



**TECHNICAL ADVISORY COMMITTEE TO THE MSRC
THURSDAY, JANUARY 13, 2022 MEETING MINUTES
21865 Copley Drive, Diamond Bar, CA 91765**

All participants attended the meeting remotely pursuant to AB 361

MSRC-TAC MEMBERS PRESENT:

MSRC-TAC Chair Jenny Chan, representing Riverside County Transportation Commission
MSRC-TAC Vice-Chair Steven Lee, representing Los Angeles County Metropolitan Transportation Authority
Adriann Cardoso, representing Orange County Transportation Authority
Cliff Thorne (Alt), representing Orange County Transportation Authority
Jason Farin, representing Riverside County Board of Supervisors
Steve Hillman, representing City of Los Angeles
Minh Le, representing Los Angeles County Board of Supervisors
Rongsheng Luo, representing Southern California Association of Governments
Scott Strelecki (Alt), representing Southern California Association of Governments
Kelly Lynn, representing San Bernardino County Transportation Authority
Tim Olson, Air Pollution Control Expert
Sean O'Connor, representing Cities of San Bernardino County
Nicole Soto, representing Regional Rideshare Agency
Ash Nikravan (Alt), representing South Coast AQMD
Derek Winters, representing California Air Resources Board
Rick Yee, representing Cities of Orange County

OTHERS PRESENT:

Adrian Martinez - Earth Justice
Annie Nam - SCAG
Christian Hosler
Christopher Davis
Eduardo Rivera - SCAG
Jennifer Farinas - OCTA
Kristina Mosaffa - Lion Electric
Lauren Dunlap
Rafael Cobian - City of Anaheim
Ryan Laws - SCAG
Theral Golden
Louis Zhao - OCTA
James Tong

Jack Symington - LACI

SCAQMD STAFF & CONTRACTORS

Leah Alfaro, Contracts Assistant
Maria Allen, MSRC Administrative Liaison
Ray Gorski, Technical Advisor
Anish Pathak, Financial Analyst
Aaron Katzenstein, Assistant Deputy Executive Officer
Daphne Hsu, Principal Deputy District Counsel
Matt MacKenzie, Contracts Assistant
Matt Miyasato, Deputy Executive Officer
Cynthia Ravenstein, MSRC Contracts Administrator
Alejandra Vega, MSRC Administrative Liaison
Donna Vernon, Administrative Assistant I
Lane Garcia, Program Supervisor

CALL TO ORDER

- Call to Order
MSRC-TAC Jenny Chan called the meeting to order at 1:32 p.m.

CONSENT CALENDAR

Receive and Approve

Agenda Item #1 – Summary of Final Report by MSRC Contractor

One final report was submitted for MSRC-TAC review and approval during January:

- Southern California Association of Governments, Contract #MS18002 (\$2,500,000 – Go Human Campaign)

ON MOTION BY MSRC-TAC MEMBER STEVE HILLMAN AND
SECONDED BY MSRC-TAC MEMBER MINH LE, UNDER APPROVAL OF
CONSENT CALENDAR ITEMS #1 - #3, THE MSRC-TAC UNANIMOUSLY
VOTED TO RECEIVE AND RECOMMEND APPROVAL OF THE MSRC
CONTRACTORS' FINAL REPORT SUMMARY LISTED ABOVE.

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

Information Only – Receive and File

Agenda Item #2 – MSRC Contracts Administrator's Report

The Contracts Administrator's Report for December 2, 2021 through January 5, 2022 was included in the agenda package.

ON MOTION BY MSRC-TAC MEMBER STEVE HILLMAN AND
SECONDED BY MSRC-TAC MEMBER MINH LE, UNDER APPROVAL OF
CONSENT CALENDAR ITEMS #1 – #3, THE MSRC-TAC UNANIMOUSLY
VOTED TO RECEIVE AND FILE THE MSRC CONTRACTS
ADMINISTRATOR'S REPORT LISTED ABOVE.

ACTION: The Contracts Administrator's Report will be included on the MSRC's next agenda to be considered for receipt and filing by the MSRC.

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

The Financial Report on the AB 2766 Discretionary Fund for November 2021 was included in the agenda package.

ON MOTION BY MSRC-TAC MEMBER STEVE HILLMAN AND
SECONDED BY MSRC-TAC MEMBER MINH LE, UNDER APPROVAL OF
CONSENT CALENDAR ITEMS #1 – #4, THE MSRC-TAC UNANIMOUSLY

VOTED TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE MONTH OF NOVEMBER 2021.

ACTION: No further action is required.

ACTION CALENDAR

Agenda Item #4 – Consider 24-Month Term Extension by Long Beach Transit, Contract #MS16121 (\$600,000 – Repower 39 Buses and Purchase 1 New Bus with Near-Zero Engines)

Cynthia Ravenstein, MSRC Contracts Administrator, explained that the Scope Changes Subcommittee discussed this item and has recommended to approve the requested extension, with the condition that Long Beach Transit will need to check in and report back to the MSRC-TAC on a regular basis to assure that they are moving forward with the project and not waiting until the end of the period to update the MSRC.

ON MOTION BY MSRC-TAC MEMBER MINH LE AND SECONDED BY MSRC-TAC MEMBER DEREK WINTERS, THE MSRC-TAC UNANIMOUSLY VOTED TO RECOMMEND TO APPROVE FOR LONG BEACH TRANSIT, CONTRACT #MS16121, A 24-MONTH TERM EXTENSION, CONTINGENT ON THE PROVISION OF QUARTERLY STATUS REPORTS

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

Agenda Item #5 – Consider Reduced Inland Empire Operational Requirement by 4 Gen Logistics, LLC, Contract #MS21013 (proposed) (\$7,000,000 – Deploy 40 Zero Emission Trucks)

Cynthia Ravenstein, MSRC Contracts Administrator, explained that this project is from 4 Gen Logistics to reduce the required percentage of trips in the Inland Empire from 90% to 70%. The Scope Changes Subcommittee is recommending that staff continue to negotiate further with the proposed contractor due to several issues involved. There is no strong urgency for an immediate decision.

ITEM WAS DEFERRED TO THE NEXT MEETING

ACTION: MSRC staff will include this item on next month's agenda.

Agenda Item #6– Consider \$6,751,000 Contingency List and 18-Month Term Extension by Southern California Association of Governments (SCAG), Contract #MS21005 (\$10,000,000 – Implement Last Mile Goods Movement Program)

MSRC-TAC Member Alternate Scott Strolecki from SCAG presented. He explained that at the November 18, 2021 MSRC meeting, the Committee unanimously approved a \$10 million project list. This included 26 projects that are moving forward to begin the implementation process.

Additionally, guidance was provided to work with MSRC staff and the Last Mile Subcommittee to revisit the Contingency List projects.

The parameters for the Last Mile Freight Program Phase One Contingency List include the amount of unallocated MSRC FYs 2018-21 funds—the available funding--being clarified to \$6.75 million. The Contingency List is being considered as a separate program from the initial \$10 million award. The Phase One Program Guidelines' overarching provisions are being maintained. This includes the investment funding maximum not exceeding 50% of the total; consistent with the available funding, this has been adjusted to \$3.4 million. The geographic funding minimum per county is set at 12.5% of the total; this has been adjusted accordingly to \$844,000 per county. The small business funding minimum is set at 30% of the total award; this has been adjusted to \$2 million. Scores from the October review panel determining project ranking have been retained.

The revised proposed Phase One Contingency List incorporates the recommendations made by the MSRC-TAC Last Mile Subcommittee meeting on December 14, 2021. As requested by the Subcommittee, SCAG staff followed up to confirm whether each company would be able to perform their respective project with a reduced award amount and or whether scope changes would be required. The agenda packet further explains the adjustments made from the Subcommittee's recommendation. The adjustments include removing the MHX project. MHX stated that they would not be able to participate, given the recommended funding amount at \$993,369. As a result, this amount was redistributed equally across the remaining top six projects, excluding Penske, as it was already recommended for full funding. As a result of these adjustments, three of the six companies are still able to maintain their original number of vehicles and charging infrastructure: Watt EV, Penske and GLI. Sysco, Pepsi and Zeem all reduced their scope, but each would be providing proportionally more vehicles and infrastructure per incentive dollar at their recommended award amounts in comparison to their original requests. All core parameters have been met when considering the six projects, this includes the following areas: no project exceeded the investment funding maximum amount of \$3.4 million; each county exceeded the threshold of \$844,000 for the geographic funding minimum; and the small business funding minimum threshold was exceeded as well. All of these results were calculated based on the project domicile locations within each county.

All the proposing companies have highlighted ongoing supply chain delays stemming from the COVID-19 pandemic. This has led to significant increased expectations for the procurement process, including actual submissions of the open orders for both near zero and zero emission vehicles and supporting infrastructure. The agenda packet provides further commentary received from multiple companies including expectations that vehicles would not be received until the first quarter of 2023 at the earliest for natural gas vehicles, as well as similar concerns expressed for battery electric vehicles and infrastructure to be received in the 2023 year. The expectation for the Last Mile Freight Program is to have a six-month operating period for data collection and performance reporting. The current contract end date for this requirement is June 30, 2023. For the vehicles procured after January 2023, this requirement would not be achievable. This topic was not discussed at the Subcommittee meeting as the information became clear during the requested diligence process and through SCAG's work on MOU completion. We felt it best to create transparency now for the TAC to discuss and consider, as it appears procurement delays are not a question of if but rather how long. This unfortunately is beyond SCAG's control. We feel an 18-month contract extension would provide a reasonable amount of time to meet these

contract requirements, with data reporting being an extremely important and valuable component for the final report.

With the modifications that have been made, we are seeking a recommendation from the TAC for the MSRC to approve the Last Mile Freight Program, Phase One Contingency List projects to be awarded \$6.75 million and additionally, due to current supply chain issues SCAG is requesting MSRC approval of an 18-month extension of Contract #MS21005.

MSRC-TAC Member Minh Le stated that he served on the Subcommittee and reviewed these projects. For a third of the amount of money that was originally asked for, we're going to get 60% of the deliverables, basically doubling the impact of the dollars. Though Mr. Le said that was great, he wanted to state that in the future we should try to stay within budgets that were previously approved. He stated that he understands that these were extenuating circumstances with reissuing of the call for proposals, but if there were \$10 million appropriated for this program or any program in the future, we should aim to spend \$10 million and not necessarily more than that.

MSRC-TAC Member Adriann Cardoso stated that she appreciated SCAG being proactive in terms of the delivery delays and addressing that upfront.

Public Comment:

Adrian Martinez, an attorney from Earth Justice, asked for clarification regarding the gas trucks and the delays. It was a little hard to understand what consultant applied for those trucks with these independent owner-operators and the information on supply chain delays and how that information is being gathered. With all the other projects and presentations, it was clear who was applying, but for this one, it was unclear who the consultant who applied for those 24 near-zero trucks was, and how the information on the supply chain delays was conveyed to SCAG. The other point is the issue on supply chain disruption, for all vehicles, but including natural gas vehicles. It's a topic that the public would like more information about, since it's kind of hard to understand how those are going to be moving forward. I'd encourage some more discussion at MSRC and potentially even more presentations from experts on this topic before the end of the first quarter, before natural gas truck manufacturers will be taking orders. It will be important moving forward as MSRC and other entities provide funding for these types of trucks.

Mr. Strelecki stated that with respect to the independent owner-operators they have been working through a consultant with them. For clarification, which was part of the presentation at the last November's meeting, this represented 23 companies with the substantial majority, 22 of those, being just one truck and one of them having five trucks. These are very small business independent owner-operators. We get this information from the consultant working independently with each one and we're just getting feedback on what they're seeing with respect to their orders. We are in the MOU process where each company has to complete an MOU and that's predicated on the requirement for data reporting, among other provisions and completing the project.

ON MOTION BY MSRC-TAC MEMBER TIM OLSON AND SECONDED BY
MSRC-TAC MEMBER ADRIANN CARDOSO, THE MSRC-TAC
UNANIMOUSLY VOTED, WITH ONE ABSTENTION, TO RECOMMEND

TO APPROVE AN ADDITIONAL AWARD OF \$6,751,000 TO FUND THE UPDATED CONTINGENCY LIST FOR THE LAST MILE FREIGHT PROGRAM, AND FURTHER RECOMMENDED APPROVAL OF AN 18-MONTH CONTRACT TERM EXTENSION FOR SCAG, CONTRACT #MS21005. SCOTT STRELECKI ABSTAINED.

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

FYs 2021-24 WORK PROGRAM

Agenda Item #7 – Update on FYs 2021-24 Work Program Development Process

Ray Gorski, MSRC Technical Advisor updated the MSRC-TAC on the FYs 2021-24 Work Program Development Process. The actual Subcommittee meetings have not yet occurred, but he wanted to convey some information that staff have been compiling. Staff have been having meetings with stakeholders such as original equipment manufacturers (OEMs) who are looking forward to potential participation in the MSRC's upcoming Work Program. In the last meeting we requested participation for two Subcommittees which were approved by the TAC and the MSRC: the Goods Movement Subcommittee and an Innovative Transportation Subcommittee. The governor's proposed budget was released this week and it shows a substantial investment that will be made specifically in clean transportation zero emission vehicles. The MSRC has expressed their desire to leverage the MSRC's investment with state money to the extent feasible. Staff is going to be having additional follow-up discussions to better understand how this money will be deployed within the state programs such that the MSRC can forge potential partnerships with state agencies to move projects of mutual interest forward. Staff have been engaging partners, potential stakeholders, and technology OEMs over the last several weeks. We have received concept papers for some specific projects. In some cases, we've been asked to sign non-disclosure agreements, because some of the technology or at least business plans aren't yet ready for public dissemination. However, these conversations will be brought forward to the Subcommittees for their deliberation as we begin to meet.

There's a need to manage expectations as to when MSRC projects will be delivered. There will be delays, we know that the supply chain broke and we also know that it did not recover as was hoped back in summer and fall. We can point to some progress, but this fragility is going to continue for several months and the disruption is across the board. So as we begin our Subcommittee process, we'll be taking into account reasonable expectations of when, for example, technology can be delivered to the end user.

To address some of Mr. Martinez' comments under Item #6, we have regular discussions with OEMs that are manufacturing advanced technology vehicles, and they are telling us what their realistic schedules are. We also work closely with the South Coast AQMD on other projects, which are specific to natural gas vehicles, such as the Market Acceleration Program. That is a partnership between the South Coast AQMD, the MSRC, and Clean Energy. We have knowledge as to delays of at least on the order of 12 months for those natural gas vehicles to be delivered. We have had multiple meetings with the vehicle vendors, and they have told us what their expectations are for an entity which puts an order in today and when they should expect

their vehicles. The information which SCAG just presented in Item #6 relative to a minimum requirement of an additional 18 months is sound.

Public Comment:

Adrian Martinez with Earth Justice gave a recommendation as staff is engaging stakeholders, it'd be great to engage with the environmental community and the environmental justice community to talk about their priorities. A lot of times those groups are engaged in these incentive programs. They're the folks on the frontlines near the hubs where this transportation system is causing the most harm. They would have some input. He stated that he recognizes the delays are really hard, that they are seeing it across vehicle types, but he would still like to encourage engagement with groups like that, or other committees at AQMD or other entities to get prioritization of funding from MSRC.

Jack Symington with the Los Angeles CleanTech Incubator asked if the Subcommittee meetings are going to be open to the public.

Mr. Gorski answered by stating that the Subcommittee meetings will not be open to the public per se, however, the MSRC-TAC will be extremely forthcoming and transparent. The MSRC-TAC meetings are held in a public forum which will share the results of the Subcommittee meetings. Any member of the public is more than welcome to provide guidance or suggestions relative to programs, projects, processes, which could help influence the MSRCs work program development.

NO ACTION TAKEN

ACTION: No further action is required.

OTHER BUSINESS

MSRC-TAC MEMBER Minh Le stated his team is working on submitting an application to the Department of Commerce's Good Jobs challenge. This is a \$500 million federal grant program, with a maximum award of \$25 million. His team is putting together a \$25 million grant application to create Southern California Green Careers Accelerator to support job growth in our region or broader region beyond LA County itself. He would appreciate those letters of support to the federal government on his team's behalf.

He also mentioned the Infrastructure and Recovery Act that was passed last November will allocate approximately \$8 billion to create about four hydrogen hub demonstration regions around the country. Mr. Le stated he thinks hydrogen can play a very important role in our region and would align very well with the goals of the MSRC, the TAC and many agencies here; it's going to be a very competitive program. He welcomes collaboration to draw in that likely billion-plus dollars of federal and state investments into our region,

Responding to brief questions, Mr. Le stated that LA County will not be the lead for the hydrogen work project, though they will be involved. There's clear recognition that California needs to put forth a very strong proposal to win and it's going to take collaboration with important stakeholders, like the utilities, the ports and SoCal Gas. It's not going to be just one

organization.

PUBLIC COMMENTS:

No public comment.

ADJOURNMENT

THERE BEING NO FURTHER BUSINESS, THE MSRC-TAC MEETING
ADJOURNED AT 2:25 P.M.

NEXT MEETING: Next meeting: Thursday, February 3, 2022, 1:30 p.m.

(Minutes prepared by Maria M. Allen)