we would expect them to come to the table with something too. Mr. York commented, even setting a match now might be premature. What if the language said that they would have to indicate what they are proposing and then when the Subcommittee is weighing in, you will start seeing where those matches fall on the table? Ms. Cardoso commented, maybe stronger language that a match

would most likely be expected, maybe not a range. Mr. Gorski commented, it is fine to say, the MSRC plans to leverage their money. One of the options that we are giving, is simply to tell us what area they would like to have. There are certain things the MSRC can do like electric, hydrogen or natural gas infrastructure, zero and near zero emission transportation, and vehicles, certain off-road and on-road vehicles. If I could just get a good understanding if there is a desire to buy electric yard tractors, you would come back and give recommendations to put out a solicitation to do electric yard tractors. If it comes back that they are interested in near-zero trucks for their fleet, you will see us either try to leverage off the MAP program or come up with another program. But right now, we really do not have a lot of information to go on. We will work on the language to shore that up. Mr. York asked, is there a period of time up to where you would like to receive any other feedback? Mr. Gorski replied, one week. Mr. York commented, if anybody over the next week has as anything, please send to Cynthia Ravenstein.

MSRC-TAC Member Vicki White commented, one of the things we have been finding is a lot of these warehouse facilities do not own the trucks, they actually pay for the service of the deliveries. A lot of them are independent owners/operators that they're establishing contract agreements with. Can you build that language in this Program Opportunity Notice that says you do not have to own the truck to participate? They will have a list of all their drivers, maybe that way we can get to these independent owner/operators to help them get into cleaner trucks. Mr. Gorski replied, there are entities out there that do own some trucks, they have the facility, we would like to target them. There are ones that we are working with that operate the facilities, a fleet of trucks and they operate the cargo handling equipment, that would be a really good fit because then we could have a whole program with that entity. The others are just basically transloading facilities. They just come in, they break them down, repackage them and ship them out. We are hoping that working with our other near-zero programs, that we might be able to kind of fold them into this program. This was the point MSRC Chair Larry McCallon made at the last MSRC meeting. He said, remember that these programs that we're talking about here are not mutually exclusive. The low emission drayage program that we are doing under MAP, those trucks are going out to these warehouse distribution centers, that is where their final destination is. There would be a nexus between these two. For this program though, we are really trying to make it to the extent possible facility-based. We kind of wrote it to put prospective respondents on notice that, if you own your own fleet of trucks, maybe you want to consider having some ultra-low emission or some zero-emission trucks. I agree we want to make sure that it does not exclude but I am not sure how this owner of this facility would influence people that come to their facility. But I know the ISR is thinking about that and for example, Riverside County with the Good Neighbor policy that has been reviewed by your Board of Supervisors, that was another consideration.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER JASON FARIN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE THE ISSUANCE OF A PROGRAM OPPORTUNITY NOTICE FOR INLAND PORTS GOODS MOVEMENT EMISSION REDUCTION PROJECTS.

**ACTION:** This solicitation will be included on the next MSRC agenda for final action.

**Agenda Item #15 – Consider Application Received under the Major Event Center Transportation Program**

Ray Gorski, MSRC Technical Advisor reported the Los Angeles County Metropolitan Transportation Authority (Metro) is requesting funding to continue the implementation of the Dodger Stadium Express Service. The MSRC under this Work Program recently funded the 2019 Dodgers Baseball season with the Stadium Express Service and this proposal would extend that program to the 2020 and 2021 baseball seasons. Metro is requesting \$2,188,899 to implement two years of the program. This is going to be implemented very similarly to how the 2019 season was implemented. They would be using the near zero natural gas buses that are 0.02 grams, those are the cleanest buses currently in their fleet. They would be doing this within the same fare structure, meaning that if you purchase a valid ticket for the game, you get to ride the service for free. The Evaluation Subcommittee looked at four elements, (1) whether or not this program would result in a net positive air quality benefit; (2) its cost-effectiveness; (3) its connectivity to other transit services; and (4) the opportunity for this program to continue in the event that the MSRC would no longer make funding available in the future. Would this program result in a quantifiable air quality benefit? Metro provided current ridership figures from their 2019 service and we ran the numbers to see what air quality benefit we could expect. When you do that, taking into account the emissions from the buses because even though they are near zero they count against you, we are looking at a net air quality benefit on the order of 7,380 pounds of air pollution reduced. That passes the first test, which is does this have a positive net air quality benefit. How cost-effective is this? You have to look at the air quality benefit versus the amount of money that the MSRC is being asked to invest in the program. We have a graduated scale of points for cost-effectiveness under this Program. It starts at a maximum of 50 and goes down to zero. Under the current guidelines, this project qualifies for the maximum of 50 points. There is a reason for that because this was the first Event Center project. It has served as the benchmark for all the programs that came after it. Historically, this has had the highest cost-effectiveness, so we use this to model the program and the criterion as it steps down. The next criterion is its connectivity to transit other than the service itself, meaning can you use other public transit to access the service. The whole design of this project is to provide service for that last mile between Union Station and the baseball stadium. So, when Metro has done their rider surveys over the last several years, they have shown an approximate 70% to 75% usage of other transit in addition to the Dodger Stadium Express. This means that people are not driving to Union Station and parking their cars, they are taking another form of public transportation to Union Station then hopping on the Dodger Stadium Express to go up to the baseball stadium. So that is an extremely high utilization of those services. It is important because you are not just offsetting the emissions from Union Station to the Stadium, you are offsetting the emissions for that entire trip. The total distance of the transit trip is what is in the benefit column. Those are the automobile miles displaced and because people are accessing the stadium using another form other than their car, that benefits the program. The final criterion was their continuation plan. This was a subjective evaluation of how willing and able Metro is to continue the service in the event the MSRC does not have this Program in future Work Program years. They were required to submit a write-up of how they would continue the service. It is their obligation to score at least 70 total points, that threshold was met. The Subcommittee's unanimous recommendation was to fund the Dodger Stadium Express. Now, there is a caveat to this, that is explained in the staff report. The original Program Announcement has a funding maximum per transportation provider of \$3.25 million. When you add the funding requests from Metro for 2019, 2020 and 2021, they exceed that amount by \$87,642. The MSRC has three options. They could deny funding the program at all. In the event they take a recommendation to fund the program, they would have two options, (1) reduce the award to Metro for the two baseball seasons in the amount of \$87,642; or (2)

choose to augment the program with an additional \$87,642 from their unallocated balance. The recommendation from the Evaluation Subcommittee is to fund the 2020-2021 Metro Dodger Stadium Express Service with the outstanding issue of the \$87,642 additional funding which is needed, and no recommendation was put forth from the Subcommittee relative for that.

MSRC-TAC Chair Dan York commented, it appears that the committee would vote in favor of funding this program. The second question before we make a motion, is there a feeling to reduce the requested amount or to recommend that MSRC augment the additional \$87,642 using unallocated funds? Does anyone have a problem with recommending augmenting? So, if no concerns, we could make a motion of funding the award with an augmentation.

ON MOTION BY MSRC-TAC MEMBER ADRIANN CARDOSO AND  
SECONDED BY MSRC-TAC MEMBER MINH LE, THE MSRC-TAC  
UNANIMOUSLY VOTED TO RECOMMEND APPROVAL OF AN AWARD  
TO LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION  
AUTHORITY (METRO) FOR \$2,188,899 WITH THE AUGMENTATION OF  
AN ADDITIONAL \$87,642 FROM UNALLOCATED FUNDS FOR SPECIAL  
BUS AND TRAIN SERVICE TO DODGER STADIUM FOR 2020-2021.

**ACTION:** This award will be included on the next MSRC agenda for final action.

## **OTHER BUSINESS**

### **Agenda Item #16 – Other Business**

MSRC-TAC Member Kelly Lynn introduced Jenny Herrera, as the new alternate for San Bernardino County Transportation Authority. Ms. Herrera is a Program Manager with our Air Quality and Mobility Programs. She has lots of emission reduction experience including being a recent Clean Air Award recipient for our demonstration project.

## **PUBLIC COMMENTS:**

No public comment.

## **ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS, THE MSRC-TAC MEETING  
ADJOURNED AT 2:53 P.M.

**NEXT MEETING:** Next meeting: Thursday, December 12, 2019, 1:30 p.m., at the South Coast Air Quality Management District.

(Minutes prepared by Penny Shaw Cedillo)