

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

**MANAGING MEMBERS**

Item No.

8D

**ACTION ITEM**

Date of Meeting

September 8, 2021

**DATE:** August 25, 2021  
**TO:** Managing Members  
**FROM:** John Wolfe, CEO

**Sponsor:** Jason Jordan, Director, Environmental and Planning Services

**Project Manager:** Graham VanderSchelden, Environmental Project Manager II

**SUBJECT:** Terminal 18 Shore Power Grant

**A. ACTION REQUESTED**

Request Managing Member authorization to accept grant funds in the amount of \$2,000,000 from the Washington State Department of Ecology, through the Federal Volkswagen Settlement Program, to support the installation of shore power infrastructure at Terminal 18.

**B. SYNOPSIS**

In June of 2020, staff applied for funding in the amount of \$2,000,000 to support the installation of shore power infrastructure at Terminal 18 from the Washington State Department of Ecology's (Ecology) Federal VW Settlement Program. An award offer was received in late Q2 of 2020. Since then, staff have been negotiating with Ecology and have secured the final grant agreement.

Staff have negotiated an important special condition to the grant agreement that allows the NWSA to use up to \$1 million of the funds to pay for design costs (excluding staff costs), with the caveat that if the NWSA does not complete construction of the shore power system then grant dollars claimed must be paid back to Ecology. A 50% match is required for funds used in the design phase of the project. The remainder of the funds will be available to fund construction. A 75% match is required against the \$2 million grant and can be met through other grants and/or our own funds. We can meet our 50% external funding target for the overall project by securing other grants. The CIP allocates \$26.6 million for the construction project. If grant acceptance is authorized by Managing Members, staff plan to prepare to request Managing Member authorization to start design in Q4 of 2021.

Advancing the design of the T-18 shore power system will help us put forward a strong application for further grant funding to complete the project. A basis of design (i.e., 30% design) would help refine the scope and cost estimate and demonstrate to a funder that we're on the pathway to delivering the project. A completed design would demonstrate that the project is shovel ready. Staff will be looking for opportunities to package the T-18 shore power project with other capital improvements to obtain grant funding from large federal infrastructure development programs such as PIDP and RAISE. We are also closely tracking

federal infrastructure funding packages being considered by congress for additional opportunities.

While accepting this grant and moving forward with this design is staff's recommendation, there is risk in doing so. As described above, the NWSA would be required to return any grant funds spent if the project is not completed by the end of 2026, unless an extension is granted by Ecology. If we are unable to get enough grant funds to complete the project, then we would either fully fund the design for a project that may not get built (having returned the grant funds) or pay significantly more of our own funds to implement the construction phase of the project than what our internal goal (at least 50% in external funding) calls for.

### **C. BACKGROUND**

The NWSA recently adopted an update to the Northwest Ports Clean Air Strategy which lays out an aspirational vision to phase out emissions from seaport activities by 2050. This expands on the 2017 Greenhouse Gas (GHG) Resolution policy previously adopted by Managing Members that sought to reduce GHG emissions 50% by 2030 and 80% by 2050. Achieving this vision will involve adopting zero emission technology across ocean-going vessels, cargo handling equipment, trucking, rail, harbor vessels, fleets, and facilities. One notable objective of the newly adopted strategy is to install shore power at our major international container terminals by 2030.

#### *Shore Power Description*

Shore power is the provision of power from the local grid to vessels while they are at berth, which allows them to shut off their auxiliary engines, eliminating emissions associated with onboard power needs. Without shore power, vessels burn distillate fuels or fuel oil while at berth to generate power. For a vessel to be able to use shore power, plug in points must be installed on the dock and the vessel itself must have special infrastructure installed onboard to accept shore power. We call ships with this infrastructure installed "shore power capable".

Due to shore power infrastructure installations in California and Asia, the container vessel fleet serving the Pacific Rim is becoming increasingly shore power capable. NWSA staff annually conduct an analysis to assess the shore power capability of vessels calling our major international container terminals. This allows us to regularly assess and re-assess the efficacy of shore power as an emission reduction measure in our gateway. We use the Environmental Ship Index (ESI)<sup>1</sup> and the Port of Oakland's list of shore power commissioned vessels<sup>2</sup>, cross referenced with the NWSA's vessel call logs to determine if each call at our major international container terminals is shore power capable. Results of the 2020 analysis are shown in the table below. We estimate that approximately 55% of container ship calls at our major terminals across the gateway were capable of using shore power in 2020 and 49% of the calls at T-18. As our busiest terminal, T-18 had the greatest number of shore power capable vessel hoteling hours in 2020.

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<sup>1</sup> [ESI Portal \(environmentalshipindex.org\)](https://www.environmentalshipindex.org/)

<sup>2</sup> [List of Shore Power Vessels - Google Sheets](#)

	Total Calls	Shore Power Capable Calls	Percentage Shore Power Capable Calls	Hours per Shore Power capable call	Shore Power Capable Hours
Husky	86	67	78%	68	4,574
PCT	103	72	70%	35	2,497
WUT	83	39	47%	53	2,061
<i>Tacoma Harbor</i>	<i>272</i>	<i>178</i>	<i>65%</i>	<i>51</i>	<i>9,132</i>
T-18	398	197	49%	32	6,393
T-30	97	47	48%	30	1,395
<i>Seattle Harbor</i>	<i>495</i>	<i>244</i>	<i>49%</i>	<i>32</i>	<i>7,788</i>
<b>Gateway Total</b>	<b>767</b>	<b>422</b>	<b>55%</b>	<b>40</b>	<b>16,920</b>

*Shore Power Benefits*

Implementing shore power at the NWSA’s major international container terminals would result in significant emission reductions, reducing impacts on climate change and air quality in near-port communities, including areas experiencing environmental health disparities according to the state Department of Health’s Environmental Health Disparities Map. Estimated greenhouse gas (GHG) and diesel particulate (DPM) emission reduction potentials for installing shore power across the major international container terminals in the NWSA gateway are shown in the table below, both for shore power capable calls in the 2020 vessel fleet and a hypothetical future scenario where all vessel calls are shore power capable. The latter represents an upper bound of future emission reduction potential if all vessel calls use shore power. When Terminal 5 comes online, some of the benefits attributed to T-18 and T-30 in the table below would be likely realized at T-5 as vessel traffic shifts.

	Emission Reduction Potential from 2020 Shore Power Capable Fleet (tons/yr)		Emission Reduction Potential if all Vessels were Shore Power Capable (tons/yr)	
	GHG	DPM	GHG	DPM
<b>Husky</b>	3,902	1.26	5,008	1.62
<b>PCT</b>	2,097	0.68	2,999	0.97
<b>WUT</b>	1,755	0.57	3,735	1.21
<i><b>South Harbor</b></i>	<i>7,754</i>	<i>2.51</i>	<i>11,742</i>	<i>3.8</i>
<b>T-18</b>	5,215	1.68	10,536	3.4
<b>T-30</b>	1,161	0.37	2,397	0.77
<i><b>North Harbor</b></i>	<i>6,376</i>	<i>2.05</i>	<i>12,933</i>	<i>4.17</i>
<b>Gateway Total</b>	<b>14,130</b>	<b>4.56</b>	<b>24,675</b>	<b>7.97</b>

**D. PROJECT DESCRIPTION**

The proposed shore power connection system at T-18 will be designed and built to safely supply power to a fleet of international container vessels, which have been required to be built to comply with the international codes and standards (i.e., ISO/IEEE/IEC).

The project includes dedicated shore power switchgear for each berth, transformers, underground conduit and wiring for power distribution, power distribution vaults, and three connection points in recessed vaults at each of two vessel berths at the facility. Upgrades will also need to be made to the electrical service entry point and to a connecting feeder to accommodate the additional shore power load. The system will allow power to be delivered to the connection points at 6.6 kV, the standard power delivery voltage for container ship shore power. The connection points will be standard Cavotec shore power connection boxes, housed in specialized vaults recessed in the wharf.

### ***Schedule***

Upon acceptance of this grant agreement, staff plan to begin initial planning for the project, which will enable us to request Managing Member authorization for design funds by the end of the year. Our goal will be to complete the design of the shore power system by Q2 of 2023. Along the way, we will develop intermediate design packages that can be used in grant applications. Timing of beginning and completing construction will depend on additional grant funds, but construction must be complete by the end of 2026 unless otherwise agreed to by Ecology, based on the terms of this grant agreement.

## **E. SUMMARY OF GRANT AWARD**

The grant funds being offered to the NWSA are from the Federal VW Settlement, managed by the Washington State Department of Ecology. The VW Settlement originated from a lawsuit that was filed because the automaker Volkswagen (VW) sold diesel vehicles equipped with software designed to cheat emissions tests from 2008 to 2015. As a result, these vehicles emitted up to 40 times the allowable levels of nitrogen oxides (NO<sub>x</sub>). The resulting lawsuit led to a Federal Settlement that created a \$2.7 billion trust to offset these excess emissions through future emission reductions. Based on the number of these vehicles registered in Washington, the state received a total of \$112.7 million from the Federal Settlement to be used in emission reduction programs. (Note: the State of Washington also received a smaller state settlement, from which \$1.2 million was given to the NWSA to support the clean truck loan fund in 2018, which has since been re-allocated, in part to the Husky Shore Power Project.) The Federal VW Settlement funding is being disbursed in waves, with prior funding opportunities including electric ferry repowers, workplace electric vehicle charging, electric school bus replacements, and electric transit bus replacements. This opportunity for funding was for ocean-going vessel shore power infrastructure, for which a total of \$3.6 million was made available. The VW grant would fund up to 25% of the total eligible project cost (75% match) to install shore power infrastructure at a marine terminal up to a maximum of \$2 million per project. Matching funds can be provided in the form of other grants.

Ecology offered the NWSA a maximum \$2 million grant under this program in late Q2 of 2020. Since that time, NWSA staff have been negotiating the grant agreement with Ecology staff. This process took longer than normal due to furloughs in the state government and the complexity of our needs under this grant arrangement. Staff have negotiated special considerations into this grant agreement that will allow us to use a portion of the funds for design. Specifically, the NWSA may use up to \$1 million of the funds for design costs (excluding internal staff). Grant funds used for design require a 50% match. Additionally, the grant agreement requires that the NWSA complete the shore power installation project by

the end of 2026, or the NWSA would be required to pay back any grant funds used, unless otherwise agreed to by the NWSA and Ecology. Staff expect that Ecology would be reasonable in considering extensions if needed, provided that we are making substantial progress towards delivering the project. Any funds not used for design would be applied to the construction phase of the project.

#### **F. PROJECT FUNDING STRATEGY**

Moving forward with this project, given the overall cost, will require significant external funding beyond this grant award from Ecology. Roughly \$14 million is needed for us to reach our internal target of 50% grant funding for the project, based on the current cost estimate.

Given that such a large amount of funding is needed, the most likely avenues for funding this project are the large federal grant programs such as PIDP and RAISE. These programs have been revamped since the inauguration of the Biden Administration to consider and give more priority to projects that reduce emissions and advance environmental equity. Additionally, the infrastructure packages currently being considered by Congress may augment these programs with additional funding and/or create new opportunities.

Our plan is to move forward with the design of the T-18 shore power system (if this grant is accepted by Managing Members) as well as planning and design for other capital improvements needed at T-18 (such as pile cap repairs) in order to position the NWSA to make strong applications for these large funding opportunities in future years. We believe that a grant application with a dual focus on modernizing conventional infrastructure at our busiest cargo terminal and adding a significant sustainability asset will be quite competitive.

#### **G. FINANCIAL IMPLICATIONS**

The draft 2021-2026 Capital Investment Plan includes \$1 million in 2022 for the design of the T18 shore power. The draft 2021-2026 CIP also includes a separate project for construction of the T18 shore power if approved by the Managing Members. The construction project in the CIP has \$0.3 million in 2022, \$16.3 million in 2023, and \$10.0 million in 2024, for a total of \$26.6 million for construction only. Design and construction total \$27.6 million. Grant funds from this agreement would offset design consultant costs and construction costs. Grant funds will be recognized as non-operating income when received.

#### **H. ATTACHMENTS TO THIS REQUEST**

- Computer slide presentation.
- Grant agreement from the Washington State Department of Ecology

#### **I. PREVIOUS ACTIONS OR BRIEFINGS**

- May 21, 2020 – Friday packet notification of grant application
- July 30, 2020 – Friday packet notification of grant award



## Agreement No. AQVWEOGV-1921-NoSeAI-00004

### AIR QUALITY VOLKSWAGEN ELECTRIC SHORE POWER FOR OCEAN GOING VESSELS AGREEMENT

BETWEEN

THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY

AND

NORTHWEST SEAPORT ALLIANCE

This is a binding Agreement entered into by and between the state of Washington, Department of Ecology, hereinafter referred to as “ECOLOGY,” and NORTHWEST SEAPORT ALLIANCE, hereinafter referred to as the “RECIPIENT,” to carry out with the provided funds activities described herein.

#### GENERAL INFORMATION

Project Title:	Shore Power for Ocean Going Vessels at NW Seaport Alliance’s Terminal 18
Total Cost:	\$27,678,865.00
Total Eligible Cost:	\$6,000,000.00
Ecology Share:	\$2,000,000.00
Recipient Share:	\$4,000,000.00
The Effective Date of this Agreement is:	09/01/2021
The Expiration Date of this Agreement is no later than:	06/30/2027
Project Type:	Volkswagen

#### Project Short Description:

Ecology is awarding this grant to assist the Northwest Seaport Alliance with their purchase and installation of electric shore power for ocean going vessels at their Terminal 18 facility in Seattle.

This Project will help Washington ports accelerate the transition to zero emission technology and further encourage other marine vessels to convert to shore power capability. Investing in shore power for ocean going vessels provides substantial air quality benefits.

#### Project Long Description:

This grant is for the purchase and installation of electric shore power for ocean going vessels at the Northwest Seaport Alliance’s Terminal 18, 1050 SW Spokane St., Seattle, WA 98134. This project will install shore power infrastructure at two berths, with up to three vaults installed per berth.

Agreement No: AQVWEOGV-1921-NoSeAl-00004  
Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18  
Recipient Name: NORTHWEST SEAPORT ALLIANCE

ECOLOGY is investing in zero-emission technology projects statewide to reduce greenhouse gases that contribute to climate change and to reduce toxic emissions and improve human health, especially in communities historically disproportionately impacted by air pollution. ECOLOGY, local clean air agencies, and environmental justice organizations have identified Washington ports as high priority areas from which to reduce toxic emissions and greenhouse gases.

ECOLOGY has legal authority (RCW 70.94) to undertake the actions in this agreement.

Northwest Seaport Alliance has legal authority (RCW 53.57) to undertake the actions in this agreement.

This project is funded by federal Volkswagen (VW) Settlement Funds. Governor Inslee appointed Washington Department of Ecology as Lead Agency for Washington as beneficiary of the VW settlement trust funds.

Funds from this grant will help design and install electric shore power for ocean going vessels at Port of Seattle's Terminal 18. This effort will further encourage additional shore power installations at Washington ports and help them transition toward zero-emission operations. Investing in shore power for ocean going vessels will provide substantial air quality benefits, including reductions in nitrogen oxides, toxic diesel particulate matter, and greenhouse gases.

To ensure completion of this project, the Northwest Seaport Alliance commits to fund costs above the \$2,000,000 in total ECOLOGY grant funding to complete this Project, through their own funds and/or additional grants.

Overall Goal:

Purchase and install an electric shore power system to accommodate shore power capable ocean going vessels at the Port of Seattle's Terminal 18, 1050 SW Spokane St., Seattle, WA 98134. Investing in shore power for ocean going vessels provides substantial air quality benefits: reduced NOx emissions, reduced toxic diesel particulates, reduced ozone precursors, and reduced greenhouse gas emissions.

Agreement No: AQVWEOGV-1921-NoSeAl-00004  
 Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18  
 Recipient Name: NORTHWEST SEAPORT ALLIANCE

**RECIPIENT INFORMATION**

Organization Name: NORTHWEST SEAPORT ALLIANCE

Federal Tax ID: 47-4921178

DUNS Number: 080017209

Mailing Address: One Sitcum Plaza  
 Tacoma, WA 98421

Physical Address: One Sitcum Plaza

Organization Email: dseaman@nwseaportalliance.com

**Contacts**

<p><b>Project Manager</b></p>	<p>Graham VanderSchelden                  Environmmetal Project Manager</p> <p>1 Sitcum Way                  Tacoma, Washington 98421                  Email: gvanderschelden@nwseaportalliance.com                  Phone: (253) 592-6791</p>
<p><b>Billing Contact</b></p>	<p>Graham VanderSchelden                  Environmmetal Project Manager</p> <p>1 Sitcum Way                  Tacoma, Washington 98421                  Email: gvanderschelden@nwseaportalliance.com                  Phone: (253) 592-6791</p>
<p><b>Authorized Signatory</b></p>	<p>Jason E Jordan                  Director, Environmental and Planning Services</p> <p>1 Sitcum Plaza                  Tacoma, Washington 98421                  Email: jjordan@portoftacoma.com                  Phone: (253) 592-6790</p>

Agreement No: AQVWEOGV-1921-NoSeAI-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

**ECOLOGY INFORMATION**

Mailing Address: Department of Ecology  
 AQVW  
 PO BOX 47600  
 Olympia, WA 98504-7600

Physical Address: AQVW  
 300 Desmond Drive SE  
 Lacey, WA 98503

**Contacts**

<p><b>Project Manager</b></p>	<p>Mike Boyer</p> <p>PO Box 47600                  Olympia, Washington 98504-7600                  Email: mboy461@ecy.wa.gov                  Phone: (360) 819-0214</p>
<p><b>Financial Manager</b></p>	<p>Carrol Johnston</p> <p>PO Box 47600                  Olympia, Washington 98504-7600                  Email: CARR461@ecy.wa.gov                  Phone: (360) 764-3453</p>
<p><b>Technical Advisor</b></p>	<p>Mike Boyer</p> <p>PO Box 47600                  Olympia, Washington 98504-7600                  Email: mboy461@ecy.wa.gov                  Phone: (360) 819-0214</p>

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

## SCOPE OF WORK

Task Number: 1 **Task Cost:** \$2,000,000.00

Task Title: Design Electric Shore Power

### Task Description:

Under this task (Port of Seattle's Terminal 18, 1050 SW Spokane St., Seattle, WA 98134) the RECIPIENT will:

- confirm Northwest Seaport Alliance Commission authorizes and commits to funding the design of electric shore power for Terminal 18
- complete final design of a shore power system at two berths
- acknowledge receipt of an approved permit to install shore power system

This task requires a minimum RECIPIENT match of 50%. The RECIPIENT is allowed to exceed the minimum match requirement. ECOLOGY will provide up to \$1,000,000, not to exceed 50% of the total Task 1 cost. The RECIPIENT must still meet the overall minimum 75% cost share requirement for the project as described earlier in this agreement.

As costs are incurred for the design of the shore power system for Terminal 18, ECOLOGY will reimburse the RECIPIENT for any work included in Task 1 that is necessary and integral to provide shore power at Terminal 18 up to the cost share limits described above. If the RECIPIENT does not successfully install an operable shore power system by December 31, 2026, the RECIPIENT will reimburse ECOLOGY for any grant funds provided under Task 1 of this agreement unless the parties mutually agree on an extension or alternate arrangement.

Eligible costs include those directly related to engineering design and drawings, engineering reports, updated project cost estimates, engineering management, engineering drawing submittals, and permitting costs. Ineligible design costs include, but are not limited to, Port staff time for project management. This task will design for the installation of shore power infrastructure for two berths, with three vaults per berth.

When Task 1 is complete, any unspent grant funds may be re-allocated to Task 2.

The RECIPIENT will submit to ECOLOGY quarterly Payment Request/Progress Reports (PRPRs) that include the following:

- The status of the project
- A summary of all costs expended
- A summary of all eligible costs contributed by the RECIPIENT during the reporting period
- Anticipated costs in the upcoming reporting period
- Any delays or modifications to the project plan
- A project Report Supplement (template provided by Ecology) uploaded to the Progress Report page
- Any documents necessary to satisfy deliverables uploaded to the Progress Report page
- If reimbursement is being requested, upload legible copies of all sales/invoices showing the purchase price and amount paid by the RECIPIENT to the Payment Request page

Due dates for quarterly PRPRs are as follows:

- January 31: for the period October - December
- April 30: for the period January - March

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

- July 31: for the period April - June

- October 31: for the period July – September

**Task Goal Statement:**

Northwest Seaport Alliance completes design of a shore power system for Terminal 18.

**Task Expected Outcome:**

1. Northwest Seaport Alliance Managing Members authorize design of the Terminal 18 shore power system
2. A completed shore power system design to install a shore power system for ocean going vessels at Terminal 18
3. Approved permit(s) to install shore power system at two berths
4. Plan and timeline for obtaining additional funds, including potential funding sources

**Recipient Task Coordinator:** Graham VanderSchelden**Design Electric Shore Power****Deliverables**

<b>Number</b>	<b>Description</b>	<b>Due Date</b>
1.1	Quarterly Payment Request/Progress Report (PRPRs). RECIPIENT is required throughout the term of this grant agreement (even if no funds are requested) to submit a quarterly PRPR, and should include an update on the current status of the project. Each PRPR should include the uploads described above.	
1.2	Upload ECOLOGY's VW Funding Guidelines Acknowledgement form signed by RECIPIENT.	09/30/2021
1.3	Written confirmation of RECIPIENT authorization to design Terminal 18 shore power system for ocean going vessels. Include in Progress Report.	12/31/2021
1.4	Written confirmation of availability of matching funds for Task 1. Include in Progress Report.	12/31/2021
1.5	Written confirmation that RECIPIENT has consulted with their utility provider. Include in Progress Report.	06/30/2022
1.6	Upload copy of plan and timeline for obtaining required funding to complete Task 2.	06/30/2022
1.7	Written confirmation of completed shore power system design for ocean going vessels. Include in Progress Report.	06/30/2023
1.8	Written notification from RECIPIENT verifying that permitting authority has approved project engineering design and drawings and provided permit for construction. Include in Progress Report	12/31/2023

Agreement No: AQVWEOGV-1921-NoSeAl-00004  
Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18  
Recipient Name: NORTHWEST SEAPORT ALLIANCE

## SCOPE OF WORK

Task Number: 2 **Task Cost:** \$4,000,000.00

Task Title: Purchase and Install Electric Shore Power

### Task Description:

Under this task (Port of Seattle's Terminal 18, 1050 SW Spokane St., Seattle, WA 98134) the RECIPIENT will:

- confirm Northwest Seaport Alliance Managing Members authorizes and commits to funding construction and installation of the Terminal 18 shore power system
- purchase and install electric shore power for ocean going vessels at Terminal 18

This task requires a minimum match of 75%. The RECIPIENT is allowed to exceed the minimum match requirement. Of the Task Cost of \$4,000,000, \$1,000,000 will be provided by ECOLOGY in addition to any unused funds from Task 1. Upon final completion of the operational shore power system at Terminal 18, ECOLOGY will reimburse the RECIPIENT for any work described above as necessary and integral to provide shore power at Terminal 18.

Eligible marine shore power costs include system components required for compatible vessel's main and auxiliary engines to remain off while the vessel is at berth. Eligible costs for equipment, engineering, and installation labor are limited to cables, wiring, cable management systems, shore power coupler systems, distribution control systems, power distribution, transformers, switchgear, trenching, and associated utility upgrades that are located on the awardees property, necessary for the system to operate properly.

The RECIPIENT will submit to ECOLOGY quarterly Payment Request/Progress Reports (PRPRs) that include the following:

- The status of the project
- A summary of all costs expended
- A summary of all costs contributed by the RECIPIENT during the reporting period
- Anticipated costs in the upcoming reporting period
- Any delays or modifications to the project plan
- A project Report Supplement (template provided by ECOLOGY) uploaded to the Progress Report page
- Any documents necessary to satisfy deliverables uploaded to the Progress Report page
- If reimbursement is being requested, upload legible copies of all sales/invoices showing the purchase price and amount paid by the RECIPIENT to the Payment Request page

Due dates for quarterly PRPRs are as follows:

- January 31: for the period October - December
- April 30: for the period January - March
- July 31: for the period April - June
- October 31: for the period July – September

### Task Goal Statement:

Northwest Seaport Alliance will purchase and install electric shore power for ocean going vessels at Terminal 18.

### Task Expected Outcome:

Agreement No: AQVWEOGV-1921-NoSeAI-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

1. Northwest Seaport Alliance Commission authorizes and commits to funding construction and installation of the Terminal 18 shore power system
2. Purchase and install electric shore power system for ocean going vessels at Terminal 18

This grant will:

- Reduce harmful air pollution and greenhouse gas emissions associated with ocean going vessels at major Washington ports
- Help accelerate the transition to zero emission technologies at major ports
- Encourage shore power capability on ocean going vessels
- Encourage additional installations of electric shore power at ports

When completed, Ecology estimates installing shore power at the Port of Seattle's Terminal 18 will reduce:

- 2,046 lifetime tons (over 20 years) of NOx emissions
- 37 lifetime tons (over 20 years) of PM emissions (PM2.5)
- 101,640 lifetime (over 20 years) tons of CO2 emissions

Recipient Task Coordinator: Graham VanderSchelden

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

**Purchase and Install Electric Shore Power****Deliverables**

<b>Number</b>	<b>Description</b>	<b>Due Date</b>
2.1	Quarterly Payment Request/Progress Reports (PRPRs). RECIPIENT is required throughout the term of this grant agreement (even if no funds are requested) to submit a quarterly PRPR, and should include an update on the current status of the project. Each PRPR should include the uploads listed above.	
2.2	Upload copy of required community outreach associated with the project.	
2.3	Upload completed Inadvertent Discovery Plan (IDP) submitted prior to breaking ground (IDP template available via EAGL download).	01/31/2023
2.4	Written confirmation of RECIPIENT authorization to construct and install Terminal 18 shore power system for ocean going vessels. Include in Progress Report.	
2.5	Written description of procurement processes for selecting equipment, construction, and installation services including: <ul style="list-style-type: none"> <li>• method of vendor notification of bid opportunity and number of notified bidders</li> <li>• evaluation summary of bids received</li> <li>• award letter or notice of contract award</li> <li>• awarded contractor name, contract number, date contract executed</li> <li>• confirm final contract for infrastructure installation</li> </ul> May be included in Progress Report or Application Uploads section in EAGL	12/31/2023
2.6	Written notification of construction beginning. Include in Progress Report.	06/30/2024
2.7	Written notification of date construction is completed and shore power system activated and available for use. Include in Progress Report.	07/31/2026
2.8	Written notification from RECIPIENT verifying shore power has been installed and operates in accordance with local, state, and federal codes. Include in Progress Report.	07/31/2026
2.9	Confirm development and completion of maintenance and operations plan that describes relationship between RECIPIENT and port tenant using shore power system.	07/31/2026
2.10	Equipment Purchase Report (EPR) for total shore power equipment system.	07/31/2026
2.11	Final Payment Request/Progress Report (PRPR), ensuring it is marked as "final". Upload digital photographs of completed shore power project.	07/31/2026
2.12	Recipient Close Out Report.	12/31/2026



Agreement No: AQVWEOGV-1921-NoSeAl-00004  
 Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18  
 Recipient Name: NORTHWEST SEAPORT ALLIANCE

**BUDGET**

**Funding Distribution EG220088**

**NOTE:** *The above funding distribution number is used to identify this specific agreement and budget on payment remittances and may be referenced on other communications from ECOLOGY. Your agreement may have multiple funding distribution numbers to identify each budget.*

Funding Title: VW Settlement Funds (2) Funding Type: Grant  
 Funding Effective Date: 09/01/2021 Funding Expiration Date: 06/30/2027

Funding Source:

Title: General Fund Private-Local Volkswagen Settlement  
 Fund: 001  
 Type: State  
 Funding Source %: 100%  
 Description: Volkswagen Settlement

Approved Indirect Costs Rate: Approved State Indirect Rate: 0%  
 Recipient Match %: 75%  
 InKind Interlocal Allowed: No  
 InKind Other Allowed: No  
 Is this Funding Distribution used to match a federal grant? No

VW Settlement Funds (2)	Task Total
Purchase and Install Electric Shore Power	\$ 4,000,000.00

**Total: \$ 4,000,000.00**

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

**Funding Distribution Summary****Recipient / Ecology Share**

<b>Funding Distribution Name</b>	<b>Recipient Match %</b>	<b>Recipient Share</b>	<b>Ecology Share</b>	<b>Total</b>
VW Settlement Funds	50.00 %	\$ 1,000,000.00	\$ 1,000,000.00	\$ 2,000,000.00
VW Settlement Funds (2)	75.00 %	\$ 3,000,000.00	\$ 1,000,000.00	\$ 4,000,000.00
<b>Total</b>		<b>\$ 4,000,000.00</b>	<b>\$ 2,000,000.00</b>	<b>\$ 6,000,000.00</b>

**AGREEMENT SPECIFIC TERMS AND CONDITIONS**

N/A

**SPECIAL TERMS AND CONDITIONS****GENERAL FEDERAL CONDITIONS**

**If a portion or all of the funds for this agreement are provided through federal funding sources or this agreement is used to match a federal grant award, the following terms and conditions apply to you.**

**A. CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY****EXCLUSION:**

1. The RECIPIENT/CONTRACTOR, by signing this agreement, certifies that it is not suspended, debarred, proposed for debarment, declared ineligible or otherwise excluded from contracting with the federal government, or from receiving contracts paid for with federal funds. If the RECIPIENT/CONTRACTOR is unable to certify to the statements contained in the certification, they must provide an explanation as to why they cannot.
2. The RECIPIENT/CONTRACTOR shall provide immediate written notice to ECOLOGY if at any time the RECIPIENT/CONTRACTOR learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
3. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact ECOLOGY for assistance in obtaining a copy of those regulations.
4. The RECIPIENT/CONTRACTOR agrees it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under the applicable Code of Federal Regulations, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction.
5. The RECIPIENT/CONTRACTOR further agrees by signing this agreement, that it will include this clause titled "CERTIFICATION REGARDING SUSPENSION, DEBARMENT, INELIGIBILITY OR VOLUNTARY

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

EXCLUSION” without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

6. Pursuant to 2CFR180.330, the RECIPIENT/CONTRACTOR is responsible for ensuring that any lower tier covered transaction complies with certification of suspension and debarment requirements.
7. RECIPIENT/CONTRACTOR acknowledges that failing to disclose the information required in the Code of Federal Regulations may result in the delay or negation of this funding agreement, or pursuance of legal remedies, including suspension and debarment.
8. RECIPIENT/CONTRACTOR agrees to keep proof in its agreement file, that it, and all lower tier recipients or contractors, are not suspended or debarred, and will make this proof available to ECOLOGY before requests for reimbursements will be approved for payment. RECIPIENT/CONTRACTOR must run a search in <http://www.sam.gov> and print a copy of completed searches to document proof of compliance.

## B. FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT (FFATA) REPORTING

### REQUIREMENTS:

CONTRACTOR/RECIPIENT must complete the FFATA Data Collection Form (ECY 070-395) and return it with the signed agreement to ECOLOGY.

Any CONTRACTOR/RECIPIENT that meets each of the criteria below must report compensation for its five top executives using the FFATA Data Collection Form.

- Receives more than \$25,000 in federal funds under this award.
- Receives more than 80 percent of its annual gross revenues from federal funds.
- Receives more than \$25,000,000 in annual federal funds.

Ecology will not pay any invoices until it has received a completed and signed FFATA Data Collection Form. Ecology is required to report the FFATA information for federally funded agreements, including the required DUNS number, at [www.fsr.gov](http://www.fsr.gov) <http://www.fsr.gov> within 30 days of agreement signature. The FFATA information will be available to the public at [www.usaspending.gov](http://www.usaspending.gov) <http://www.usaspending.gov>.

For more details on FFATA requirements, see [www.fsr.gov](http://www.fsr.gov) <http://www.fsr.gov>.

## C. FEDERAL FUNDING PROHIBITION ON CERTAIN TELECOMMUNICATIONS OR VIDEO SURVEILLANCE SERVICES OR EQUIPMENT:

As required by 2 CFR 200.216, federal grant or loan recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

1. Procure or obtain;
2. Extend or renew a contract to procure or obtain; or
3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment, video surveillance services or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in [Public Law 115-232](https://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf) <https://www.govinfo.gov/content/pkg/PLAW-115publ232/pdf/PLAW-115publ232.pdf>, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

Agreement No: AQVWEOGV-1921-NoSeAI-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

Recipients, subrecipients, and borrowers also may not use federal funds to purchase certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the [System for Award Management \(SAM\) <https://sam.gov/SAM/>](https://sam.gov/SAM/) exclusion list.

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Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

## GENERAL TERMS AND CONDITIONS

### Pertaining to Grant and Loan Agreements With the state of Washington, Department of Ecology

#### GENERAL TERMS AND CONDITIONS

For DEPARTMENT OF ECOLOGY GRANTS and LOANS

06/24/2021 Version

#### 1. ADMINISTRATIVE REQUIREMENTS

- a) RECIPIENT shall follow the "Administrative Requirements for Recipients of Ecology Grants and Loans – EAGL Edition." (<https://fortress.wa.gov/ecy/publications/SummaryPages/1701004.html>)
- b) RECIPIENT shall complete all activities funded by this Agreement and be fully responsible for the proper management of all funds and resources made available under this Agreement.
- c) RECIPIENT agrees to take complete responsibility for all actions taken under this Agreement, including ensuring all subgrantees and contractors comply with the terms and conditions of this Agreement. ECOLOGY reserves the right to request proof of compliance by subgrantees and contractors.
- d) RECIPIENT's activities under this Agreement shall be subject to the review and approval by ECOLOGY for the extent and character of all work and services.

#### 2. AMENDMENTS AND MODIFICATIONS

This Agreement may be altered, amended, or waived only by a written amendment executed by both parties. No subsequent modification(s) or amendment(s) of this Agreement will be of any force or effect unless in writing and signed by authorized representatives of both parties. ECOLOGY and the RECIPIENT may change their respective staff contacts and administrative information without the concurrence of either party.

#### 3. ACCESSIBILITY REQUIREMENTS FOR COVERED TECHNOLOGY

The RECIPIENT must comply with the Washington State Office of the Chief Information Officer, OCIO Policy no. 188, Accessibility (<https://ocio.wa.gov/policy/accessibility>) as it relates to "covered technology." This requirement applies to all products supplied under the Agreement, providing equal access to information technology by individuals with disabilities, including and not limited to web sites/pages, web-based applications, software systems, video and audio content, and electronic documents intended for publishing on Ecology's public web site.

#### 4. ARCHAEOLOGICAL AND CULTURAL RESOURCES

RECIPIENT shall take all reasonable action to avoid, minimize, or mitigate adverse effects to archaeological and historic archaeological sites, historic buildings/structures, traditional cultural places, sacred sites, or other cultural resources, hereby referred to as Cultural Resources.

The RECIPIENT must agree to hold harmless ECOLOGY in relation to any claim related to Cultural Resources discovered, disturbed, or damaged due to the RECIPIENT's project funded under this Agreement.

RECIPIENT shall:

- a) Contact the ECOLOGY Program issuing the grant or loan to discuss any Cultural Resources requirements for their project:
  - Cultural Resource Consultation and Review should be initiated early in the project planning process and must be completed prior to expenditure of Agreement funds as required by applicable State and Federal requirements.
  - \* For state funded construction, demolition, or land acquisitions, comply with Governor Executive Order 21-02, Archaeological and Cultural Resources.
  - For projects with any federal involvement, comply with the National Historic Preservation Act of 1966 (Section 106).

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

b) If required by the ECOLOGY Program, submit an Inadvertent Discovery Plan (IDP) to ECOLOGY prior to implementing any project that involves field activities. ECOLOGY will provide the IDP form.

RECIPIENT shall:

- Keep the IDP at the project site.
- Make the IDP readily available to anyone working at the project site.
- Discuss the IDP with staff, volunteers, and contractors working at the project site.
- Implement the IDP when Cultural Resources or human remains are found at the project site.

c) If any Cultural Resources are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.

- Immediately stop work and notify the ECOLOGY Program, who will notify the Department of Archaeology and Historic Preservation at (360) 586-3065, any affected Tribe, and the local government.

d) If any human remains are found while conducting work under this Agreement, follow the protocol outlined in the project IDP.

- Immediately stop work and notify the local Law Enforcement Agency or Medical Examiner/Coroner's Office, the Department of Archaeology and Historic Preservation at (360) 790-1633, and then the ECOLOGY Program.

e) Comply with RCW 27.53, RCW 27.44, and RCW 68.50.645, and all other applicable local, state, and federal laws protecting Cultural Resources and human remains.

## 5. ASSIGNMENT

No right or claim of the RECIPIENT arising under this Agreement shall be transferred or assigned by the RECIPIENT.

## 6. COMMUNICATION

RECIPIENT shall make every effort to maintain effective communications with the RECIPIENT's designees, ECOLOGY, all affected local, state, or federal jurisdictions, and any interested individuals or groups.

## 7. COMPENSATION

a) Any work performed prior to effective date of this Agreement will be at the sole expense and risk of the RECIPIENT. ECOLOGY must sign the Agreement before any payment requests can be submitted.

b) Payments will be made on a reimbursable basis for approved and completed work as specified in this Agreement.

c) RECIPIENT is responsible to determine if costs are eligible. Any questions regarding eligibility should be clarified with ECOLOGY prior to incurring costs. Costs that are conditionally eligible require approval by ECOLOGY prior to expenditure.

d) RECIPIENT shall not invoice more than once per month unless agreed on by ECOLOGY.

e) ECOLOGY will not process payment requests without the proper reimbursement forms, Progress Report and supporting documentation. ECOLOGY will provide instructions for submitting payment requests.

f) ECOLOGY will pay the RECIPIENT thirty (30) days after receipt of a properly completed request for payment.

g) RECIPIENT will receive payment through Washington State's Office of Financial Management's Statewide Payee Desk.

To receive payment you must register as a statewide vendor by submitting a statewide vendor registration form and an IRS W-9 form at website, <https://ofm.wa.gov/it-systems/statewide-vendorpayee-services>. If you have questions about the vendor registration process, you can contact Statewide Payee Help Desk at (360) 407-8180 or email [PayeeRegistration@ofm.wa.gov](mailto:PayeeRegistration@ofm.wa.gov).

h) ECOLOGY may, at its sole discretion, withhold payments claimed by the RECIPIENT if the RECIPIENT fails to satisfactorily comply with any term or condition of this Agreement.

i) Monies withheld by ECOLOGY may be paid to the RECIPIENT when the work described herein, or a portion thereof, has been completed if, at ECOLOGY's sole discretion, such payment is reasonable and approved according to this Agreement, as appropriate, or upon completion of an audit as specified herein.

j) RECIPIENT must submit within thirty (30) days after the expiration date of this Agreement, all financial, performance, and

Agreement No: AQVWEOGV-1921-NoSeAl-00004  
Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18  
Recipient Name: NORTHWEST SEAPORT ALLIANCE

other reports required by this Agreement. Failure to comply may result in delayed reimbursement.

#### 8. COMPLIANCE WITH ALL LAWS

RECIPIENT agrees to comply fully with all applicable federal, state and local laws, orders, regulations, and permits related to this Agreement, including but not limited to:

- a) RECIPIENT agrees to comply with all applicable laws, regulations, and policies of the United States and the State of Washington which affect wages and job safety.
- b) RECIPIENT agrees to be bound by all applicable federal and state laws, regulations, and policies against discrimination.
- c) RECIPIENT certifies full compliance with all applicable state industrial insurance requirements.
- d) RECIPIENT agrees to secure and provide assurance to ECOLOGY that all the necessary approvals and permits required by authorities having jurisdiction over the project are obtained. RECIPIENT must include time in their project timeline for the permit and approval processes.

ECOLOGY shall have the right to immediately terminate for cause this Agreement as provided herein if the RECIPIENT fails to comply with above requirements.

If any provision of this Agreement violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

#### 9. CONFLICT OF INTEREST

RECIPIENT and ECOLOGY agree that any officer, member, agent, or employee, who exercises any function or responsibility in the review, approval, or carrying out of this Agreement, shall not have any personal or financial interest, direct or indirect, nor affect the interest of any corporation, partnership, or association in which he/she is a part, in this Agreement or the proceeds thereof.

#### 10. CONTRACTING FOR GOODS AND SERVICES

RECIPIENT may contract to buy goods or services related to its performance under this Agreement. RECIPIENT shall award all contracts for construction, purchase of goods, equipment, services, and professional architectural and engineering services through a competitive process, if required by State law. RECIPIENT is required to follow procurement procedures that ensure legal, fair, and open competition.

RECIPIENT must have a standard procurement process or follow current state procurement procedures. RECIPIENT may be required to provide written certification that they have followed their standard procurement procedures and applicable state law in awarding contracts under this Agreement.

ECOLOGY reserves the right to inspect and request copies of all procurement documentation, and review procurement practices related to this Agreement. Any costs incurred as a result of procurement practices not in compliance with state procurement law or the RECIPIENT's normal procedures may be disallowed at ECOLOGY's sole discretion.

#### 11. DISPUTES

When there is a dispute with regard to the extent and character of the work, or any other matter related to this Agreement the determination of ECOLOGY will govern, although the RECIPIENT shall have the right to appeal decisions as provided for below:

- a) RECIPIENT notifies the funding program of an appeal request.
- b) Appeal request must be in writing and state the disputed issue(s).
- c) RECIPIENT has the opportunity to be heard and offer evidence in support of its appeal.
- d) ECOLOGY reviews the RECIPIENT's appeal.
- e) ECOLOGY sends a written answer within ten (10) business days, unless more time is needed, after concluding the review. The decision of ECOLOGY from an appeal will be final and conclusive, unless within thirty (30) days from the date of such

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

decision, the RECIPIENT furnishes to the Director of ECOLOGY a written appeal. The decision of the Director or duly authorized representative will be final and conclusive.

The parties agree that this dispute process will precede any action in a judicial or quasi-judicial tribunal.

Appeals of the Director's decision will be brought in the Superior Court of Thurston County. Review of the Director's decision will not be taken to Environmental and Land Use Hearings Office.

Pending final decision of a dispute, the RECIPIENT agrees to proceed diligently with the performance of this Agreement and in accordance with the decision rendered.

Nothing in this Agreement will be construed to limit the parties' choice of another mutually acceptable method, in addition to the dispute resolution procedure outlined above.

## 12. ENVIRONMENTAL DATA STANDARDS

a) RECIPIENT shall prepare a Quality Assurance Project Plan (QAPP) for a project that collects or uses environmental measurement data. RECIPIENTS unsure about whether a QAPP is required for their project shall contact the ECOLOGY Program issuing the grant or loan. If a QAPP is required, the RECIPIENT shall:

- Use ECOLOGY's QAPP Template/Checklist provided by the ECOLOGY, unless ECOLOGY Quality Assurance (QA) officer or the Program QA coordinator instructs otherwise.
- Follow ECOLOGY's Guidelines for Preparing Quality Assurance Project Plans for Environmental Studies, July 2004 (Ecology Publication No. 04-03-030).
- Submit the QAPP to ECOLOGY for review and approval before the start of the work.

b) RECIPIENT shall submit environmental data that was collected on a project to ECOLOGY using the Environmental Information Management system (EIM), unless the ECOLOGY Program instructs otherwise. The RECIPIENT must confirm with ECOLOGY that complete and correct data was successfully loaded into EIM, find instructions at:

<http://www.ecy.wa.gov/eim>.

c) RECIPIENT shall follow ECOLOGY's data standards when Geographic Information System (GIS) data is collected and processed. Guidelines for Creating and Accessing GIS Data are available at:

<https://ecology.wa.gov/Research-Data/Data-resources/Geographic-Information-Systems-GIS/Standards>. RECIPIENT, when requested by ECOLOGY, shall provide copies to ECOLOGY of all final GIS data layers, imagery, related tables, raw data collection files, map products, and all metadata and project documentation.

## 13. GOVERNING LAW

This Agreement will be governed by the laws of the State of Washington, and the venue of any action brought hereunder will be in the Superior Court of Thurston County.

## 14. INDEMNIFICATION

ECOLOGY will in no way be held responsible for payment of salaries, consultant's fees, and other costs related to the project described herein, except as provided in the Scope of Work.

To the extent that the Constitution and laws of the State of Washington permit, each party will indemnify and hold the other harmless from and against any liability for any or all injuries to persons or property arising from the negligent act or omission of that party or that party's agents or employees arising out of this Agreement.

## 15. INDEPENDENT STATUS

The employees, volunteers, or agents of each party who are engaged in the performance of this Agreement will continue to be employees, volunteers, or agents of that party and will not for any purpose be employees, volunteers, or agents of the other party.

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

## 16. KICKBACKS

RECIPIENT is prohibited from inducing by any means any person employed or otherwise involved in this Agreement to give up any part of the compensation to which he/she is otherwise entitled to or receive any fee, commission, or gift in return for award of a subcontract hereunder.

## 17. MINORITY AND WOMEN'S BUSINESS ENTERPRISES (MWBE)

RECIPIENT is encouraged to solicit and recruit, to the extent possible, certified minority-owned (MBE) and women-owned (WBE) businesses in purchases and contracts initiated under this Agreement.

Contract awards or rejections cannot be made based on MWBE participation; however, the RECIPIENT is encouraged to take the following actions, when possible, in any procurement under this Agreement:

- a) Include qualified minority and women's businesses on solicitation lists whenever they are potential sources of goods or services.
- b) Divide the total requirements, when economically feasible, into smaller tasks or quantities, to permit maximum participation by qualified minority and women's businesses.
- c) Establish delivery schedules, where work requirements permit, which will encourage participation of qualified minority and women's businesses.
- d) Use the services and assistance of the Washington State Office of Minority and Women's Business Enterprises (OMWBE) (866-208-1064) and the Office of Minority Business Enterprises of the U.S. Department of Commerce, as appropriate.

## 18. ORDER OF PRECEDENCE

In the event of inconsistency in this Agreement, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order: (a) applicable federal and state statutes and regulations; (b) The Agreement; (c) Scope of Work; (d) Special Terms and Conditions; (e) Any provisions or terms incorporated herein by reference, including the "Administrative Requirements for Recipients of Ecology Grants and Loans"; (f) Ecology Funding Program Guidelines; and (g) General Terms and Conditions.

## 19. PRESENTATION AND PROMOTIONAL MATERIALS

ECOLOGY reserves the right to approve RECIPIENT's communication documents and materials related to the fulfillment of this Agreement:

- a) If requested, RECIPIENT shall provide a draft copy to ECOLOGY for review and approval ten (10) business days prior to production and distribution.
- b) RECIPIENT shall include time for ECOLOGY's review and approval process in their project timeline.
- c) If requested, RECIPIENT shall provide ECOLOGY two (2) final copies and an electronic copy of any tangible products developed.

Copies include any printed materials, and all tangible products developed such as brochures, manuals, pamphlets, videos, audio tapes, CDs, curriculum, posters, media announcements, or gadgets with a message, such as a refrigerator magnet, and any online communications, such as web pages, blogs, and twitter campaigns. If it is not practical to provide a copy, then the RECIPIENT shall provide a description (photographs, drawings, printouts, etc.) that best represents the item.

Any communications intended for public distribution that uses ECOLOGY's logo shall comply with ECOLOGY's graphic requirements and any additional requirements specified in this Agreement. Before the use of ECOLOGY's logo contact ECOLOGY for guidelines.

RECIPIENT shall acknowledge in the communications that funding was provided by ECOLOGY.

## 20. PROGRESS REPORTING

- a) RECIPIENT must satisfactorily demonstrate the timely use of funds by submitting payment requests and progress reports to

Agreement No: AQVWEOGV-1921-NoSeAl-00004  
Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18  
Recipient Name: NORTHWEST SEAPORT ALLIANCE

ECOLOGY. ECOLOGY reserves the right to amend or terminate this Agreement if the RECIPIENT does not document timely use of funds.

- b) RECIPIENT must submit a progress report with each payment request. Payment requests will not be processed without a progress report. ECOLOGY will define the elements and frequency of progress reports.
- c) RECIPIENT shall use ECOLOGY's provided progress report format.
- d) Quarterly progress reports will cover the periods from January 1 through March 31, April 1 through June 30, July 1 through September 30, and October 1 through December 31. Reports shall be submitted within thirty (30) days after the end of the quarter being reported.
- e) RECIPIENT must submit within thirty (30) days of the expiration date of the project, unless an extension has been approved by ECOLOGY, all financial, performance, and other reports required by the Agreement and funding program guidelines. RECIPIENT shall use the ECOLOGY provided closeout report format.

## 21. PROPERTY RIGHTS

- a) Copyrights and Patents. When the RECIPIENT creates any copyrightable materials or invents any patentable property under this Agreement, the RECIPIENT may copyright or patent the same but ECOLOGY retains a royalty free, nonexclusive, and irrevocable license to reproduce, publish, recover, or otherwise use the material(s) or property, and to authorize others to use the same for federal, state, or local government purposes.
- b) Publications. When the RECIPIENT or persons employed by the RECIPIENT use or publish ECOLOGY information; present papers, lectures, or seminars involving information supplied by ECOLOGY; or use logos, reports, maps, or other data in printed reports, signs, brochures, pamphlets, etc., appropriate credit shall be given to ECOLOGY.
- c) Presentation and Promotional Materials. ECOLOGY shall have the right to use or reproduce any printed or graphic materials produced in fulfillment of this Agreement, in any manner ECOLOGY deems appropriate. ECOLOGY shall acknowledge the RECIPIENT as the sole copyright owner in every use or reproduction of the materials.
- d) Tangible Property Rights. ECOLOGY's current edition of "Administrative Requirements for Recipients of Ecology Grants and Loans," shall control the use and disposition of all real and personal property purchased wholly or in part with funds furnished by ECOLOGY in the absence of state and federal statutes, regulations, or policies to the contrary, or upon specific instructions with respect thereto in this Agreement.
- e) Personal Property Furnished by ECOLOGY. When ECOLOGY provides personal property directly to the RECIPIENT for use in performance of the project, it shall be returned to ECOLOGY prior to final payment by ECOLOGY. If said property is lost, stolen, or damaged while in the RECIPIENT's possession, then ECOLOGY shall be reimbursed in cash or by setoff by the RECIPIENT for the fair market value of such property.
- f) Acquisition Projects. The following provisions shall apply if the project covered by this Agreement includes funds for the acquisition of land or facilities:
  - 1. RECIPIENT shall establish that the cost is fair value and reasonable prior to disbursement of funds provided for in this Agreement.
  - 2. RECIPIENT shall provide satisfactory evidence of title or ability to acquire title for each parcel prior to disbursement of funds provided by this Agreement. Such evidence may include title insurance policies, Torrens certificates, or abstracts, and attorney's opinions establishing that the land is free from any impediment, lien, or claim which would impair the uses intended by this Agreement.
- g) Conversions. Regardless of the Agreement expiration date, the RECIPIENT shall not at any time convert any equipment, property, or facility acquired or developed under this Agreement to uses other than those for which assistance was originally approved without prior written approval of ECOLOGY. Such approval may be conditioned upon payment to ECOLOGY of that portion of the proceeds of the sale, lease, or other conversion or encumbrance which monies granted pursuant to this Agreement bear to the total acquisition, purchase, or construction costs of such property.

## 22. RECORDS, AUDITS, AND INSPECTIONS

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

RECIPIENT shall maintain complete program and financial records relating to this Agreement, including any engineering documentation and field inspection reports of all construction work accomplished.

All records shall:

- a) Be kept in a manner which provides an audit trail for all expenditures.
  - b) Be kept in a common file to facilitate audits and inspections.
  - c) Clearly indicate total receipts and expenditures related to this Agreement.
  - d) Be open for audit or inspection by ECOLOGY, or by any duly authorized audit representative of the State of Washington, for a period of at least three (3) years after the final grant payment or loan repayment, or any dispute resolution hereunder.
- RECIPIENT shall provide clarification and make necessary adjustments if any audits or inspections identify discrepancies in the records.

ECOLOGY reserves the right to audit, or have a designated third party audit, applicable records to ensure that the state has been properly invoiced. Any remedies and penalties allowed by law to recover monies determined owed will be enforced. Repetitive instances of incorrect invoicing or inadequate records may be considered cause for termination.

All work performed under this Agreement and any property and equipment purchased shall be made available to ECOLOGY and to any authorized state, federal or local representative for inspection at any time during the course of this Agreement and for at least three (3) years following grant or loan termination or dispute resolution hereunder.

RECIPIENT shall provide right of access to ECOLOGY, or any other authorized representative, at all reasonable times, in order to monitor and evaluate performance, compliance, and any other conditions under this Agreement.

#### 23. RECOVERY OF FUNDS

The right of the RECIPIENT to retain monies received as reimbursement payments is contingent upon satisfactory performance of this Agreement and completion of the work described in the Scope of Work.

All payments to the RECIPIENT are subject to approval and audit by ECOLOGY, and any unauthorized expenditure(s) or unallowable cost charged to this Agreement shall be refunded to ECOLOGY by the RECIPIENT.

RECIPIENT shall refund to ECOLOGY the full amount of any erroneous payment or overpayment under this Agreement.

RECIPIENT shall refund by check payable to ECOLOGY the amount of any such reduction of payments or repayments within thirty (30) days of a written notice. Interest will accrue at the rate of twelve percent (12%) per year from the time ECOLOGY demands repayment of funds.

Any property acquired under this Agreement, at the option of ECOLOGY, may become ECOLOGY's property and the RECIPIENT's liability to repay monies will be reduced by an amount reflecting the fair value of such property.

#### 24. SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

#### 25. STATE ENVIRONMENTAL POLICY ACT (SEPA)

RECIPIENT must demonstrate to ECOLOGY's satisfaction that compliance with the requirements of the State Environmental Policy Act (Chapter 43.21C RCW and Chapter 197-11 WAC) have been or will be met. Any reimbursements are subject to this provision.

#### 26. SUSPENSION

When in the best interest of ECOLOGY, ECOLOGY may at any time, and without cause, suspend this Agreement or any portion thereof for a temporary period by written notice from ECOLOGY to the RECIPIENT. RECIPIENT shall resume performance on the next business day following the suspension period unless another day is specified by ECOLOGY.

Agreement No: AQVWEOGV-1921-NoSeAl-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

## 27. SUSTAINABLE PRACTICES

In order to sustain Washington's natural resources and ecosystems, the RECIPIENT is fully encouraged to implement sustainable practices and to purchase environmentally preferable products under this Agreement.

a) Sustainable practices may include such activities as: use of clean energy, use of double-sided printing, hosting low impact meetings, and setting up recycling and composting programs.

b) Purchasing may include such items as: sustainably produced products and services, EPEAT registered computers and imaging equipment, independently certified green cleaning products, remanufactured toner cartridges, products with reduced packaging, office products that are refillable, rechargeable, and recyclable, 100% post-consumer recycled paper, and toxic free products.

For more suggestions visit ECOLOGY's web page, Green Purchasing,

<https://ecology.wa.gov/Regulations-Permits/Guidance-technical-assistance/Sustainable-purchasing>.

## 28. TERMINATION

### a) For Cause

ECOLOGY may terminate for cause this Agreement with a seven (7) calendar days prior written notification to the RECIPIENT, at the sole discretion of ECOLOGY, for failing to perform an Agreement requirement or for a material breach of any term or condition. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

**Failure to Commence Work.** ECOLOGY reserves the right to terminate this Agreement if RECIPIENT fails to commence work on the project funded within four (4) months after the effective date of this Agreement, or by any date mutually agreed upon in writing for commencement of work, or the time period defined within the Scope of Work.

**Non-Performance.** The obligation of ECOLOGY to the RECIPIENT is contingent upon satisfactory performance by the RECIPIENT of all of its obligations under this Agreement. In the event the RECIPIENT unjustifiably fails, in the opinion of ECOLOGY, to perform any obligation required of it by this Agreement, ECOLOGY may refuse to pay any further funds, terminate in whole or in part this Agreement, and exercise any other rights under this Agreement.

Despite the above, the RECIPIENT shall not be relieved of any liability to ECOLOGY for damages sustained by ECOLOGY and the State of Washington because of any breach of this Agreement by the RECIPIENT. ECOLOGY may withhold payments for the purpose of setoff until such time as the exact amount of damages due ECOLOGY from the RECIPIENT is determined.

### b) For Convenience

ECOLOGY may terminate for convenience this Agreement, in whole or in part, for any reason when it is the best interest of ECOLOGY, with a thirty (30) calendar days prior written notification to the RECIPIENT, except as noted below. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

**Non-Allocation of Funds.** ECOLOGY's ability to make payments is contingent on availability of funding. In the event funding from state, federal or other sources is withdrawn, reduced, or limited in any way after the effective date and prior to the completion or expiration date of this Agreement, ECOLOGY, at its sole discretion, may elect to terminate the Agreement, in whole or part, or renegotiate the Agreement, subject to new funding limitations or conditions. ECOLOGY may also elect to suspend performance of the Agreement until ECOLOGY determines the funding insufficiency is resolved. ECOLOGY may exercise any of these options with no notification or restrictions, although ECOLOGY will make a reasonable attempt to provide notice.

In the event of termination or suspension, ECOLOGY will reimburse eligible costs incurred by the RECIPIENT through the effective date of termination or suspension. Reimbursed costs must be agreed to by ECOLOGY and the RECIPIENT. In no event shall ECOLOGY's reimbursement exceed ECOLOGY's total responsibility under the Agreement and any amendments.

Agreement No: AQVWEOGV-1921-NoSeAI-00004

Project Title: Shore Power for Ocean Going Vessels at NW Seaport Alliance's Terminal 18

Recipient Name: NORTHWEST SEAPORT ALLIANCE

If payments have been discontinued by ECOLOGY due to unavailable funds, the RECIPIENT shall not be obligated to repay monies which had been paid to the RECIPIENT prior to such termination.

RECIPIENT's obligation to continue or complete the work described in this Agreement shall be contingent upon availability of funds by the RECIPIENT's governing body.

c) By Mutual Agreement

ECOLOGY and the RECIPIENT may terminate this Agreement, in whole or in part, at any time, by mutual written agreement.

d) In Event of Termination

All finished or unfinished documents, data studies, surveys, drawings, maps, models, photographs, reports or other materials prepared by the RECIPIENT under this Agreement, at the option of ECOLOGY, will become property of ECOLOGY and the RECIPIENT shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials.

Nothing contained herein shall preclude ECOLOGY from demanding repayment of all funds paid to the RECIPIENT in accordance with Recovery of Funds, identified herein.

29. THIRD PARTY BENEFICIARY

RECIPIENT shall ensure that in all subcontracts entered into by the RECIPIENT pursuant to this Agreement, the state of Washington is named as an express third party beneficiary of such subcontracts with full rights as such.

30. WAIVER

Waiver of a default or breach of any provision of this Agreement is not a waiver of any subsequent default or breach, and will not be construed as a modification of the terms of this Agreement unless stated as such in writing by the authorized representative of ECOLOGY.

End of General Terms and Conditions





Item No: 8D  
Date of Meeting: Sept. 8, 2021

# Terminal 18 Shore Power Grant

Presenter: Graham VanderSchelden, PhD  
Environmental Project Manager II

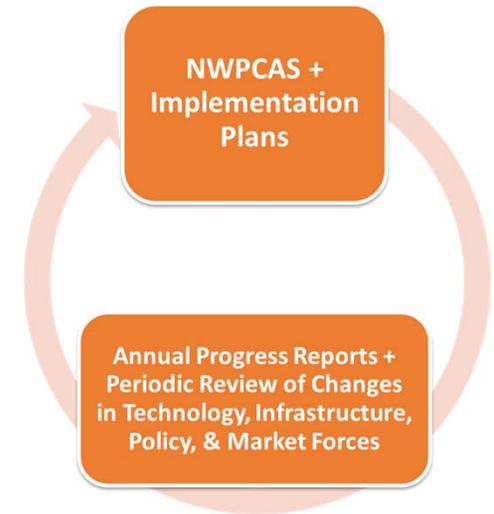
# Project Authorization T-18 Shore Power Grant

**Request Managing Member authorization to accept grant funds in the amount of \$2,000,000 from the Washington State Department of Ecology, through the Federal Volkswagen Settlement Program, to support the installation of shore power infrastructure at Terminal 18.**



# Motivation - NWPCAS

*“Phase out emissions from seaport-related activities by 2050, supporting cleaner air for our local communities and fulfilling our shared responsibility to help limit global temperature rise to 1.5°C.”*



# Motivation – Shore Power Program

- **Aspirational goal:** install shore power at our major container terminals by 2030

	Total Calls	Shore Power Capable Calls	Percentage Shore Power Capable Calls	Hours per Shore Power capable call	Shore Power Capable Hours
Husky	86	67	78%	68	4,574
PCT	103	72	70%	35	2,497
WUT	83	39	47%	53	2,061
<i>Tacoma Harbor</i>	272	178	65%	51	9,132
<b>T-18</b>	<b>398</b>	<b>197</b>	<b>49%</b>	<b>32</b>	<b>6,393</b>
T-30	97	47	48%	30	1,395
<i>Seattle Harbor</i>	495	244	49%	32	7,788
<b>Gateway Total</b>	<b>767</b>	<b>422</b>	<b>55%</b>	<b>40</b>	<b>16,920</b>

	Emission Reduction Potential from 2020 Shore Power Capable Fleet		Emission Reduction Potential if all Vessels Plug In	
	GHG	DPM	GHG	DPM
Husky	3,902	1.26	5,008	1.62
PCT	2,097	0.68	2,999	0.97
WUT	1,755	0.57	3,735	1.21
<i>South Harbor</i>	7,754	2.51	11,742	3.80
<b>T-18</b>	<b>5,215</b>	<b>1.68</b>	<b>10,536</b>	<b>3.40</b>
T-30	1,161	0.37	2,397	0.77
<i>North Harbor</i>	6,376	2.05	12,933	4.17
<b>Gateway Total</b>	<b>14,130</b>	<b>4.56</b>	<b>24,675</b>	<b>7.97</b>

\* When Terminal 5 comes online, some of the benefits attributed to T-18 and T-30 in the table below would be likely realized at T-5 as vessel traffic shifts.

# Grant Description

- **Federal VW Settlement Funding – Ecology**
- **Opportunity was total of \$3.6 million**
  - Max. award: \$2 million per project
- **Award from Ecology = \$2,000,000 max award to support installation of shore power at T-18 @ 75% match**
  - Match means we must spend at least \$6 million in “other funds”, which can be grants
  - We plan to pursue other grants to meet our overall 50% external funding target for the project
- **Staff negotiated the terms of the award to use up to \$1 million for design of the shore power system**
  - Requires 50% match
  - The NWSA would be required to pay Ecology back for any funds spent on design if the project isn't complete by the end of 2026, unless otherwise negotiated

# Risks

- **Grant agreement requires the NWSA to return funds spent on design if the shore power system isn't installed by the end of 2026, unless otherwise agreed to by Ecology and the NWSA.**
- **This introduces the risk in the event that we are not successful in winning additional grant funding.**
  - Not getting additional grant funding could mean:
    - NWSA funds the design of a shore power system that may not get built (returning the grant funds)
    - NWSA funds more than 50% of the project costs, not meeting our internal goal of 50% external funding

# Project Scope

**The scope of work is expected to include the following, subject to modification through planning and design:**

- Planning, design, and specifications for Public Works contracting
- Project and construction management
- Installation of major electrical equipment such as transformers, switchgear assemblies, power factor correction components, conduit, and wiring
- SCL line upgrades
- Upgrades to “service entry” electrical equipment
- Civil work, including installation of vaults in the wharf to accommodate shore power gear
- Inspection, testing, permitting, and commissioning



# Schedule and Financial Implications

## Financial Implications

- The CIP currently includes \$27.6 million for this project. The cost estimate will be refined as part of the design process and updates to the CIP will be proposed accordingly.

## Estimated Schedule

Planning	Q4 2021
Design	Q1 2022 – Q2 2023
Construction (tentative)	Q1 2024 – Q4 2026

# Funding Strategy

- Significant external funding will be needed to move forward with construction
  - A minimum of \$12 million is needed to meet our 50% external funding target
- Large federal grants appear to be best opportunity
  - PIDP
  - RAISE
  - Infrastructure package?
- Package T-18 shore power with other T-18 capital improvements to apply to large grants with joint economic development and environmental angles



# Questions?

**Request Managing Member authorization to accept grant funds in the amount of \$2,000,000 from the Washington State Department of Ecology, through the Federal Volkswagen Settlement Program, to support the installation of shore power infrastructure at Terminal 18.**

