



Staff Report Item 10

TO: East Bay Community Energy Board of Directors

FROM: Jessie Denver, Senior Distributed Energy Resources Program Manager -
Transportation Electrification and Energy Resilience

SUBJECT: Adopt a Resolution Authorizing the CEO to execute a
Consulting Services Agreement with CALSTART

DATE: September 22, 2021

Recommendation

Adopt a Resolution authorizing the CEO to negotiate and execute a two-year Consulting Services Agreement with CALSTART to conduct services necessary to assist with completion of a Zero-emissions Medium and Heavy-duty Goods Movement Blueprint for East Bay Community Energy's service area, with compensation not to exceed \$200,000.

Background and Discussion

California is the largest gateway for international trade and domestic commerce in the U.S., with an interconnected system of ports, highways, and roads that allow freight from around the world to move nationwide. EBCE's service area plays a significant role in this economy as an important logistics hub and home to one of the busiest container ports in the country, the Port of Oakland. Additionally, 1.5 million tons of air freight move through Oakland International Airport annually to warehouses throughout Alameda, the City of Tracy in neighboring San Joaquin County, and beyond.

Within EBCE's service area a network of interstates and highways move this freight to regional, state, and national markets. These include I-5, I-80, I-580, I-680, I-880 and I-980 each of which are among the most heavily used roadways in the nine county San Francisco Bay Area. Although freight trucks and delivery vans represent a small share of all vehicles on the road, they contribute to a disproportionate share of fuel consumption, greenhouse gas ("GHG") emissions and air pollution. As a

result, residents living along freight corridors in Alameda and San Joaquin counties are exposed to some of the highest levels of air pollutants in the state, including toxic diesel particulate matter.¹

EBCE's Local Development Business Plan prioritizes development of partnerships, projects, and programs that will curb freight emissions in its service area and contribute to meeting the state's goals. To that end, in 2020, the California Energy Commission ("CEC") issued a grant funding opportunity entitled "Blueprints for Medium- and Heavy-Duty Zero-Emission Vehicle Infrastructure," under the CEC's Clean Transportation Program. In response EBCE submitted a grant proposal with its project partner CALSTART, which was awarded in April 2021.

CALSTART is a nonprofit organization recognized nationally and internationally for its industry leading medium and heavy-duty ("M/HD") market and zero-emission ("ZE") technology expertise. CALSTART is also the administrator of all of California's major M/HD incentive programs: The Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project ("HVIP"); the Clean Off-Road Equipment Voucher Incentive Project ("CORE"); and the new EnergIZE Commercial Vehicles program (energy infrastructure incentives for ZE commercial vehicles).

The goal of this CEC grant funded project is to develop a ZE M/HD Goods Movement Blueprint document ("M/HD Blueprint"), which includes the entirety of EBCE's service area, in support of a faster adoption of ZE M/HD goods movement vehicles. EBCE's M/HD Blueprint will serve as a dynamic and iterative process that when fully implemented, will establish its service area as a first successful "beachhead" market for ZE Class 3-6, or medium-duty, goods movement vehicles by 2030. It will also engage key stakeholders and develop actions necessary to scale the charging infrastructure investment and workforce needed to enable the transition of ZE Class 7-8, or heavy-duty, goods movement vehicles required by 2040. Finally, EBCE and CALSTART will create an economical approach to planning for ZE M/HD goods movement that is replicable statewide. The M/HD Blueprint is the pathway to establishing EBCE's service area as a first mover market for ZE goods, through fiscally responsible and sustainable changes in five strategic areas of opportunity: vehicles, infrastructure, financing, workforce development, and community benefits.

The objectives of this grant funded project are to investigate the details of the M/HD goods movement ecosystem in EBCE's service area. Multiple data sources will be leveraged to identify key statistics about vehicles including but not limited to the number of Class 3-8 vehicles by fuel type, vocation, vehicle type, model year, vehicle class and size, and domicile locations. This data will be mapped and include an overlay of disadvantaged and low-income community boundaries and will also identify the industry vehicles are being utilized by. This will inform how and where vehicles may charge, and opportunities and constraints that could accelerate or limit ZE vehicle adoption in the near-, mid- and long-term. The data analysis will be supported by surveys and interviews with fleet operators, fleet users, individual drivers, and other

applicable stakeholders (e.g. local government, supply chain, financing, and workforce). The collective results of the analysis will enable the development of draft Blueprint strategies and actions by EBCE and CALSTART. All Blueprint strategies and actions will be developed to benefit vulnerable communities. The outcome of these deliverables will be presented to a diverse Stakeholder Guidance Committee (“SGC”). The SGC will review the proposed Blueprint strategies and actions and provide feedback to ensure a transparent and inclusive process. EBCE and CALSTART will develop addressable vehicle segment goals (% of vehicles electrified by 2030, 2040) based on California Air Resources Board data and recently published CALSTART cost parity data, and present recommendations to the SGC for consideration and approval. Across each of the five areas of opportunity the EBCE and CALSTART will follow the framework below:

- Establish a baseline
- Forecast future need
- Assess solution readiness (technology, financing, workforce)
- Evaluate stakeholder benefits
- Identify priorities

Approval of this Resolution will allow EBCE and CALSTART to develop a comprehensive Blueprint that will guide the transition to ZE M/HD goods movement vehicles in Alameda and San Joaquin counties.

Fiscal Impact

The total value of this contract is not to exceed \$200,000. All program costs will be funded through the CEC grant award to EBCE.

Attachment

A. Resolution authorizing the CEO to Negotiate and Execute a Consulting Services Agreement with CALSTART

RESOLUTION NO.
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CHIEF
EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH CALSTART
TO ASSIST EAST BAY COMMUNITY ENERGY WITH DEVELOPMENT OF A ZERO
EMISSION MEDIUM AND HEAVY-DUTY GOODS MOVEMENT BLUEPRINT

WHEREAS The East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, Under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the JPA in March of 2020.

WHEREAS the climate change crisis is happening now and California’s long-term economic resilience requires bold action to eliminate emissions from transportation, which is the largest source of emissions in the State;

WHEREAS In July of 2018, the Board approved the Local Development Business Plan (“LDBP”) which identifies a series of actions to combat climate change, including transportation and goods movement electrification in EBCE’s service area;

WHEREAS In June of 2020, State of California adopted the Advanced Clean Truck rule, the most ambitious zero-emission medium and heavy-duty commercial truck policy in the world;

WHEREAS In September of 2020, Governor Newsom issued Executive Order N-79-20, which established the State’s goal that 100 percent of medium and heavy-duty vehicles produce zero-emissions by 2045, for all operations where feasible, and by 2035 for drayage trucks;

WHEREAS medium and heavy-duty commercial freight trucks and delivery vans represent a small share of all vehicles on the road, but they contribute to a disproportionate share of fuel consumption, greenhouse gas emissions and air pollution;

WHEREAS Supporting market transformation of zero-emission medium and heavy-duty goods movement vehicles and charging infrastructure is critical to achieving the State’s goals, improving local air quality and the economy, and increasing EBCE load;

WHEREAS EBCE desires to enter into a contract with CALSTART, to assist with the development of a zero-emission medium and heavy-duty goods movement blueprint funded through a California Energy Commission grant award; and

WHEREAS, CALSTART was EBCE's primary project partner in the California Energy Commission grant proposal, is familiar with the ecosystem of medium and heavy-duty goods movement vehicles in EBCE's service area, and is the only provider capable of helping EBCE perform the tasks required to achieve the goals of the grant award.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Directors hereby finds that the services needed by EBCE to establish its service area as a first-mover market for medium and heavy-duty zero-emission commercial vehicles are uniquely available from CALSTART, and that it is in the best interest of EBCE to dispense with the competitive solicitation process to enter into an agreement with CALSTART, to provide such services.

Section 2. The CEO is hereby authorized to negotiate and execute a Consulting Services Agreement with CALSTART, to assist EBCE with development of a zero-emission medium and heavy-duty goods movement blueprint, in accordance with the grant award to EBCE from the California Energy Commission, that shall be effective for a term of two years, and that shall not exceed \$200,000 in total compensation.

ADOPTED AND APPROVED this 22nd day of September, 2021.

Dianne Martinez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board