

**AIR QUALITY MITIGATION FUND
ROUND 2
REQUEST FOR LETTERS OF INTEREST**

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I. FUNDING OPPORTUNITY ANNOUNCEMENT

A. Background

As part of a settlement associated with the approval of the China Shipping Container Terminal Project (China Shipping) in 2004, the Port of Los Angeles (POLA) set aside funding for air quality mitigation. In 2015, POLA and the Harbor Community Benefit Foundation (HCBF) signed a Memorandum of Agreement (MOA) establishing an Air Quality Mitigation Fund (AQMF) totaling approximately \$5 million of the funds for projects to reduce Port-related air emissions in nearby communities. As a result of the MOA, HCBF, a non-profit organization dedicated to mitigating impacts from POLA on the two neighboring communities of San Pedro and Wilmington, California, administers the fund.

As specified in the MOA, the HCBF, with the approval of the POLA Board of Harbor Commissioners, is empowered to award funding to third parties **“...exclusively for projects that are reasonably calculated to reduce Port-related air emissions.** This includes emissions resulting from the transport and handling of cargo, within, into, out of, to, or from the Port of Los Angeles.”

B. Initial Screening

This Request for Letter of Interest (LOI) seeks projects from a broad range of port source categories. For the initial screening, HCBF is requesting brief concept papers, as described in Section III of this notification. Upon subsequent review, project concepts that meet the eligibility criteria will be invited to submit a full proposal for funding consideration.

C. Project Objectives

HCBF is soliciting applications from eligible entities, as described in Section II of this announcement, for projects to meet the goals of the AQMF program, which are to implement programs, projects, and approaches that reduce Port-related air emissions.

Projects funded by the AQMF are expected to demonstrate achievable emissions reduction benefits (1) in San Pedro and Wilmington, or (2) within a 25-mile boundary of the San Pedro Bay, in that prioritized order. Additional derivative benefits may also extend beyond the 25-mile boundary.

Projects shall include demonstration or implementation of one of the following technologies:

- zero emissions technologies (preferred),
- near-zero emissions technologies, or
- emission reduction technologies

D. Availability of Funds

The available funding for Round 2 of the Air Quality Mitigation Program is approximately \$4.3 million.

E. Number of Awards

HCBF anticipates awarding one or more cooperative agreements from this announcement, subject to availability of funds, the quality of applications received, and other applicable considerations.

II. ELIGIBILITY INFORMATION

A. Eligible Applicants

Any public or private entity is eligible to submit a Letter of Interest.

All applicants must identify a project demonstration or implementation partner who operates within a 25-mile boundary of the San Pedro Bay in the submittal of the proposal. Examples: terminal operator located at one or both of the Ports of Los Angeles and Long Beach, harbor craft or fleet owner/operator, shipping line, etc.

The partner's contact information is preferred but not required with the response to this LOI, however, that information will be expected in the actual full proposal submission.

B. Eligible Projects

The eligible projects using Air Quality Mitigation Program funds should be responsive to the following priorities set forth in the Memorandum of Agreement:

- 1) Demonstration or implementation of zero or near-zero emissions freight movement technologies and other emerging technologies that seek to demonstrate significant emissions reductions from conventional diesel-fueled vehicles and equipment that operate in and around the Port (including ships, harbor craft, trucks, locomotives, and cargo-handling equipment);
- 2) Technologies that, if they were widely deployed, would significantly reduce air emissions and/or air quality related health risks from the largest sources of air pollution from port operations, namely ships, harbor craft, trucks, locomotives, and cargo handling equipment.

All projects must be consistent with the conditions prescribed in the City of Los Angeles Tidelands Trust Grant Act, all Federal, State, and local laws, and the China Shipping Amended Stipulated Judgment (described in the Memorandum of Agreement, and available on HCBF's website or by request).

The project types **not** eligible for AQMF funding are listed below:

- Technologies that are not applicable to port-related freight movement
- Fuel additives
- Technologies in the conceptual or R&D phase

Please read through the Evaluation Criteria for further specifications (Appendix A).

C. Eligible Costs and Match Funding

The costs eligible for AQMF funding include: design and engineering, materials, equipment, construction, emissions testing, data tracking and systems integration, and specific demonstration costs.

The costs **not** eligible for AQMF funding include: administrative overhead, travel, marketing and promotional costs, fuel and other consumables and/or labor to operate the equipment not directly associated with the project.

All costs will be tracked and documented.

Match funding is not required; however, match funding will be considered as beneficial during the project evaluation phase.

The project must be cost-effective and result in a high benefit/cost score defined as the amount of reduced lifecycle emissions over the project duration per funding from HCBF.

D. Violations & Compliance

The applicant shall report to HCBF in writing any and all notices, complaints, determinations, judgments or citations of labor violations pertaining to its operations and those of its partners, consultants, or sub-grantees within the past three years and while the grant contract is in effect. HCBF reserves the right to terminate the contract if the applicant has been found by a state or federal agency or a court to have violated labor laws. The applicant shall include this requirement in all of its subcontracts.

III. SUBMITTAL PROCESS

Interested applicants must submit their Letter of Interest using the online form via [Submittable](#).

Information to be provided in response to this LOI includes:

- Technology description: how the proposed technology works, its current use, and its use in other applications
- Technology demonstration project description: objectives, requirements, project timeline, available certifications, and list of needed permits, as required
- Benefits, including project emission reductions and other community and economic benefits
- Budget with specified total project cost estimate and funding request

Please review the evaluation criteria for further details (Appendix A).

Paper submissions will not be accepted.

Due date: Wednesday, March 9th, 2022 by 4 P.M. PST.

Deadline to submit questions: March 2nd, 2022

Questions will be accepted until one week before the LOI due date, unless there is a problem with the submittal process.

Contact:

Ms. Meghan Reese,
Executive Director
Harbor Community Benefit Foundation
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San Pedro CA 90731
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(310) 997-7116

Public Information Notice:

All documents submitted to HCBF are considered public records. Proposals are subject to public disclosure once the funding selection process has been completed and HCBF funding selections have been made.

We discourage inclusion of confidential information at this stage of the process, but if you find it necessary to include confidential or proprietary information in your proposal, you should clearly mark it "CONFIDENTIAL." We will withhold from public disclosure any information that we determine is truly confidential, including financial information, trademarked or patented processes, and the like.

IV. Initial Screening Evaluation Process

HCBF's staff will consult with experts as necessary in reviewing the applications and developing recommendations. Staff will convene an ad hoc committee of HCBF's Board of Directors to advise on the recommendation. As set forth in Paragraph V.f.v of the Memorandum of Agreement, "HCBF staff will research whether a proposed project, through information provided in the proposals and any other sources of information that it may in its discretion choose to use, meets the project criteria developed by HCBF, and HCBF staff shall make a recommendation of its findings to the Board of Directors of HCBF."

HCBF anticipates that it will establish a special AQMF review panel, consisting of an HCBF ad hoc board committee, selected stakeholders, and to-be-identified external personnel with demonstrated expertise in evaluation of zero and near-zero air emissions technologies for freight-movement technologies. The panel will review the received applications and provide feedback to HCBF's ad hoc board committee and staff. HCBF staff, with guidance from its ad hoc board committee and technical consultants, as well as the feedback from the review panel members, will make its recommendations to the HCBF Board.

V. NEXT STEPS

Following this initial screening, HCBF may request additional information, reject the LOI, or invite the project team to submit a full proposal.

Notifications will be made via email.

Additional information about the AQMF process can be found online at <http://hcbf.org/grants/air-quality-mitigation-program/>.

VI. Appendix A: Evaluation Criteria

Evaluation Criteria
1. Emission Reduction
<ul style="list-style-type: none"> • The project reduces emissions per project demonstration period, including <ul style="list-style-type: none"> ○ Criteria pollutants ⁱ ○ GHG emissions ⁱⁱ ○ VOC or other air toxics pollutant emissions ^{iii, iv} • Emission reductions and the basis for the projections shall be calculated, not extrapolated to larger scale implementation. • Calculations should include related emissions from auxiliary equipment, if relevant.
<ul style="list-style-type: none"> • The duration of technology in-service during the project and beyond.
2. Cost Effectiveness & Budget
<ul style="list-style-type: none"> • The project results in a high benefit/cost score defined as the amount of reduced lifecycle emissions (weighted emissions)—both criteria pollutants and GHG—over the project duration per dollar of funding from HCBF. • Calculations should be based on the Carl Moyer Program Guidelines, available at the California Air Resources Board (CARB) website.
<ul style="list-style-type: none"> • Project should reflect reasonable assumptions of technology in operation, as it impacts the amount of emissions reduced and ultimately the cost effectiveness.
<ul style="list-style-type: none"> • The proposed budget addresses the priorities of the AQMF program. • The Applicant demonstrates the need for AQMF funds. • The Applicant demonstrates responsible fund spending based on previous grant funding opportunities, if applicable. • The project continues to drive down previous costs of technology integration, build, procurement, and demonstration. • Matched funds are documented, committed, and readily available for the project. • Additional resources are leveraged beyond the AQMF grant funds awarded to support the project activities.
3. Potential to Advance Technology, Feasibility, Readiness, and Commercial Availability
<ul style="list-style-type: none"> • The freight movement technology is innovative and includes advances of zero emission (ZE), near-zero emission (NZE), and emission reduction technologies (ER), with special consideration given to ZE. • Demonstration or implementation of technologies that seek to demonstrate significant emissions reductions from conventional diesel-fueled vehicles and equipment that operate in and around the Port, including ships, harbor craft, trucks, locomotives, and cargo-handling equipment. • Technology that, if widely deployed, would significantly reduce air emissions and/or air quality related health risks from the largest sources of air pollution from port operations, namely ships, harbor craft, trucks, locomotives, and cargo handling equipment.
<ul style="list-style-type: none"> • The targeted market and size for the technology are appropriately matched. • If the project is a demonstration project or small-scale deployment, the scope of the project (including, but not limited to the number of vehicles/equipment units demonstrated, type(s) of vehicles/equipment units demonstrated, length of demonstration, and duty cycles) is appropriate to help lead the technology to commercial adoption.

<ul style="list-style-type: none"> • The project demonstrates that the technology has the potential to be a cost-competitive purchase option that will lead to commercial adoption. • The barriers and challenges to market penetration and commercial adoption for the technology are known, identified, and addressed by the project. • The Applicant presents credible, complete, and viable strategies that will lead the technology to commercial adoption, including existing relationships with major OEMs.
<ul style="list-style-type: none"> • The tasks in the Scope of Work and the proposed project schedule are complete, sequential, and will lead to successful and timely completion of the project. • The fueling/power infrastructure is available and sufficient to support the project. • The proposed project is comprehensive and addresses topics including, but not limited to fuel/power supply, fueling/power practice, costs, fuel/energy consumption, and other appropriate elements to be included in data collection. • The proposed customer and vehicle/equipment support service in the field is appropriate and will contribute to the overall success of the project.
<p>4. Project Partner</p>
<ul style="list-style-type: none"> • The Applicant has secured a project demonstration or implementation partner who operates within a 25-mile boundary of the San Pedro Bay. • The Applicant has secured site access for the proposed project, including site access related to fueling/power infrastructure and the proposed demonstration or implementation. Examples include a terminal operator located at one or both of the Ports of Los Angeles and Long Beach, harbor craft or fleet owner/operator, shipping line, etc.
<p>5. Community, Economic, and Other Benefits</p>
<ul style="list-style-type: none"> • The projects funded by the AQMF are expected primarily to benefit the communities of San Pedro and Wilmington.
<ul style="list-style-type: none"> • The project will create job opportunities, especially for residents living in the communities of Wilmington and San Pedro. • The project will increase economic activity within local, regional, and statewide economies. • Project funding (both reimbursable and match share) benefit and are paid to • California-based entities. • The project will provide cost-effective solutions to the community.
<ul style="list-style-type: none"> • The project provides other environmental benefits, including reducing impacts related to water, stormwater, soil, and waste. • The project creates by-product synergy (BPS) opportunities. As defined by the United States Business Council for Sustainable Development (US BCSD) and the U.S. Environmental Protection Agency (EPA), BPS represents the synergy among diverse industries, agriculture, and communities resulting in profitable conversion of by-products and wastes to resources promoting sustainability.
<p>6. Certifications, Licenses, Permits, Organizational Capacity and Qualifications</p>
<ul style="list-style-type: none"> • The Applicant has secured verifications, certifications, and/or recognitions of the proposed technology's feasibility, reliability, and performance by a known regulatory, academic, or industrial agency or institution.
<ul style="list-style-type: none"> • The project team's experience and qualifications are well-rounded and suitable to the tasks described in the proposed Scope of Work. • The Applicant demonstrates the ability to meet project deadlines and milestones for past and current technology demonstration projects. • The Applicant will respond to and mitigate project delays and issues that may arise during the project. • The Applicant demonstrates corporate sustainability practices.

ⁱ Six criteria pollutants: Ground-level Ozone, Particulate Matter (PM), Carbon Monoxide (CO), Lead (Pb), Sulfur Dioxide (SO₂), Nitrogen Dioxide (NO₂). <https://www.epa.gov/criteria-air-pollutants>.

ⁱⁱ Greenhouse gases (GHGs): CO₂, CH₄, N₂O, and fluorinated gases. Sources: <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>, and <https://ww2.arb.ca.gov/ghg-descriptions-sources>

ⁱⁱⁱ USEPA. Technical Overview of Volatile Organic Compounds. <https://www.epa.gov/indoor-air-quality-iaq/technical-overview-volatile-organic-compounds>

^{iv} CARB, 2020d. CARB Identified Toxic Air Contaminants. <https://ww2.arb.ca.gov/resources/documents/carb-identified-toxic-air-contaminants>.