



Engineering, Operations, & Technology Committee

Report on U.S. Environmental Protection Agency
Climate Pollution Reduction Grant Memorandum
of Agreement with Coalition Members to fund
proposed Targeted Zero-Emission Vehicles
and Infrastructure for Water Utilities Program

Item 6c

June 10, 2024

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Overview of Report

Subject

Report on U.S. Environmental Protection Agency (EPA) Climate Pollution Reduction Grant Memorandum of Agreement with Coalition Members

Purpose

Provide update on grant funding opportunity for Zero-Emission Vehicles (ZEVs) and Infrastructure for Water Utilities Program

Next Steps

Awaiting grant award notification

2024 Climate Pollution Reduction Grant Overview

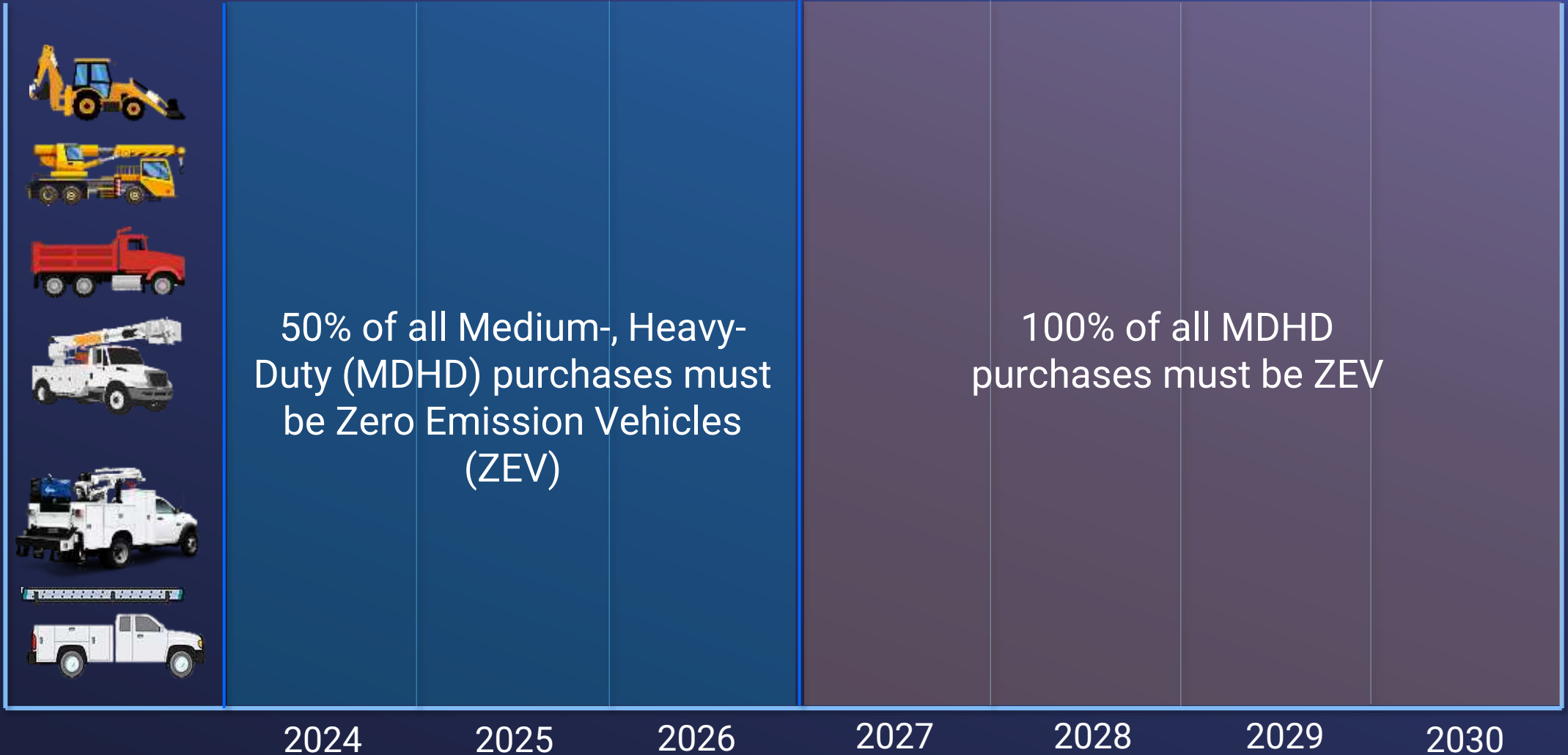
- Authorized by the Inflation Reduction Act
- January 2024: EPA released Notice of Funding Announcement
- April 1, 2024: Application due
- \$4.6 B in funding available
- Grant awards in the amount of \$2 M to \$500 M
- No match requirements
- October 1, 2024: Work start date
- Up to five years to implement the program

2024 Climate Pollution Reduction Grant Requirements

- Support the goals of local or state's Priority Climate Action Plans created with EPA planning grant funds
- Green House Gas (GHG) emission reductions
- Justice40 – Climate & Economic Justice Screening Tool or Climate Justice Screen from EPA
 - Metropolitan's service area is 37.5 percent disadvantaged
- Outreach to disadvantaged communities

California Regulatory Timeline & Impacts to Fleet Vehicles

Medium Duty, Heavy-Duty & Construction



Diverse Pool of Fleet Assets

Heavy-Duty
177

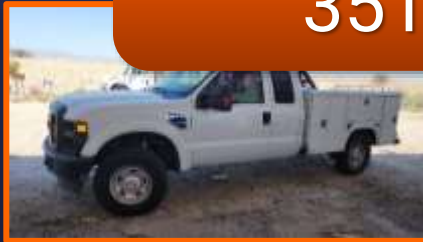


Medium-Duty
351



Fleet Vehicles

Construction
73



Light Duty
377



Unique Coalition Approach

- March 2024: Invitation to join coalition sent to all Metropolitan member agencies
- Coalition structure with ten other water utilities & Metropolitan as the lead applicant



Scope of Program

- Marginal cost of 440 medium-duty & heavy-duty trucks
- GHG emission reduction: over 41,000 MT CO₂e through 2045
- Metropolitan staff capacity
- Training & education
- Monitoring & evaluation
- Final report with details for a reproducible program

Proposed Coalition Program Grant Funding Requested

Budget Item

440 ZEVs marginal cost	\$35,494,207
Chargers cost & installation	0
Personnel - Metropolitan fleet, engineering & outreach staff	5,028,299
Personnel fringe benefits	3,997,498
Travel - audits, site inspections, outreach events & conferences	386,794
Supplies	25,000
Contractual - consultant to manage reimbursements, track performance & compile data for final report	3,676,340
Total	\$48,608,138

ZEVs for Water Utilities Program

Program Benefits

- GHG emission reduction for the residents of the Coalition
- Reimbursement of marginal cost of medium & heavy-duty vehicles
 - 280 vehicles ~ \$20 M for Metropolitan
- Creation of a regional ZEVs workgroup
- Funding to support the purchase of the vehicles, training, tracking & infrastructure development
- Provides a pioneering, replicable & scalable model

Environmental
Protection Agency
CPRG Proposed
Program

Next Steps

- Submit a Coalition Memorandum of Agreement to EPA by July 1, 2024
- Award announcement expected by September 2024
- Board approval to enter into agreement with EPA & accept funds, if awarded

