



AGENDA REPORT

Economic Development
Port

DATE:	April 15, 2025
TO:	Mayor Martinez and Members of the City Council
FROM:	Nannette Beacham, Director of Economic Development Charles Gerard, Port Director Lizeht Zepeda, Senior Business Assistance Officer Kyle Lam, Management Analyst
Subject:	Grant Funding from the Bay Area Air Quality Management District (BAAQMD)
FINANCIAL IMPACT:	The amendment increases the existing grant by \$1,599,500, bringing the total funding from the Bay Area Air Quality Management District (BAAQMD) to \$2,602,750.
	November 15, 2022
STATEMENT OF THE ISSUE:	City staff seeks authorization to accept and appropriate additional grant funding from the BAAQMD to support the installation of grid-based shore power at the Port of Richmond, reducing emissions and aligning with state environmental regulations.
RECOMMENDED ACTION:	ADOPT a resolution to ACCEPT and APPROPRIATE the \$1,599,500 grant award from the Bay Area Air Quality Management District (BAAQMD) to the City of Richmond's Port Division – Economic Development Department (Nannette Beacham 510-621-1306/Charles Gerard 510-620-6792/Lizeht Zepeda 510-620-6653/Kyle Lam 510-620-6802).

DISCUSSION:

Background

On November 15, 2022, the City Council accepted and appropriated a \$1,003,250 grant award from the Bay Area Air Quality Management District (BAAQMD) for a project to reduce emissions by installing grid-based shore-side power at Berths 7 and 8 at the Point Potrero Marine Terminal (PPMT) in the Port of Richmond (Attachment 1).

The project consists of purchasing and installing major infrastructure for shore power at Berths 7 and 8. These deep-water berths are currently active with the Port tenant, Auto Warehousing Company (AWC). AWC performs logistics functions, specifically handling imported automobiles from Japan. AWC receives one to two vessels per week for their roll-on/roll-off (RORO) operations, employing over 100 local union jobs when vessels are berthed at the Port of Richmond.

The installation of shore power will reduce diesel emissions from marine vessels while docked. Once installed, providing electrical power from the shore to a ship will allow the vessel's auxiliary engines to be turned off, eliminating the burning of fuel-based hydrocarbons.

The funding originates from the State's Volkswagen Mitigation Trust Fund Zero-Emission Freight and Marine Program grant. The Volkswagen Environmental Mitigation Trust was established as part of a settlement reached between the United States District Court for the Northern District of California and Volkswagen for VW's use of illegal diesel vehicles.

The Bay Area Air Quality Management District (BAAQMD) is administering the grant. The Zero-Emission Freight and Marine Program (Program) provides funding for replacing airport ground support equipment (GSE), forklifts, and port cargo handling equipment (CHE), repowering marine engines to zero emissions, and installing shore power at berths in Regulated California Waters.

On May 28, 2021, the Port affirmed it is an eligible applicant under the Program for shore power installation. The Air District confirmed the City's eligibility for Program funding based on cost-effectiveness, Program Guidance, and the information provided in the City's application. As part of the requirements, the City entered into a grant agreement with BAAQMD in July 2022.

By January 1, 2025, the California Air Resources Board required that roll-on/roll-off vessels implement measures to reduce nitrogen oxides (NOx), reactive organic gases (ROG), particulate matter (PM), diesel particulate matter (DPM), and greenhouse gas (GHG) emissions while docked at berth. These funds will help the Port meet this requirement.

In 2023, the Port issued a Request for Proposals (RFP) through the City's Bids Online System. As a result of this solicitation, in 2024, the Port selected Rosendin Electric, Inc. to finalize the design of the shore power system and coordinate with vendors to procure specialized equipment. The contract with Rosendin Electric, Inc. allows the Port to comply with the grant requirements and advances the project to reduce emissions.

Next Steps and Recommended Action

The Port of Richmond seeks City Council approval to adopt a resolution to accept and appropriate an additional \$1,599,500 in grant funding from BAAQMD, bringing the total grant to \$2,602,750 (Attachment 2). Upon approval, the Port Director or their designee will execute the grant agreement amendment (Attachment 3).

SYNERGISTIC POLICIES:

City Council Goals and Priorities - Strategic Goal Area 2.5: Revitalization of the Port.
This grant amendment will help innovate the Port.

DOCUMENTS ATTACHED:

Attachment 1 – Original Grant Agreement

Attachment 2 – Resolution

Attachment 3 – First Amendment to the Grant Agreement