

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA – STAFF BRIEFING

Item No. 7c
Date of Meeting May 24, 2011

DATE: May 17, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: Dave Soike, Director, Aviation Facilities and Capital Program
Wayne Grotheer, Director, Aviation Project Management Group

SUBJECT: Briefing of the Electrified Ground Support Equipment (EGSE) Project at Seattle-Tacoma International Airport (Airport)

BACKGROUND:

The Airport is moving forward with the EGSE project with the goal to replace fossil fueled GSE with battery powered equipment. There are currently approximately 650 individual pieces of fossil fueled GSE at the airport that will potentially be replaced. An airline consortium agreement is being negotiated for operation and management of the electrified fleet by a third party, from whom the airlines will lease the GSE. The consortium will maintain the GSE and supporting infrastructure for an estimated twenty years, at which time the airlines may purchase the electrified GSE for its remaining book value. The consortium agreement will be brought to Commission for approval prior to staff obligating any funds.

The Port has obtained a U. S. Department of Energy (USDOE) grant through the Clean Cities Coalition in the amount of up to \$5 million, which will be used to pay for the price difference between conventional GSE and the EGSE. Staff is also attempting to obtain additional Voluntary Airport Low Emissions (VALE) grants from the Federal Aviation Administration (FAA) to pay for part of the infrastructure costs. The USDOE grant must be obligated by December 12, 2011; therefore, staff intends to solicit pricing for the EGSE and use the USDOE grant funds as a down payment for EGSE that is ordered before the grant deadlines. Legal staff has determined that a down payment for equipment is appropriate. The grant funds will only be used to pay for the difference between fossil fuel equipment and battery powered equipment. Although we plan to order the EGSE this year, delivery of the EGSE will occur over the next two years as the infrastructure is installed. The Request for Quotes for the rolling stock will be issued within the next month and the total value could be as much as \$30 million, depending upon airline participation.

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The total project consists of five basic procurements: rolling stock, charging units, electrical meters, long lead electrical equipment, and major construction to install all the infrastructure components and upgrade power capacity where needed. The total costs of this project will depend upon participation by the airlines, but could be as much as \$50 million if there is 100 percent participation. Staff will return to the Commission to request authorization of the Port agreement with the consortium, purchase of rolling stock and chargers, and the remaining design and construction funds.

COST SUMMARY (Total Project):

| | |
|--|-------------------|
| Rolling Stock (lease to consortium) | \$ 30 M |
| Electric Chargers (terminal rates and charges) | \$ 8 M |
| Infrastructure (terminal rates and charges) | \$ 7 M |
| Electrical Load Center Upgrades (terminal rates and charges) | <u>\$ 5 M</u> |
| Subtotal | \$ 50 M |
| Rolling Stock Grant | \$ 5 M |
| Potential Charger/Infrastructure Grant | \$ 7-9 M |
| Estimated Maximum Net Port/Airline Costs | \$ 36-38 M |

OTHER DOCUMENTS ASSOCIATED WITH THIS BRIEFING:

PowerPoint presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

On October 26, 2010, the Commission authorized \$1,151,000 for preliminary design, necessary contracts, and work by Port staff to begin to implement the ultimate project; pre-purchase specialized equipment and materials through competitive bid processes; and to authorize PCS to perform Regulated Materials Management (RMM) investigations and self perform necessary associated work.

On September 28, 2010, the Commission was briefed on the 2011 capital budget that included the above-mentioned EGSE projects.

On September 8, 2005, the Commission was briefed on the benefit of changing from fossil-fuel based GSE vehicles to EGSE based vehicles at Seattle-Tacoma International Airport.