



July 9, 2020

To: Transit Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Southern California Edison Charge-Ready Transport Program and Volkswagen Environmental Mitigation Trust for California

Overview

Southern California Edison has agreed to support the Orange County Transportation Authority with the infrastructure necessary to charge future heavy-duty battery-electric buses at the Garden Grove Bus Base. Additionally, the California Air Resources Board released the Volkswagen Environmental Mitigation Trust for California to support transit agencies in purchasing zero-emission buses. Board of Directors' authorization is necessary in order to proceed with each grant.

Recommendations

- A. Authorize the Chief Executive Officer to accept the Southern California Edison Charge-Ready Transport Grant award and negotiate and execute grant-related agreements and documents with Southern California Edison.
- B. Approve Resolution No. 2020-057 and authorize the Chief Executive Office to negotiate and execute grant-related agreements and documents with the California Air Resources Board for the Volkswagen Environmental Mitigation Funds.
- C. Authorize staff to make all necessary amendments to the Federal Transportation Improvement Program, as well as execute any necessary agreements to facilitate the recommendations above.

Background

The Orange County Transportation Authority (OCTA) submits competitive grant requests to support Orange County transportation needs and to preserve Measure M2 and local transportation funds.

The California Air Resources Board (CARB) passed the Innovative Clean Transit (ICT) rule in 2018 requiring all public transit agencies to transition their bus fleets to zero-emission technologies by 2040. The ICT rule requires a percentage of new bus purchases to be zero-emission buses (ZEBs) beginning with 25 percent in 2023 and increasing to 50 percent in 2026. Starting in 2029, bus purchases must be 100 percent zero-emission with the goal of a complete transition to zero-emission by 2040. CARB defines a ZEB as a bus with zero tailpipe emissions and is either a battery-electric bus or a fuel-cell electric bus.

OCTA has initiated a pilot program to test ZEBs. The pilot program will enable OCTA to gain the necessary operational and technological experience for each ZEB type available in order to shape and define the fleet mix required to meet the service demands of Orange County when utilizing ZEBs. OCTA has initiated a pilot program to test ZEBs, with ten zero-emission hydrogen-fuel cell electric buses already in the fleet. On April 27, 2020, the OCTA Board of Directors (Board) released a request for proposals for ten 40-foot zero-emission battery-electric buses. The Board is expected to consider the contract award in fall 2020.

Southern California Edison (SCE) released the Charge-Ready Transport Program to support transit operators that are preparing to purchase battery-electric buses. SCE will design and install, at no-cost to transit operators, the infrastructure to increase electrical capacity to support the charging needs of battery-electric buses.

CARB administers the Volkswagen (VW) Environmental Mitigation Trust for California (VW Mitigation Trust). The VW Mitigation Trust provides approximately \$423 million for California to mitigate the excess nitrogen oxide (NOx) emissions caused by VWs use of emissions testing defeat devices in certain VW diesel vehicles. Approximately \$130 million in funds have been made available to replace older, high-polluting transit buses with new ZEBs.

Discussion

SCE Charge-Ready Transport Program

On July 19, 2019, OCTA submitted an SCE Charge-Ready Transport application requesting support for the Garden Grove Bus Base. The application requested design and installation of utility-side infrastructure necessary to support the depot chargers needed to charge the battery-electric buses currently under procurement.

On March 3, 2020, SCE awarded OCTA a no-cost grant, contingent on the purchase of zero-emission buses and approval of an easement by OCTA in order

to install and maintain the infrastructure, and approval of the program participant agreement.

Staff is requesting Board authorization for the Chief Executive Officer to negotiate and execute agreements with SCE to advance the design and construction of utility-side infrastructure necessary to install charging depots. A summary of the agreement is provided in Attachment A.

VW Mitigation Trust for California

On December 3, 2019, OCTA submitted five applications to CARB for the VW Mitigation Trust, requesting a total of \$900,000 to replace five model year 2007 40-foot compressed natural gas buses that have met their useful life. The five-replacement battery-electric buses are included in the current procurement approved by the Board on April 27, 2020. When awarded, the funds will augment existing funds programmed to the project.

In order to advance the application process, the Board is requested to approve Resolution No. 2020-057 (Attachment B) and authorize the Chief Executive Officer to file, accept, and execute grant applications and agreements, certifications, assurances, and other documents for and on behalf of OCTA.

Summary

SCE awarded OCTA a no-cost utility-side infrastructure to support the battery-electric bus chargers, which requires OCTA's acceptance, and enter into an agreement with SCE. Additionally, CARB requires the Board approve Resolution No. 2020-057 in order to process the VW Mitigation Trust funds for \$900,000 towards the purchase of five heavy-duty zero-emission battery-electric buses.

Attachments

- A. Term Sheet, Southern California Edison Charge-Ready Transport Participation Agreement
- B. Resolution No. 2020-057 of the Orange County Transportation Authority, Volkswagen Environmental Mitigation Trust for California

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