

**THE NORTHWEST SEAPORT ALLIANCE**  
**MEMORANDUM**

**MANAGING MEMBERS**  
**STAFF BRIEFING**

<b>Item No.</b>	10B
<b>Date of Meeting</b>	February 6, 2024

**DATE:** January 22, 2024  
**TO:** Managing Members  
**FROM:** John Wolfe, CEO  
**SUBJECT:** Grants Update Briefing

**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 January 9, 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
3. grant program(s),
4. Develop the data and information necessary for a competitive grant application for those projects, and
5. Ensure that grant-funded projects are administered and managed in compliance
6. with grantor agency rules and regulations.

**C. CHARGING & FUELING INFRASTRUCTURE (CFI), USDOT GRANT PROGRAM**

It was announced last week that the NWSA's proposed project -- ***Catalyzing Zero-Emission Drayage Trucking Infrastructure & Opportunities in the Seattle-Tacoma Region*** – will receive a **\$12M CFI grant**. This project will incentivize development of one or more shared electric truck charging hubs to serve the network of 4,500 heavy-duty trucks providing cargo hauling services (drayage) to the Ports of Seattle and Tacoma. Once the grant award is finalized and the project is authorized by Managing Members, staff will publish an RFP inviting project proponent to compete for this incentive funding; project proponents will be required to contribute at least 50% of the total costs of the proposed project through other sources (e.g., other grants and subsidies, public equity, etc.)

Additional CFI details:

The Alliance will manage a competitive incentive program culminating in the selection of one or more private entities that will develop shared truck charging at sites across our gateway. The project will leverage private investment to incentivize the development of the hub(s), which will provide Charging-as-a-Service (CaaS) and potentially Trucking-as-a-Service (TaaS) opportunities, secure overnight parking for drayage truckers, and other amenities.

CaaS programs develop and manage shared electric heavy-duty vehicle charging hubs and provide charging to vehicle and fleet operators on a fee-for-service basis. Truck drivers simply pay for the electricity they use to charge their truck; they don't have to install the chargers themselves. TaaS offers truckers and trucking companies a bundle of services—access to a fully-insured, well-maintained, fully-charged zero-emission trucks, parking for personal vehicles, bathrooms, and other amenities, etc.—for a monthly fee comparable to the monthly costs of operating a diesel-powered truck.

In addition to adding parking along a freight corridor with too few safe truck parking options, the hub(s) will significantly expand community-based truck charging infrastructure and fill a gap in equitable access to charging infrastructure. By providing secure overnight parking, reliable charging, and what will be the region's first CaaS program for drayage, the project will establish a new pathway of entry for some drayage service providers, especially independent owner/operators and small trucking companies.

The substantial up-front capital costs of zero-emission trucks and a dearth of charging infrastructure in our region exclude individual truckers and small trucking companies from undertaking these early steps of the transition to zero-emission trucking on their own, so a major benefit of "Catalyzing Zero-Emission Drayage Trucking Infrastructure & Opportunities in the Seattle-Tacoma Region" will be the creation of affordable, equitable access to zero-emission trucks and charging infrastructure much sooner than would otherwise be possible.

The project will significantly reduce emissions from an estimated 150-300 diesel drayage trucks, including greenhouse gas (GHG) emissions and emissions of diesel particulate matter (DPM) that disproportionately impact disadvantaged, overburdened communities living near the seaports and along the major freight corridors between Seattle and Tacoma. Additionally, the project will benefit the region's drayage trucking companies, about 30% of which are independent owner/operators or very small companies, including many Minority-Owned Business Enterprises (MBEs) and Women-Owned Business Enterprises (WBEs). It will also preserve and create good-paying jobs in the trucking industry and improve job quality for participating truckers by providing affordable access to quieter, cleaner, safer, trucks. This project helps lay the foundation for large-scale transition to zero-emission trucking in our region and state, both by establishing the truck charging infrastructure "building blocks" currently lacking in Washington State, and by generating data and "lessons learned" to guide that longer-term effort.

Seventeen organizations provided letters of support for the Alliance's CFI application:

- African Chamber of Commerce of the Pacific Northwest
- City of Kent
- City of Seattle Office of Sustainability & Environment
- City of Tacoma Office of Environmental Policy and Sustainability
- Clean & Prosperous Washington

- Climate Solutions
- Forum Mobility
- Gage Zero LLC
- Pacific NorthWest Economic Region
- The Puget Sound Clean Air Agency
- Puget Sound Energy
- Seattle City Light
- Seattle Latino Metropolitan Chamber of Commerce
- Tacoma Power
- Total Transportation Services Inc / Tri Pak
- WatEV, Inc.
- Zeem Solutions

#### **E. REDUCING TRUCK EMISSIONS AT PORT FACILITIES (RTEPF), USDOT GRANT PROGRAM**

As of January 22, the Alliance is waiting on notification of the status of our application to the RTEPF grant program.

- \$160M total funding available via Bipartisan Infrastructure Law (BIL)
- No minimum or maximum award specified
- Program goal: “to coordinate and provide funding to test, evaluate, and deploy projects that reduce port-related emissions from idling trucks, including through the advancement of port electrification and improvements in efficiency, focusing on port operations, including heavy-duty commercial vehicles, and other related projects.”

The Alliance requested \$16M in support for the Zero Emission Drayage Demonstration Program we are launching later this year. \$4M match (\$3.3M from state CCA funding and \$700K in in-kind staff support). If successful, this grant will incentivize an additional 40-60 zero-emission drayage truck deployments.

#### **F. CLEAN PORTS PROGRAM, US EPA GRANT PROGRAM**

The Grant Steering Committee discussed major Environmental Protection Agency (EPA) funding opportunities with deadlines this spring: Clean Ports and Climate Pollution Reduction Grants (CPRG). Notice of Funding Opportunity (NOFO) for the Clean Ports Program is expected in February or March 2024, with applications likely due in late April or May.

**Clean Ports:** \$3 billion in Inflation Reduction Act (IRA) funding to support zero-emission port equipment and technology. Clean Ports is expected to be a one-time opportunity, with the EPA obligating the entirety of available funding in a single cycle. Clean Ports grants are intended to help ports establish a foundation for comprehensive emission-reduction programs, and the EPA wants to fund a diversity of ports, i.e. not only coastal or container ports.

Staff recommendation: Terminal 18 and WUT shore power and zero-emission CHE projects will form the core of our application, although we might reevaluate based on

feedback we are seeking from our congressional delegation. Other project components are under discussion, including partnership opportunities.

Eligible Clean Ports project ideas:

- Shore power, which will likely form the core of an Alliance application
- Zero-emission drayage trucks, which may be a better fit for EPA's CPRG program
- Zero-emission cargo handling equipment, for which tenant engagement is underway
- Also looking for opportunities to reduce emissions from locomotives and harbor vessels (e.g. tugs)

#### **G. CLIMATE POLLUTION REDUCTION GRANTS PROGRAM (CPRG), US EPA GRANT PROGRAM**

**Climate Pollution Reduction Grants Program (CPRG):** \$4.6 billion in IRA funding for grants to develop and implement ambitious plans for reducing greenhouse gas emissions and other harmful air pollution. Only projects and programs featured in regional or state Priority Climate Action Plans (PCAPs) – which are under development and due to EPA by March 1, 2024 – will be eligible for implementation funding. The Washington State Department of Commerce is developing the state level plan, and the Puget Sound Clean Air Agency is developing the regional plan.

NWSA staff have worked to ensure that port-related emission reduction initiatives are embedded in the regional and/or state PCAPs, so that they are eligible for Phase 2 implementation funding. Applications for Phase 2 implementation funding are due by April 1, 2024. The EPA anticipates making 30 to 115 grants ranging between \$2 million and \$500 million. The NWSA is directly eligible for implementation funding, and so can either submit its own application or embed its project in a larger, bundled, regional or state-wide proposal.

Staff recommendation: Phase 2 implementation grant ask of \$25-50M to expand the Zero Emission Drayage Demonstration Program. With a \$50M grant we estimate that we could incentivize the deployment of 125-200 zero-emission drayage trucks in the NWSA gateway, in addition to the approximately 20 trucks we hope to deploy with already secured funding. We will either lead a proposal (potentially in partnership with cities, counties, utilities, and Tribes) or embed our project in a larger, bundled regional or state proposal – depending on the outcome of ongoing conversations and our assessment of which approach is more likely to be successful.

#### **H. PORT INFRASTRUCTURE DEVELOPMENT PROGRAM (PIDP), USDOT GRANT PROGRAM**

FY23, Husky Terminal Expansion Part One: Award phase underway. NEPA and engineering meetings are ongoing.

FY24: Funding synopsis released in early January, with the full Notice of Funding Opportunity (NOFO) anticipated mid-February. Applications are due April 30, 2024. Project

development and tenant engagement is underway.

#### **D. GOVERNMENT AFFAIRS UPDATES**

##### State:

Exploring the possibility of a budget proviso in the upcoming state supplemental budget for T18 shore power project.

WSDOT offers Freight Rail Assistance Program (FRAP) grants and Freight Rail Investment Bank (FRIB) loans to support freight rail capital needs.

- For the 2023-25 biennium, a total of \$8.73M in additional funding has been identified for Freight Rail Investment Bank (FRIB) loans.
- Call for projects expected sometime in 2024, with funds available in July, if approved by the Legislature in the 2024 session.
- NWSA may want to prepare for a future cycle.

##### Federal:

- has met with congressional staff discuss Clean Ports/CPRG plans and await additional feedback. FY24 earmarks are still pending with Congressional Appropriations process. FY25 earmark applications expected to open in March 2024.. Likely eligible project types include those eligible under PIDP, CRISI, FEMA BRIC, HUD Economic/Community Development, and Highway Infrastructure. Pending the release of guidance from the House and Senate on timing and project eligibility, staff recommend starting to develop application materials for the following projects:  
Planning funds for NWSA-Busan Green Cargo Corridor
  - Jack Block Park Pier
  - PCT Reefers

#### **E. PREVIOUS ACTIONS OR BRIEFINGS**

Grant briefing at the December 21, 2023 meeting of the NWSA Managing Members.

#### **F. NEXT STEPS**

Next Grant Steering Committee meeting scheduled for March 12, 2024, with briefing to follow at the April 2<sup>nd</sup> meeting of the Managing Members.

Item No.: 10B  
Date of Meeting: February 6, 2024

# GRANTS UPDATE BRIEFING



**THE NORTHWEST**  
SEAPORT ALLIANCE

SEATTLE + TACOMA

Presenters:

Cassandra deKanter, Grants Specialist

Steve Nicholas, Sr. Manager, Air Quality & Sustainability Practices

# 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.

In Today's presentation:

- Post Submission Updates
- Port Infrastructure Development Grant Program (PIDP)
- Clean Air Grants:
  - Charging & Fueling Infrastructure (CFI)
  - Reducing Truck Emissions at Port Facilities (RTEPF)
  - Clean Ports Program
  - Climate Pollution Reduction Grant

## Updates

# Post-Submission

*Submitted!* Federal EPA – **DERA**. Requested \$1.2 million toward application for funding to expand the Alliance’s diesel truck scrap-and-replace program.

*Success!* WA Ecology – **VW Settlement**. The Port of Tacoma will receive \$244k toward the purchase of an electric yard truck and mobile charging unit, which will serve Port and Alliance assets.

*Award Phase Underway!* MARAD – **PIDP**. Officially kicked off for \$54,233,330 toward the *Husky Terminal Expansion: Part One*.  
Estimated total time to grant execution for FY23 PIDP is 6-24 months.

*Domestic Preference Waivers!* Staff are working on a waiver request for FHWA-funded **CMAQ** clean truck grant that will be administered by WSDOT (Zero Emission Drayage Truck Demonstration Program.)



# Port Infrastructure Development Program (PIDP)

- Funding synopsis released in early January
- Full Notice of Funding Opportunity (NOFO) anticipated mid February
- Applications due April 30, 2024

## **Recommendation:**

North harbor rail project may be a good fit for an Alliance capital project application. Other projects considered:

- T18 (some T18 projects might be a fit for FY25 or beyond)
- T25 South (not ready for a capital grant application in FY24)
- WUT wharf upgrade
- Husky expansion Phase 2 (possible FY25)

US Environmental Protection Agency (EPA)

## Charging & Fueling Infrastructure (CFI)

### **\$12 million award to the Northwest Seaport Alliance**

- Funder: US Department of Transportation/Federal Highways Administration, with Bipartisan Infrastructure Law (BIL) funding
- \$3M NWSA match, from state CCA funding
- Program Goal: “...to strategically deploy publicly accessible electric vehicle charging and alternative fueling infrastructure in the places people live and work – urban and rural areas alike...”

The NWSA’s project – *Catalyzing Zero-Emission Drayage Trucking Infrastructure & Opportunities in the Seattle-Tacoma Region* – will incentivize development of one or more shared electric truck charging hubs to serve the network of 4,500 heavy-duty trucks providing cargo hauling services (drayage) to the Ports of Seattle and Tacoma.

US DOT/Federal Highways Administration (FHWA)

## Reducing Truck Emissions at Port Facilities (RTEPF)

- \$160M total funding available via Bipartisan Infrastructure Law (BIL)
- No minimum or maximum award specified
- Program goal: “to coordinate and provide funding to test, evaluate, and deploy projects that reduce port-related emissions from idling trucks, including through the advancement of port electrification and improvements in efficiency, focusing on port operations, including heavy-duty commercial vehicles, and other related projects.”

**Status:** NWSA seeking \$16M in support for the Zero Emission Drayage Demonstration Program we are launching later this year. \$4M match (\$3.3M from state CCA funding and \$700K in in-kind staff support). Would incentivize an additional 40-60 zero-emission drayage truck deployments.

US Environmental Protection Agency (EPA)

# Clean Ports Program

- \$3 billion total funding via the Inflation Reduction Act (IRA)
- Notice of Funding Opportunity (NOFO) expected in February or March
- Tenant engagement is underway
- Program goals:
  - Reduce diesel pollution in near-port communities
  - Build a foundation for the port sector to transition over time to fully zero-emissions operations using domestically-produced equipment
  - Help ensure that meaningful community engagement and emissions reduction planning are port industry standard practices.

## **Staff Recommendation:**

Terminal 18 and WUT shore power and zero-emission CHE projects form core of our application. Other project components are under discussion, including partnership opportunities.

US Environmental Protection Agency (EPA)

# Climate Pollution Reduction Grant (CPRG)

- \$4.6 billion in IRA funding for implementation grants
- EPA anticipates awarding 30 to 115 grants ranging between \$2 million and \$500 million
- Program goals:
  - Ambitious measures to achieve significant cumulative GHG reductions by 2030 and beyond;
  - Measures that will achieve substantial community benefits and reduce the impact of hazardous air pollutants on low-income and disadvantaged communities;
  - Innovative policies and programs that are replicable and can be “scaled up”.
- Applications are due April 1, 2024

**Staff Recommendation:** Seek \$25-50M to significantly expand the Zero Emission Drayage Demonstration Program we are planning to launch later this year. Grant dollars could incentivize the deployment of 125-200 zero-emission additional drayage trucks, adding to the ~ 20 trucks we hope to deploy with already secured federal CMAQ and state CCA. Option to lead a proposal in partnership with cities, counties, utilities, and Tribes or to embed our project in a larger, bundled regional or state proposal. The approach, and size of the ask, will depend on the outcome of ongoing discussions with partners and our assessment of what is most likely to be competitive.

# Key Dates and What's Ahead

- February RTEPF (FHWA) decisions (expected)
- February/March PROTECT (FHWA) decisions (expected)
- February/March Clean Ports (EPA) NOFO (expected)
- February 16 PIDP (MARAD) releases full NOFO
- April 1 CPRG implementation grant applications due
- April 2 **Managing Member Grants Briefing**
- April 30 PIDP applications due
- April/May Clean Ports applications due (expected)
- May NOAA Transformational decisions (expected)