



**TECHNICAL ADVISORY COMMITTEE TO THE MSRC
THURSDAY, DECEMBER 10, 2020 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
MSRC-TAC Vice-Chair Jenny Chan, representing Riverside County Transportation Commission
Cliff Thorne (Alt), representing Orange County Transportation Authority
Jason Farin, representing Riverside County Board of Supervisors
Steve Hillman, representing City of Los Angeles
Jamie Lai, representing Cities of Orange County
Minh Le, representing Los Angeles County Board of Supervisors
Steven Lee, representing Los Angeles County Metropolitan Transportation Authority
Rongsheng Luo, representing Southern California Association of Governments
Jenny Herrera (Alt), 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
Derek Winters, representing California Air Resources Board
Dan York, representing Cities of Riverside County

OTHERS PRESENT:

Marisa Laderach, SCAG
Debra Mendelsohn, Board Assistant
Amanda Meere
Elizabeth Tom
Jesse Reyes
Lauren Dunlap
Kenneth Jones
Piyush Bubna
Erika Chavez
Rick Sikes

SCAQMD STAFF & CONTRACTORS PRESENT:

Leah Alfaro, MSRC Contracts Assistant
Maria Allen, MSRC Administrative Liaison
Naveen Berry, Assistant Deputy Executive Officer
Sam Cao, Air Quality Specialist
Penny Shaw Cedillo, Sr. Administrative Secretary
Ray Gorski, MSRC Technical Advisor-Contractor
Daphne Hsu, Senior Deputy District Counsel
Joseph Impullitti, Technology Implementation Manager
John Kampa, Financial Analyst
Patricia Kwon, Program Supervisor
Matt MacKenzie, MSRC Contracts Assistant
Ash Nikravan, Senior Staff Specialist
Cynthia Ravenstein, MSRC Contracts Administrator
Alejandra Vega, MSRC Administrative Liaison

CALL TO ORDER

- Call to Order
MSRC-TAC Chair Anthony (AJ) Marquez called the meeting to order at 1:35 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.

CONSENT CALENDAR

Receive and Approve

Agenda Item #1 – Summary of Final Reports by MSRC Contractors

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

- San Bernardino County Transportation Authority, MS16125
(\$1,000,000 – Traffic Signal Synchronization Projects)
- El Dorado National, MS18066
(\$100,000 – Construct a Limited-Access CNG Fueling Station)

ON MOTION BY MSRC-TAC MEMBER DAN YORK AND SECONDED BY MSRC-TAC MEMBER TIM OLSON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 - #5, THE MSRC-TAC RECEIVED AND APPROVED THE MSRC CONTRACTORS' FINAL REPORTS SUMMARY LISTED ABOVE.

ACTION: The Summary of Final Reports by MSRC Contractors will be included on the MSRC's next agenda for final action.

Agenda Item #2 – Minutes of September 3, 2020 MSRC-TAC Meeting

The Minutes for the September 3, 2020 MSRC-TAC Meeting were included in the agenda package.

ON MOTION BY MSRC-TAC MEMBER DAN YORK AND SECONDED BY MSRC-TAC MEMBER TIM OLSON, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 - #5, THE MSRC-TAC RECEIVED AND APPROVED THE MINUTES OF THE SEPTEMBER 3, 2020 MSRC-TAC MEETING.

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

Information Only - Receive and File

Agenda Item #3 – MSRC Contract’s Administrator’s Report

The Contracts Administrator’s Report for October 29, 2020 through December 2, 2020 was included in the agenda package.

ON MOTION BY MSRC-TAC AND MEMBER DAN YORK AND
SECONDED BY MSRC-TAC MEMBER TIM OLSON, UNDER APPROVAL
OF CONSENT CALENDAR ITEMS #1 – #5, 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 #4 – Financial Report on AB 2766 Discretionary Fund

The Financial Report on the AB 2766 Discretionary Fund for November 2020 was included in the agenda package.

ON MOTION BY MSRC-TAC AND MEMBER DAN YORK AND
SECONDED BY MSRC-TAC MEMBER TIM OLSON, UNDER APPROVAL
OF CONSENT CALENDAR ITEMS #1 – #5, THE MSRC-TAC
UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL
REPORT FOR THE MONTH OF NOVEMBER 2020.

ACTION: No further action is required.

Agenda Item #5 – Report on Outreach Activities

Better World Group Report on Outreach Activities was included in the agenda package.

ON MOTION BY MSRC-TAC AND MEMBER DAN YORK AND
SECONDED BY MSRC-TAC MEMBER TIM OLSON, UNDER APPROVAL
OF CONSENT CALENDAR ITEMS #1 – #5, THE MSRC-TAC
UNANIMOUSLY VOTED TO RECEIVE AND FILE THE REPORT ON
OUTREACH ACTIVITIES.

ACTION: The Report on Outreach Activities will be included on the MSRC’s next agenda for final action.

ACTION CALENDAR

Agenda Item #6 – Consider Three-Month No-Cost Term Extension by City of Bellflower, Contract #ML12091 (100,000 – EV Charging Infrastructure)

No comments were made from any MSRC-TAC members or MSRC staff. No public comments were made.

ON MOTION BY MSRC-TAC MEMBER SEAN O'CONNOR AND SECONDED BY MSRC-TAC MEMBER JAMIE LAI, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF BELLFLOWER, CONTRACT #ML12091, A THREE-MONTH NO-COST EXTENSION.

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

Agenda Item #7 – Consider One-Year No-Cost Term Extension by City of San Fernando, Contract #ML16075 (\$354, 000 – Install Class I Bikeway)

No comments were made from any MSRC-TAC members or MSRC staff. No public comments were made.

ON MOTION BY MSRC-TAC MEMBER SEAN O'CONNOR AND SECONDED BY MSRC-TAC MEMBER JAMIE LAI, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF SAN FERNANDO, CONTRACT #ML16075, A ONE-YEAR NO-COST EXTENSION.

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

Agenda Item #8 – Consider One-Year No-Cost Term Extension by City of Redondo Beach, Contract #ML18098 (\$89, 400 – Install Six EV Charging Stations)

Cynthia Ravenstein, MSRC Contracts Administrator, explained the City of Redondo Beach was awarded funding to install EV charging stations. They have installed ten out of eleven charging stations. They are saying that the pandemic has interfered with their procedures, so they are requesting a one-year extension.

ON MOTION BY MSRC-TAC MEMBER TIM OLSON AND SECONDED BY MSRC-TAC MEMBER STEVE HILLMAN, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF REDONDO BEACH, CONTRACT #ML18098, A ONE-YEAR NO-COST EXTENSION.

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

Agenda Item #9 – Consider Modified Project List and Payment Schedule and One-Year Term Extension for Southern California Association of Governments (SCAG), Contract #MS18015 (\$2, 000, 000 – Future Communities Partnership Program)

Cynthia Ravenstein, MSRC Contracts Administrator, explained SCAG was awarded \$2,000,000 to partner with the MSRC on a regional program to support city and county agencies in

implementing pilot projects to reduce vehicle miles traveled from local travel and municipal operations. There was a process where they put out a solicitation and they received proposals. Projects have been selected, the project list was brought back to the MSRC for approval, and SCAG has been going forward with implementing them. COVID-19 has had a significant impact in the implementation of a lot of these projects that had been selected. SCAG is requesting a one-year extension, particularly with respect to the project with the City of Monrovia. The City had originally proposed a ride share program via Lyft. Since those services have been suspended indefinitely, the City came up with pilot program that would encourage bicycling within the City, including e-cargo bike delivery, as a substitute for the original proposal. SCAG was requesting approval of a revised project list which would substitute this proposed bike share and bike delivery incentive program in Monrovia, as well as the one-year term extension for the pilot project. During the November MSRC-TAC meeting, several questions were brought up regarding this change. The TAC wanted to know if there were other projects that had been proposed during the initial selection process that didn't get funded. The TAC had asked if by the City of Monrovia substituting a project, it would be cutting out something that had been proposed in the original process. The TAC had also asked if the new project met all the original criteria that SCAG had set in their process. Ms. Ravenstein communicated these questions to SCAG. They indicated that they looked at the original proposal criteria based on VMT, approach and methodology, the project goals and outcomes, their technology and innovation, their data analytics and their project management. SCAG felt that what the City of Monrovia was proposing would satisfy their criteria.

Ms. Ravenstein stated that when the MSRC awarded the \$2 million, they also indicated that they wanted to have that funding split across the four counties. The intention was that, to the extent possible, that it would be \$500,000 per county, unless there were no requests to fulfill that within the county. All of the proposals that were submitted from jurisdictions within Los Angeles county have been funded. There were no outstanding unresolved proposals within Los Angeles county that are still waiting for funding. SCAG has indicated that some of their sources of funding are going to expire, with various projects that make up part of this program, it has become clear that they aren't going to be able to count on all the funding that they were originally going to use for the program. SCAG is proposing to shuffle some funding, the projects will end up with a little bit less funding from SCAG, but actually a little bit more funding from coming from some of the city and county partners. That net result in total co-funding will actually be a little bit higher than what was originally approved.

Marissa Laderach of SCAG added that a big difference between the last time this information was brought to the TAC and now is that SCAG is in the middle of doing budget preparation for the next fiscal year. It became more clear that some funds were expiring, and that prompted them to propose shuffling some funds around so that they could still be true to the original proposed numbers. SCAG's co-funding is decreasing a little bit, but they are offsetting that with co-funding from their partnering agencies.

MSRC-TAC Member Tim Olson asked if another option would be money flowing to a different county for other projects?

Ms. Laderach answered that yes, because they only received four applications for LA County, and they were able to award all four of them, there weren't any other competitive applications that they rejected during their criteria specific selection process. Additionally, there were two

unfunded applications from neighboring counties. If they were to look at something like that, it would require the MSRC to redirect funds away from LA County to other counties. She doesn't think that is something that the MSRC would necessarily want to do, but that it is definitely an option that Ms. Ravenstein can expand upon.

Ms. Ravenstein stated that it was part of the MSRC's directive in the first place to allocate the funds between the different counties, so it would require MSRC approval to change that.

Mr. Olson asked why Lyft suspended their operation and if that has changed?

Ms. Laderach answered that Lyft has indefinitely suspended in-person shared rides, as far as they can tell for the foreseeable future. Additionally, Lyft has been involved with some legal battles at the state level, so they're not sure that they are very reliable partner right now for the project anyway.

MSRC-TAC Chair A.J. Marquez asked if there are clean air benefits associated with a bike share program equivalent to a rideshare program?

Ms. Laderach stated that they are comparable to a certain extent. The original proposed area was a small geographic area to begin with, they plan to focus on that same geographic area, but pivot their focus to bikes could still be comparable as far as benefits go.

ON MOTION BY MSRC-TAC MEMBER SEAN O'CONNOR AND
SECONDED BY MSRC-TAC MEMBER JENNY HERRERA, THE MSRC-
TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR THE
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS,
CONTRACT #MS18015, A MODIFIED PROJECT LIST AND ONE-YEAR
TERM EXTENSION.

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

Agenda Item #10 – Consider Contract Replacement for the City of Rancho Mirage, Contract #ML18133 (\$50, 000 – Traffic Signal Synchronization)

No comments were made from any MSRC-TAC members or MSRC staff. No public comments were made.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED
BY MSRC-TAC MEMBER TIM OLSON, THE MSRC-TAC UNANIMOUSLY
VOTED TO RECOMMEND TO APPROVE FOR THE CITY OF RANCHO
MIRAGE, CONTRACT #ML18133, A REPLACEMENT CONTRACT.

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

Agenda Item #11 – Consider Contract Replacement for Omnitrans, Contract #MS18026

(\$83,000 – Modify Maintenance Facility and Train Technicians)

No comments were made from any MSRC-TAC members or MSRC staff. No public comments were made.

ON MOTION BY MSRC-TAC MEMBER STEVEN LEE AND SECONDED BY MSRC-TAC MEMBER TIM OLSON, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE OMNITRANS, CONTRACT #MS18026, A REPLACEMENT CONTRACT.

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

Agenda Item #12 – Consider Selection of New MSRC Website Host

Ray Gorski, MSRC Technical Advisor explained this item is to recommend the award of \$12,952 to Geographics to continue MSRC website hosting and maintenance. The Website Evaluation Subcommittee previously reviewed the MSRC's website to determine whether it needed to be refreshed or if it could continue to operate in its current status. The decision was to continue with the current website, but seek a firm to host the website and also conduct periodic maintenance to it. The solicitation was released by the MSRC in August, and the MSRC received three proposals. The Subcommittee reviewed the proposals, convened and deliberated. There were four technical evaluation criteria and one administrative and programmatic evaluation criterion, but the emphasis was placed on whether or not the proposal was complete, the staffing and references of the team that would do the hosting and maintenance, looking at the specific statement of work elements that were proposed by each of the three proposers, and then finally cost. Geographics received 99 out of 110 total available points. Geographics was the site developer, they've been performing the hosting and maintenance and they provided a very competitive proposal to continue the support. The other two proposals were deemed technically sufficient. However, it was clear that there was in some cases an effort to put additional scope into the program that was outside of the real needs of the MSRC at this time. The recommendation of the Website Evaluation Subcommittee is to award a total of \$12,952 to Geographics to continue to perform website hosting and maintenance services. This would be for a period of two years. There would be a two-year option in the amount of \$9,840 available that the MSRC will consider at that time.

ON MOTION BY MSRC-TAC MEMBER MINH LE AND SECONDED BY MSRC-TAC MEMBER JENNY HERRERA THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE PROPOSAL FROM GEOGRAPHICS FOR WEBSITE HOSTING AND MAINTENANCE, IN AN AWARD AMOUNT NOT EXCEEDING \$12,952.

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

Agenda Item #13 – Consider Proposed Partnership with South Coast AQMD and Regional

Partners on Large-Scale Zero Emission Demonstration.

South Coast AQMD Technology Demonstration Manager Joseph Impullitti gave a presentation on South Coast AQMD's proposal for a zero-emission truck fleet demonstration project. The project is going to involve two fleets and two original equipment manufacturers (OEMs). The fleets are NFI and Schneider. The two OEMs who are supplying the vehicles are Daimler and Volvo. They're partnering with them on a proposal to CARB and CEC, under their Zero Emission Drayage Truck Program. Each of those two fleets are going to have 50 vehicles at a single site. One of the sites is NFI in Ontario and the other is Schneider site in El Monte. Both fleets heavily utilize the I-710. They perform a combination of drayage and regional haul services. They're leveraging their past projects and ongoing demonstrations; some of them with the South Coast AQMD. The ZEV workforce plan part of the project, as well as community outreach and data collection and analysis, which they will share with their funding partners. One of the project goals and benefits for CEC and CARB is to advance the zero-emission truck technology. It also gives them an opportunity to assess having a large number of trucks at a single fleet location. If the fleets can integrate those trucks into their business operations, it also gives them a chance to see how the OEMs can respond to such large fleets through their service in support of those vehicles. They're looking for the emission reductions, to assist compliance with the upcoming advanced clean truck fleet regulation, and also address concerns in disadvantaged communities where these trucks will be operating. CEC and CARB goals align with South Coast AQMD goals and benefits, because as these trucks become commercial and are deployed, they will be able to provide NOx reductions that will help us achieve our attainment of ozone standards.

The project cost is estimated because it is still early. CARB is offering up to \$24 million, and South Coast AQMD will be asking for \$15 million. The CEC is offering \$20 million, and South Coast AQMD will be asking for \$13 million. The cost share from NFI and Schneider will be a combination of in-kind contribution and cash. That's very important for the project because CEC wants to make sure that the fleets have skin in the game. They want to see these trucks to continue to operate after the project is over until the end of life of those trucks. Mr. Impullitti stated that Metro is very interested in the I-710 corridor and both of the fleets will use the I-710 in business service. The South Coast AQMD is requesting \$8 million from the MSRC out of a total project cost just over \$80 million. The presentation included some of the project partners and what functions they will be performing. Gladstein, Neandross and Associates will be helping the South Coast AQMD with the proposal submission to CARB and CEC as well as performing outreach, the Electric Power Research Institute will track charger utilization, Ricardo will perform data collection on the trucks, and the Los Angeles CleanTech Incubator will be doing workforce development. The Coalition for Clean Air will be acting as their community-based organization, conducting outreach to the disadvantaged communities. The two colleges that worked with them on the Volvo Lights project, Rio Hondo and San Bernardino Valley College, will work on ZEV education and training courses, and CalStart will perform data collection on the infrastructure portion of the project.

MSRC-TAC Member Minh Le asked if there has been any discussion of having the fleet partners, Schneider and NFI increase their dollar value commitment to make it a stronger project? 13% of the total project cost is a very small percentage.

Mr. Impullitti answered that it is very difficult to find two fleets that could afford to overturn a complete fleet of 50 trucks. That in itself is a heavy lift for any fleet, large or small to completely

change out their whole fleet and go from diesel to zero emission. The costs are quite high. They are looking at nearly half a million dollars on a price per truck, which is why they are asking the fleet to put in what they would pay for a comparable diesel truck, which is around \$150,000 per truck. But they must also contribute towards the infrastructure as well. Mr. Impullitti stated they are asking the fleets to contribute towards the trucks and the infrastructure, but also wanted to add that it is very difficult to find fleets that would commit to take on brand new technology which is a huge risk for their business operations.

Mr. Le stated that he understands that there is some risk for first movers, but that the ratio is off to him, having run risky innovation programs before. He can respect that the early adopters are taking a great risk. Mr. Le stated that ratio of eight to one is a little high. He added that there are ways to reduce the risk. He suggested on the infrastructure side to perhaps make it so that the infrastructure is usable by other companies in the future so that investment is public and not solely for the benefits of the first movers. Mr. Le stated that there are other strategies that they could come up with and maybe it hasn't been fully thought out, but that he would like to encourage them to think about how to maximize the skin in the game.

Mr. Impullitti stated that in regards to infrastructure, they are looking at off-site charging near and around the Ports of LA and Long Beach to increase the amount of usage per day. The number of trips they do per day will need some type of off-site charging and course that would be charging available to other trucks that are not in their fleets.

South Coast AQMD Assistant Deputy Executive Officer Naveen Berry commented that they can go back to both fleets, NFI and Schneider, and see if there is more room for a greater contribution from them. They can take Mr. Le's comments back to the them to see how they can incorporate some of their real estate that may be dedicated in and also try to monetize what that risk may be from their own operations to see how much of their contribution really is. Mr. Impullitti presented numbers are still preliminary and they can certainly go back and work with the fleets to see if there is room for their contributions to increase.

Mr. Le stated that there are other strategies they could employ, like he mentioned making sure that in later years infrastructure is available to other people. He added that he wants to encourage the South Coast AQMD to think along these lines because otherwise, it looks like they are heavily subsidizing these large fleets. He stated that he understands that's necessary, but there might be strategies where they can increase the impact of the public resources in other types of programs. He stated that he has seen and worked on programs that have a 20-25 percent cost share, but in this program it is a 10-13 percent cost share which he feels is excessively low.

MSRC-TAC Member Tim Olson asked if the proposal would be contributing towards infrastructure only?

Mr. Impullitti stated that the proposal contribution is towards infrastructure and trucks. \$24 million is being sought from CARB's for trucks and \$20 million is being sought from CEC for infrastructure.

Mr. Olson noted that a previous presentation mentioned Volvo and Daimler as contributors, but he did not see that in this presentation. Mr. Olson mentioned that Volvo and Daimler have been open about what they need to bring a new product into the market. Dawn Fenton described

Volvo in a staged 10-year process. The Volvo Lights project was Stage One for them at \$50 million. Mr. Olson had spoken to Ms. Fenton and the other stages would require similar amounts, which is a daunting investment. He stated that government incentives might accelerate that, but it would have to go through a kind of staged development to get to a commercial production line. If they had to do this on their own in a new product, they would be subsidizing that development over that 10-year time period. He asked why a contribution from the two manufacturers was not mentioned.

Mr. Berry stated that the way the solicitation was laid out between CARB and CEC is for the CARB portion to go towards a commercial truck. They want the products to be fully certified and available in the open market and with that commercialization aspect. Mr. Berry stated that he cannot include any ongoing production refinements, production line costs or other aspects. He added that otherwise, the cost of the truck would be significantly greater if expenses and the in-kind value of production were included. Mr. Berry stated that because they are commercial trucks, they don't want to include any cost share from OEMs.

Mr. Olson asked if the trucks are really commercial?

Mr. Berry stated that both received CARB Executive Orders already and they are considered to be full commercial trucks at this point.

Mr. Olson stated that would mean a production line and asked if there is likely to be any cost reduction to commercial trucks?

Mr. Berry stated that with this type of project demonstration with 50 trucks at one fleet location along with infrastructure at that fleet location is a big goal of both the CEC and CARB. The big goal to see is if that same model can be developed from this, lessons learned and incorporated in hoping to reduce the price of both infrastructure as well as the truck and be able to replicate that at numerous locations in Southern California as well as California as a whole or even nationwide. Learning from this type of large deployment at one fleet location is going to help them achieve a cost reduction. Mr. Berry stated that he thinks that with a large scale and then a continued downward trend in battery costs, he's hoping the overall cost of the trucks is going to go down as well. But as of right now, incorporating all the taxes that are applied the average price of the truck is a little over \$500,000.

Mr. Impullitti stated that Mr. Olson had mentioned the Volvo Lights program. Most of the cost of that program, \$50 million that was referenced, went to engineering development. He stated that there is no engineering development cost on this project. They are not getting funded for any more engineering and development. As Mr. Berry had stated these are commercial products which means the South Coast AQMD is not paying for that engineering. Since this is a completely different type of project, this project will take the development stage into the commercial technology readiness level and see how the fueling infrastructure and fleets are able to handle this and if the service and parts networks of the OEMs are ready to take on a completely new product. The other major part of this project is to see if the grid can handle these large trucks at a single location, which will be a huge challenge.

Mr. Olson stated that he sees these vehicles being \$350,000 more expensive than their diesel counterpart and he doesn't think that's a commercial vehicle. He added that there is still more

room to get to commercial production and otherwise this raises questions about the credibility of label of commercial availability. He also asked if the vehicle is commercially available why there isn't incentive money being put into this vehicle?

Mr. Impullitti stated the fleets are going after different incentives like Prop 1B and Moyer, which require scrapping their diesel trucks if they want to get funding from either of those incentive programs.

Mr. Berry added that the incremental cost being offered by other incentive programs, like Prop 1B, are offering up to \$200,000 towards the purchase of an electric truck.

Mr. Olson stated that he doesn't agree with CARB labeling these vehicles as commercial and it looks like the OEM is getting off the hook by not putting in any money and they don't have to do anything but put in their bid to the South Coast AQMD's package. He stated that the OEMs should be part of the capital stack, but he understands that the South Coast AQMD is responding to a state solicitation and they didn't make the rules, but to him it raises a lot of credibility issues.

Mr. Berry stated that the South Coast AQMD is responding to the limitations that are in the solicitation itself, but he still thinks that by the OEM setting up a production line with a larger volumes at this kind of scale they are doing what has not been done in the battery electric Class 8 front before. He added that 50 or 75 trucks by Daimler may not be the huge scale that we need to see down the road, but they are taking on a lot of expenditures that are not reflected here, but we can certainly get that information from them and present it to the TAC. Mr. Berry mentioned that the production line is quite a resource intensive process for an OEM like Volvo and Daimler, and he doesn't even know if the price they're putting out there at this point for the truck is fully recovering their costs.

Mr. Olson stated that his understanding is that it's a \$1 million dollar investment per month to get it to production line. He doesn't think they have reached that point yet and if they're contributing money they should be putting that in this demonstration. Mr. Olson asked if the proposal is for DC fast charging, is it for behind the fence or behind the fence plus public access?

Mr. Berry stated that their proposal is for behind the fence for the most part, that's what this situation is calling for. What they are continuing to do is to see if there's an opportunity to incorporate in DC fast chargers that are available for the public as well and leverage this project to providing that public resource.

Mr. Olson stated that the operating cost is going to be an issue for DC fast charge and that's related to the demand charge. Mr. Olson mentioned that during a Clean Fuels Advisory Meeting a couple years ago Southern California Edison presented information stating that they do not cover the cost of a substation or things that are not on their side of the fence, that would be up to the site owner or fleet. He doesn't think the South Coast AQMD has covered that cost in their capital stack yet, it's not asked for in the state proposal yet it's a huge cost. He went on to mention that UC Davis studies will show the demand charge, which Edison is saying there's a five-year holiday on, is going to be 90% of the total cost. Mr. Olson asked if Edison has made a monetary commitment in South Coast AQMD's proposal.

Mr. Berry stated that on the fifth row down on the table, Edison is looking to put up to \$9 million towards the infrastructure effort and that would include setup costs. He mentioned that that's not an absolute number, but they are still going through some of the site investigation work and other assessments. Edison has already done a preliminary review and we've been working closely with them and the fleet to do that evaluation to ensure that adequate power is on site at each of the locations and to address any type of power supply issue that may need to be included.

Mr. Impullitti stated that \$9 million will take care of transformers and trenching up to the meter. That could be quite expensive, like they mentioned earlier, this is going to test the grid having 50 heavy duty trucks charging around the same time. That is going to be a huge load and to offset some of that is some onsite generation, solar and energy storage to supplement that because that in itself is going to be a huge expense to bring in.

Mr. Berry added to answer Mr. Olson's comment regarding demand charges, they have the same concern and that's another risk that the fleets are taking on because they believe there's about a three-year time frame available still on the initial CPUC approval for that demand charge holiday. The three main investor-owned utilities are already starting the path towards approving or getting approvals from CPUC to extend that demand charge holiday. The fleets are willing to take on this risk because they realize that they're going to have to shift the scheduling on charging their trucks if they're able to potentially bear a higher cost, if some of our energy storage and micro grid type of exercise don't completely prove out to lower those costs for charging their trucks.

Mr. Olson stated the fleets would be covering operations costs which is not included in the capital stack, he thinks this is a complex project.

Mr. Berry stated this project is strictly hardware and potentially some other ancillary costs, but the lessons learned from the potential reductions and maintenance costs with a potential increase in certain operational costs such as demand charges, as well as on larger scale at one fleet location.

Public Comment: Governing Board Assistant for Supervisor Janice Rutherford, Deborah Mendelsohn, asked if the project routes are limited to the 710 or will there be other areas in the San Bernardino, Riverside communities that will be utilized for this demonstration.

Mr. Impullitti answered that Schneider is more of a regional type of fleet, although they do some drayage work up and down the 710. About 45% of their trips are on the 710 but 55% of their trips are regional and they will be through the San Bernardino area and outlying areas through the Inland Empire.

Ms. Mendelsohn mentioned the workforce funding and asked if there is an estimate of job creation, in particular at the Ontario site?

Mr. Berry answered by stating that that its certainly going to be part of that aspect as well to evaluate what type of job creation activities occur in the different locations as well. Ms. Mendelsohn mentioned in terms of workforce training for technicians and such that would occur at the two junior colleges mentioned.

Mr. Le stated that he is not yet comfortable with approving a motion because we don't have all the details and though this is a strong proposal, he thinks it can be better and that it could benefit from a smaller set of the MSRC-TAC, as has been done with other organizations, to go over and think through some of the concepts that they may have put together and maybe there is some tweaking that can be done to make it an even stronger proposal. He added that he likes the overall concept, but he's not ready to pre-commit \$8 million without a bit more discussion.

Mr. Berry stated he would give the TAC an update based on additional feedback and discussion with Mr. Le and Mr. Olson.

ON MOTION BY MSRC-TAC MEMBER DAN YORK AND SECONDED BY MSRC-TAC MEMBER JENNY CHAN, THE MSRC-TAC VOTED TO RECOMMEND TO APPROVE \$8 MILLION CONTRIBUTION TOWARDS PARTNERSHIP WITH SOUTH COAST AQMD AND REGIONAL PARTNERS ON LARGE-SCALE ZERO EMISSION DEMONSTRATION. MSRC-TAC MEMBER DEREK WINTERS ABSTAINED.

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

OTHER BUSINESS

No other business presented.

PUBLIC COMMENTS:

No public comment.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, THE MSRC-TAC MEETING ADJOURNED AT 2:49 P.M.

NEXT MEETING: Next meeting: Thursday, January 14, 2021, 1:30 p.m.

(Minutes prepared by Maria M. Allen)