

THE NORTHWEST SEAPORT ALLIANCE
MEMORANDUM

MANAGING MEMBERS
STAFF BRIEFING

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|------------------------|---------------|
| Item No. | 10A |
| Date of Meeting | April 2, 2024 |

DATE: March 25, 2024

TO: Managing Members

FROM: John Wolfe, CEO

Sponsor: Jason Jordan, Director, Environmental & Planning

SUBJECT: Grants Briefing – April 2, 2024 Meeting

A. SYNOPSIS

Objective of Grants Update Briefing: To share awareness of grant planning and to seek regular feedback from the Managing Members on our grant pursuits.

A Grant Steering Committee (GSC) meeting was held on March 12, 2024, where major grant opportunities with spring application deadlines were discussed and general updates were shared by the grants team to Executive leadership staff.

B. BACKGROUND

In 2018, we adopted a Grant Procurement and Administration Procedure. The reason we developed the procedure is to recognize that the organization wishes to strategically pursue grants on a continuous basis.

The procedure establishes a process to:

1. Identify grant-eligible projects,
2. Recommend which grant-eligible project applications will be pursued – and under which grant program(s),
3. Develop the data and information necessary for a competitive grant application for those projects, and
4. Ensure that grant-funded projects are administered and managed in compliance with grantor agency rules and regulations.

C. POST-SUBMISSION UPDATES

Partner Update: Joint NWSA/Port of Tacoma letter of support provided for the City of Tacoma's \$7 million application to the USDOT's RAISE program for the Fishing Wars Memorial Bridge.

Submitted: US EPA Climate Pollution Reduction Grants (CPRG) ~\$200 million application led by PSRC; if successful, NWSA will be a subrecipient along with the Ports of Seattle and Everett, Pierce County, and local transit agencies.

The NWSA would lead two of the measures featured in the proposed regional transportation electrification package: expansion of our Zero Emission Drayage Truck Incentive Program and expansion of our Zero Emission Cargo-Handling Equipment (CHE) Incentive Program. These measures will significantly reduce emissions of diesel particulate matter (DPM) and greenhouse gases (GHG) in low-income and disadvantaged communities living near the NWSA's cargo terminals in Seattle and Tacoma and along major freight corridors between those two seaports and throughout the region. In addition to improving air quality and quality-of-life in these communities, these measures will:

1. Improve air quality and reduce noise pollution for drayage truckers and port workers.
2. Preserve and improve the quality of family-sustaining drayage trucking jobs.
3. Leverage \$20-\$30 million in private investment in zero emission technologies in our region.
4. Jump-start the market for zero-emission heavy-duty vehicles and equipment and lay the foundation for transformative, large-scale decarbonization of heavy-duty vehicles and equipment at our seaports and throughout the region and state; and
5. Inspire replication at other ports in our state and across the country.

The NWSA would receive \$32 million to expand its Zero Emission Drayage Incentive Program. This program is set to launch in late 2024, with \$21 million in state and federal funding already secured, which is enough to incentivize deployment of an estimated 60 zero emission drayage trucks – only about one percent of the 5,000 mostly diesel-powered trucks providing cargo-hauling services to NWSA terminals in Seattle and Tacoma. This additional CPRG funding would allow the NWSA to significantly increase the size and impact of this program, deploying another ~80 zero-emission trucks.

The NWSA also would receive \$20 million to expand its Zero Emission Cargo-Handling Equipment (CHE) Incentive Program. This program also is set to launch in late 2024, with \$4.5 million in seed funding provided by the NWSA. This will incentivize the deployment of 15 electric yard tractors – less than two percent of the 900 pieces of mostly diesel-powered CHE in operation at NWSA terminals and railyards. Additional funding via CPRG will incentivize the deployment of an additional 50 electric yard tractors.

Most of the CPRG funding (\$48 million, about 92% of the total) would be disbursed by the NWSA in the form of incentives to drayage trucking companies, marine terminal operators, railyard operators, and charging infrastructure developers to purchase vehicles and equipment and install charging infrastructure. About five percent would support program administration (NWSA staffing support and a third-party program administrator). And two percent would go to the multi-stakeholder Puget Sound Zero Emission Truck Collaborative, to ensure on-going community and stakeholder guidance of, and engagement in, the program.

Grant awards are anticipated in late 2024. During the first half of 2025, the NWSA would hire a third-party program administrator, develop and publish a request for applications, and begin selecting projects and disbursing incentive funds. The deployments of zero-emission drayage trucks and cargo-handling equipment would begin in the second half of 2025 and continue through 2029 (the end of the four-year grant period.)

D. PORT INFRASTRUCTURE DEVELOPMENT PROGRAM (PIDP)

At the February briefing, a rail project in the north harbor was being considered for the NWSA’s FY24 Port Infrastructure Development Program (PIDP) application; however, issues of timing prevented the tenant from moving forward with the grant. Fortunately, a collection of strong projects to improve safety and efficiency at the Pierce County Terminal (PCT) emerged:

| PIDP | | |
|--|--|------------------------|
| Project Components Being Considered | | Rough Cost Est. |
| 1 | Wapato Creek Culvert replacement (2027-2029) a. New fish passage friendly culvert to replace existing structure b. Utility re-routing c. Construction phasing d. Mitigation credit cost | \$33M |
| 2 | Shore power installation (2025-2029) a. Design ship connection boxes, bull rail improvements, support and anchor for ship power connection cables b. Electrical transformers, switch gear, metering c. Equipment – vaults/lids, cable, conduit. d. Installation of equipment – excavation, trenching, saw cutting. e. Tacoma Power improvements necessary to support increased demand. f. New primary metering from Tacoma Public Utilities | \$45M |
| 3 | LED Lighting conversion (2024-2025) a. Replace every light on PCT with LED. Interior and exterior. | \$3M |
| 4 | Reefer expansion (2025-2026) a. Accommodate 300 additional refrigerated containers b. Install reefer racks c. Install power infrastructure | \$35M |
| Pierce County Terminal Efficiency Project Total | | \$116 M |
| FY24 PIDP Potential Grant ASK (50%) | | \$58 M |

E. CLEAN PORTS

Due May 28, the US EPA Clean Ports grant program is an unprecedented opportunity to seek funding for:

- Build a foundation for the port sector to transition over time to fully zero-emissions operations, positioning ports to serve as a catalyst for transformational change across the freight sector.
- Reduce diesel pollution (criteria pollutants, GHGs, and air toxics) in near-port communities.
- Help ensure that meaningful community engagement and emissions reduction planning are port industry standard practices.

The EPA released two notices of funding opportunity (NOFOs) under the Clean Ports program, one to fund zero-emission technology deployment and one to fund climate and air quality planning activities.

The NWSA Air Quality and Sustainable Practices team has undergone extensive tenant engagement in addition to assessing internal organizational needs that could be part of a competitive Clean Ports application or applications.

Projects under consideration as of March 15, 2024:

| Clean Ports | | |
|---|---------------------|--------------------|
| Projects Being Considered | Rough Cost Estimate | Possible Ask (80%) |
| Terminal 18 (T-18) shore power a. Install shore power at 3 berths | \$80M | \$52M |
| Washington United Terminal (WUT) shore power a. Install shore power at 2 berths | \$42M | \$33M |
| Pierce Count Terminal (PCT) shore power a. Install shore power at 2 berths | \$45M | \$36M |
| Terminal 91 shore power a. Install shower power “extension cord” for cruise ships | \$4M | \$2M |
| SSA Zero Emission CHE Project a. 45 battery electric yard tractors and charging b. 21 hydrogen top handlers and mobile fueling equipment | \$76.6M | \$61.3M |
| Husky Zero Emission CHE Project a. 75 battery electric yard tractors b. 25 battery electric top handlers and charging | \$88.8M | \$71M |
| Port of Tacoma/NWSA Zero Emission CHE Project a. 4 electric heavy forklifts b. 2 yard-trucks, c. 2 top picks and charging | \$8.1M | \$6.5M |
| Zero Emission CHE Incentive Program a. Incentivize about 25 electric yard tractors | \$12.5M | \$10M |
| Zero Emission Drayage Demonstration Program a. 100 zero emission drayage trucks b. Charging at a port owned site | \$61M | \$48.8M |
| Crowley Hybrid Tug / Tacoma Grain Terminal a. Hybrid electric tugboat b. Battery electric switcher locomotive* c. Install charging | \$50M | \$40M |
| | \$12M* | \$9.6M |

Planning projects under consideration as of March 15, 2024:

| Project Name | Estimated Cost | Funding Need | Status |
|--|----------------|--------------|---|
| PS Zero Emission Truck Collaborative Develop and implement roadmap to decarbonize drayage trucking. | \$1 million | \$1 million | Collaborative established, work ongoing under state grant. |
| Zero Emission Terminal Planning Fund private terminal efforts to develop zero emission transition plans. | \$2 million | \$2 million | Gateway-wide infrastructure planning underway; Many terminals have not started ZE transition planning |

F. PUGET SOUND REGIONAL COUNCIL (PSRC)

Funder: Federal Highway Administration (FHWA), Surface Transportation Block Grants (STBG)

- Screening form for \$1,500,000 request for Port Community System submitted March 5, 2024. \$600,000 programmed in the NWSA CIP was put forward as local match. The screening form requested 2027 funds and noted that the project would be ready to take advantage of 2025 funds if available.
- If invited, full applications are due May 2, 2024. Staff recommends submitting a full application to support implementation of Port Community System. (Managing Members [briefed](#) on Port Community System at the February 6 public meeting.)

G. LOOKAHEAD


Grant decisions pending as of March 15, 2024:

1. US DOT FHWA RTEPF - *Advancing a Just & Equitable Transition to Zero-Emission Port Trucks in the Seattle-Tacoma Region*
2. US DOT FHWA PROTECT - *Wapato Creek Connect: 300 Feet of Critical Infrastructure*
3. NOAA Transformative - *Wapato Creek Connect: Aquatic Connectivity Restoration Project*

USDOT FRA **CRISI** Notice of Funding Opportunity (NOFO) expected late March with applications likely due date late May.

Grants Update

Item No.: 10A
Meeting Date: April 2, 2024



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Presenter Name: Deirdre Wilson
Presenter Title: Senior Planning Manager


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BRIEFING REQUESTED

Objective of Grants Update Briefing:
To share awareness of grant planning and to seek regular feedback from the Managing Members on grant pursuits.

Today's presentation:

- Updates
- Port Infrastructure Development Program (PIDP)
- Clean Ports Program
- Puget Sound Regional Council Process
- What's Ahead



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Updates Post-Submission

Partner Update

Joint NWSA/Port of Tacoma letter of support provided for the City of Tacoma’s \$7M application to the USDOT’s RAISE program for the Fishing Wars Memorial Bridge.

Application Submitted

US EPA Climate Pollution Reduction Grants (CPRG)

Application led by PSRC, NWSA will be a subrecipient.

- NWSA piece is funding to expand our Zero Emission Drayage Demonstration Program and our Zero Emission CHE Incentive Program.



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US MARAD Port Infrastructure Development Program (PIDP)

| Projects Being Considered | |
|---|---------------------|
| Pierce County Terminal (PCT) | Rough Cost Estimate |
| LED lighting conversion (2024-2025) a. Replace every light on PCT with LED. Interior and exterior. | \$3M |
| Reefer expansion (2025-2026) a. Install 300 reefer plug-ins (for a total of 994 on site) b. Install reefer racks c. Install power infrastructure | \$35M |
| Wapato Creek culvert replacement (2027-2029) a. New fish passage friendly culvert to replace existing structure b. Utility re-routing c. Construction phasing d. Mitigation credit cost | \$33M |
| Shore power (2025-2029) a. Design ship connection boxes, bull rail improvements, support and anchor for ship power connection cables b. Electrical transformers, switch gear, metering c. Equipment – vaults/lids, cable, conduit. d. Installation of equipment – excavation, trenching, saw cutting. e. Tacoma Power improvements necessary to support increased demand. f. New primary metering from Tacoma Public Utilities | \$45M |
| Project total | \$116 M |
| Potential Grant ASK (50%) | \$58 M |

- Applications are due May 10, 2024.
- The maximum Ask is 80%. However, the higher the Ask is, the less competitive the application is.



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US EPA Clean Ports Program

- The package of projects is still under development, guided by extensive tenant engagement.
- Zero Emission CHE and Drayage Incentive Programs will seek to distribute the incentive funding roughly equally across harbors.
- Applications are due May 28.
- Maximum Ask is 80%. However, the higher the Ask is, the less competitive the application is.

| Summary of Projects being Considered | | |
|---|---------------------|-------------------|
| Project | Rough Cost Estimate | Maximum Ask (80%) |
| Terminal 18 shore power Install shore power at 3 berths | \$80M | \$52M |
| Washington United Terminal shore power Install shore power at 2 berths | \$42M | \$33M |
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| SSA Zero Emission CHE Project 45 battery electric yard tractors and charging. 21 hydrogen top handlers and mobile fueling equipment. | \$76M | \$61M |
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| Zero Emission CHE Incentive Program Incentivize about 25 electric yard tractors | \$12M | \$10M |
| Zero Emission Drayage Demonstration Program 100 zero emission drayage trucks and charging at a port owned site | \$61M | \$48M |
| Crowley Hybrid Tug / Tacoma Grain Terminal Hybrid electric tugboat Battery electric switcher locomotive*, and charging | \$50M \$12M* | \$40M \$9M |



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Puget Sound Regional Council (PSRC) Project Selection Process

Funder: Federal Highway Administration (FHWA) Surface Transportation Block Grants (STBG)

- NWSA Project: Port Community System
- Screening form submitted March 5, 2024
- Applications are due May 2, 2024

Recommendation: If invited, apply for \$1,500,000 to support implementation of the Port Community System.

- Managing Members were briefed on the Port Community System at the February 6th public meeting.



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Key Dates and What's Ahead

Pending grant decisions:

- US DOT FHWA RTEPF (ZE Truck Demo)
- US DOT FHWA PROTECT (PCT Wapato Creek Culvert)
- NOAA Transformative (PCT Wapato Creek Culvert)

Pending grant NOFOs

- USDOT FRA CRISI expected late March with applications likely due date late May.
(Possible design of T18 loop track & Tacoma A/D tracks)

Next Grants Briefing June 4, 2024



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