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Contact: Mark Schrupp
Email: mschrupp@portdetroit.com
Phone: (313) 318-9642

DETROIT/ WAYNE COUNTY PORT AUTHORITY

EPA Announces \$24.9 million in funding for the Detroit/Wayne County Port Authority for electric port equipment & planning for zero emission fuels and job readiness

(Detroit) – The United States Environmental Protection Agency (EPA) has announced that the Detroit/Wayne County Port Authority will receive over \$21.9 million under its Zero-Emission Technology Deployment program to cut air pollution from equipment operating at port terminals and docks. The grant will fund a portion of the acquisition costs of battery-electric forklift trucks, cranes, rail car movers, boats and motors, as well as the installation of charging equipment and solar panels in the Port. The new equipment will replace gas and diesel-powered equipment, accelerate the reduction in carbon emissions and improve air quality in southwest Detroit, Ecorse and River Rouge, areas with the poorest air quality in the State of Michigan.

In addition, the Port Authority will receive a second grant of \$3 million to develop plans to transition fuel for port operations to hydrogen and green methanol, educating and training workers for this new technology, and to study the feasibility of a zero-emission fuel cell barge to power ships while docked. The funding comes from the Biden-Harris administration's Inflation Reduction Act and the EPA's Clean Ports Program.

Three privately owned port terminals will be the primary beneficiaries of the equipment grant and will provide matching funds totaling over \$3.2 million. In addition, the City of Detroit's Harbormaster and the Wayne County Sheriff Marine Division will each receive a new patrol boat and four outboard motors – all electric. The grant funds will also support the installation of DC fast chargers and related electrical infrastructure at each site. All construction work will be performed by union represented workers, including the International Brotherhood of Electrical Workers, Local 58. The grant will fund community engagement, education about new technology jobs and recruit new workers living within Southwest Detroit and the port region. See Attached Summary.

Port Authority Executive Director Mark Schrupp heralded the news, stating "This funding will help us achieve our goal of reaching net-zero carbon emissions by 2040 and improving air quality for workers, residents and visitors to this region, who have been fighting for cleaner air for decades." Port Authority Board Chairman, Jonathan C. Kinloch stated, "The Biden-Harris administration has taken bold action to reduce carbon emissions and improve air quality through the EPA's Clean Ports Program; and the Detroit/Wayne County Port Authority is honored to receive this funding and begin the transformation of Port operations toward zero emissions, while at the same time ensuring local residents are well-trained and included in the jobs of the future."

Southwest Detroit Environmental Vision (SDEV) will lead the Port Authority's effort to engage with community members, recruit and educate workers, and ensure the environmental justice goals of the grants are fulfilled. Raquel Garcia, SDEV's Executive Director stated, "We are excited to partner with the Port Authority and support these projects. Community members are equally excited. The planning for zero emission fuels and equipment replacements will result in the measurable removal of emissions and improvement of air quality for the region. These projects will educate and prepare workers and businesses for clean energy equipment and technology that is coming. The Southwest Detroit Environmental Vision team is excited to support these projects!"

Michigan Clean Cities (MICC) with NextEnergy will provide technical support regarding zero-emission equipment procurement, operation and decommissioning activities. MICC's Director, Maggie Striz-Calnin, stated, "MICC brings knowledge and connections on clean transportation best practices through our ties with the U.S. Department of Energy's Clean Cities and Communities partnership and our affiliate – NextEnergy, each bringing over 20 years of experience in clean transportation energy innovation. This project follows our collaboration with the Port Authority as they developed their Port Decarbonization Plan, published this summer. These activities will also build on our collective work toward alternative fuel and electric vehicle corridor development that is responsive to community priorities."

Nicholson Terminal and Dock Company will receive six battery-electric forklift trucks that will be used to move steel coils weighing up to 60,000 pounds. Nicholson's Director of Operations, Pat Sutka, stated "EPA is providing essential funding to allow us to invest in equipment that produces zero emissions and will improve air quality on the dock. We look forward to training our union workforce to operate and maintain this new equipment."

Waterfront Petroleum Terminal Company CEO Harry Warner said "This grant will support our ongoing efforts to decarbonize the movement of fuel and bulk cargo. We value the Port Authority's leadership and look forward to implementing this grant." Waterfront will receive a range of electric port equipment, including a rail car mover and a mobile gantry crane.

"Holcim is honored to be part of this EPA grant award through the Detroit/Wayne County Port Authority," said Jared Stull, vice president of Integrated Supply Chain at Holcim. "We share a strong commitment with our valued partner the Port Authority to lower our carbon emissions, not only at our Detroit Terminal but across all our operations. Through the grant, we'll acquire EV equipment to be used at our Detroit Terminal, taking one more step to lower our carbon footprint at the site and for the Detroit Port."

The American Bureau of Shipping will lead the research and planning for a zero-emission charging barge to power ships while unloading in the port. Bruce Baffer, ABS Senior Vice President, Global Government, said: "This project will make a significant contribution to the decarbonization of the Port of Detroit and show the way towards more sustainable operations for the entire U.S. port sector through electrification. ABS is proud to be able to use our deep sector insight to support this innovative project and we look forward to working with our project partners to develop a solution that both reduces emissions and advances safety."

The City of Detroit, which funds a portion of the annual operating costs of the Port Authority, provided significant support for the preparation of the grant application. Mayor Mike Duggan said, "Detroit is becoming a leader in clean energy and this grant award from the EPA will make a huge impact on our Port Authority's journey toward zero emissions. The City is deeply appreciative of the Biden-Harris administration for the award as well as our project partners at the Port Authority, Southwest Detroit Environmental Vision, Michigan Clean Cities, and Gov. Whitmer's team in the Michigan Infrastructure Office."

The Detroit/Wayne County Port Authority is a public entity formed by the City of Detroit and Wayne County in 1978 with a mission to promote maritime trade and economic development. Over 8 million tons of cargo passes through the Port of Detroit annually, supporting over 9,000 local direct jobs and over \$900 million in economic activity. For more information on the Port Authority's Port of Detroit Decarbonization and Air Quality Improvement Plan visit: <https://portdetroit.com/decarbonization-project-1>

The Port Authority's grants announced today are part of the EPA's Clean Ports Program, which announced grant awards totaling \$3 billion today. See: <https://www.epa.gov/ports-initiative/clean-ports-program-selections>

Summary of EPA Clean Ports Grants Awarded to the Detroit/Wayne County Port Authority

1. \$21.9 Million Clean Ports: Zero-Emission Equipment Deployment

Building on its recently adopted Port of Detroit Decarbonization and Air Quality Improvement Plan (Port Decarbonization Plan), the Detroit/Wayne County Port Authority (Port Authority) submitted its ***Clean Haul Michigan: Decarbonizing Port Operations in Southwest Detroit*** application to the Environmental Protection Agency under its *Clean Ports Zero-Emission Technology Deployment Competition*, seeking \$21.9 million to replace carbon-emitting port equipment, vehicles and vessels with zero-carbon, battery-electric replacements. The Application was truly a coalition effort, with support from the State of Michigan, the City of Detroit, community and environmental organizations and three marine cargo terminals operating in the Port of Detroit, as well as two marine police agencies. The award will further the Port Authority's and EPA's goals of reducing carbon emissions, immediately addressing air quality and historical environmental injustices for the communities in and near the port and supporting job training and economic development for disadvantaged communities.

A. What the Funding Will Support

The total project cost is \$25,168,616, representing a grant of \$21,905,782 and a local investment of \$3,262,835. Below is a summary of the project costs:

New Equipment: \$15,080,445

- 1 Mobile gantry crane
- 3 heavy duty forklift trucks
- 5 medium duty forklift trucks
- 2 light duty forklift trucks
- 1 electric boom-lift
- 1 electric gator
- 2 electric patrol boats
- 8 electric outboard motors
- 1 solar array (316kW)

Charging Equipment and Installation: \$6,334,749

11 DC fast chargers

Engineering, construction and project management

Pre-apprentice training

Personnel: \$1,240,905

Environmental engineering, compliance, accounting and management

Supportive Services: \$2,512,517

Community engagement

Workforce training and development

Technical advisory services

B. Project Site Summary

Nicholson Terminal Project: Nicholson Terminal & Dock Co., located at 360 E. Great Lakes St. in Ecorse, MI, is the only general cargo dock within the Port of Detroit, providing general cargo, stevedoring, warehouse storage and drydock services vital to Detroit manufacturing. It receives steel coils, heavy equipment and large project cargo that are needed for automobile production. The project will replace six of Nicholson's heavy and medium duty forklift trucks, which move steel coils weighing as much as 60,000 pounds. Three DC fast chargers and related electrical upgrades will also be installed. Nicholson is a member of the Decarbonization Plan's Low Carbon Port Committee.

Waterfront Terminal Project: Waterfront Petroleum Terminals, located at 5431 W. Jefferson in Detroit, is one of only two US fueling locations in the western Great Lakes, supplying over 30% of all fuel consumed by merchant marine and military ships sailing the Great Lakes. It also supplies liquid asphalt cement for road construction and roofing projects. The project will replace a forklift and terminal tractor with battery electric equivalents; add a boom-lift; a rail car mover and a mobile gantry crane to support more efficient cargo movement. The project will occur at its primary location and at rail-yard space on Zug Island, a mile away. Waterfront is a member of Green Marine, an international certification program that sets standards for decarbonization and environmental stewardship in maritime operations, and an active member of the Low Carbon Port Committee.

Holcim Terminal Project: Holcim USA, Inc., located at 1301 Springwells Ct. in Detroit, is one of the largest cement and building products companies in the world and its Detroit terminal provides supplies for local building and road projects. The project will replace three forklift trucks, replace a rail car mover and two DC fast chargers. In addition, Holcim will add a one-acre 316kW solar array to charge its equipment. Holcim has developed a robust company-wide sustainability plan that focuses on reducing the carbon footprint of its product lines as well as its logistics operations. Holcim is an active member of the Low Carbon Port Committee.

Wayne County Sheriff – Marine Division and Detroit Harbormaster: Serving as the critical local law enforcement agencies for the ports, the Sheriff and Harbormaster coordinate services to ensure the efficient flow of cargo through the port and safety for all operations. Patrol boats are used to manage water traffic and provide search and rescue services. Each agency will receive a new patrol boat equipped with an inboard 126kW electric motor, and two 225kW and two 90kW outboard motors to replace gas equivalents.

C. Supportive Services: Community Engagement, Workforce and Economic Development

The Port Authority has partnered with Southwest Detroit Environmental Vision (SDEV) whose mission is to improve the environment and strengthen the economy of Southwest Detroit through a partnership with residents, community organizations, government agencies, schools, businesses, and industry leaders to combat negative environmental issues. SDEV has extensive experience working with the Port Authority on the Decarbonization Plan, developing clean diesel initiatives, and overseeing community engagement on development projects in Southwest Detroit. SDEV will provide community engagement services focused on workforce development training and neighborhood hiring initiatives, small and diverse business networking, and hosting community updates by working with the Port Authority and the private terminal operators on implementation of the grant. SDEV has previously received more than \$6.5 million directly from US EPA for clean diesel projects in Southwest Detroit.

D. Supportive Services: Technical Advisory

Michigan Clean Cities (MICC), a non-profit whose mission is to help Michigan based companies meet their goals in adopting clean transportation solutions, will provide technical advisory services to the Port Authority and to each of the project partners throughout design and implementation. This includes developing specifications for equipment and charging infrastructure, supporting bid evaluation, and assisting with deployment. MICC's affiliate, NextEnergy, is a significant contributor to this technical assistance.

E. Project Labor Agreement/Workforce Development

The Port Authority will enter into a Project Labor Agreement (PLA) with the local building trades association to ensure a ready supply of highly qualified union workers for installation of charging equipment and electrical upgrades. The PLA will also include preferences for local union workers for this project and a pre-apprentice program to recruit and accelerate local youth through a training program that advances them into union apprentice positions. SDEV will lead neighborhood outreach around job opportunities from the port partners, identify neighborhood employment seekers, and develop in collaboration with the port partners appropriate community-based training programs based upon those identified skill gaps.

F. Project Timeline

The project will begin in early 2025 with construction and procurement of equipment beginning in late 2025. Completion of construction and deployment of equipment is planned for 2027.

2. \$3 million EPA Clean Ports: Climate and Air Quality Planning

The Port Authority also submitted its *Port of Detroit: Planning for Zero Emissions, Clean Air and Great Jobs* application to the EPA's Clean Ports Air Quality Planning program and was awarded \$3 million to support three areas of planning. Below is a summary.

A. Port Power Barge Feasibility and Planning.

In collaboration with the American Bureau of Shipping (ABS), which has led marine and offshore energy innovation, development of vessel standards for over 150 years, will undertake a study on the feasibility of deploying a zero-emission barge to provide between 6 to 15 megawatts of power of clean electricity (from hydrogen or green methanol) for cargo ships unloading within the Port of Detroit. The eighteen (18) Port of Detroit terminals that handle over 8 million tons of cargo annually are spread over a wide area and each handles an average of less than 15 ships during the 9-month shipping season. These ships primarily unload bulk and liquid cargo using on-board engines and generators fueled by diesel or heavy fuel oil and emit over 8,400 tons of carbon annually. The study will include a determination of the equipment modifications on the ships serving the port and the cost thereof. If feasible, the zero-emission mobile power barge concept can be deployed in other Great Lakes ports, most of which handle similar cargo hauled by the same fleet of cargo ships. The Port Authority also plans to engage the University of Michigan's Department of Naval Architecture and Marine Engineering within the College of Engineering to provide additional expertise for the project.

B. Planning for Hydrogen Fuel for Port Equipment and Trucks

This planning activity will be led by Southwest Detroit Environmental Vision and Michigan Clean Cities (MICC) and will develop an innovative plan for zero emission hydrogen fueling for medium- and heavy-duty vehicles and equipment (MHDV) at port related facilities supporting key freight corridors. This H2 plan compliments a recently awarded grant to the Midwest Alliance for Clean Energy (MachH2). MachH2 is one of seven regional groups selected by the Department of Energy to implement the \$7 billion Regional Clean Hydrogen Hub program to develop a complete clean hydrogen supply chain – generation, distribution, storage and utilization. Two projects included in the MachH2 grant are located in southeast Michigan, one of which will be in the Port of Detroit area. As an Alliance Member, the Port Authority seeks to lead in the development of demand for hydrogen in the port region to replace current diesel fuel usage, by encouraging and supporting port terminals in the adoption of hydrogen fuel cell equipment for moving the 10 million tons of heavy bulk and liquid cargo that comes through the port each year.

MICC, SDEV and the Port Authority will ensure that the planning will be aligned federal Justice40 Initiative and environmental justice, with an innovative regional and multi-stakeholder planning process to ensure a speedy and successful build out of an H2 refueling network that meets the needs of all MHDV transportation users, mitigates impacts on the electric grid, built and natural environment, and meets EEJ goals.

C. Planning for Clean Energy Jobs

The subject of this planning activity is to identify current job gaps and needs, the jobs and careers that will emerge (and those predicted to be eliminated - triggering needed job replacement) as the transition to cleaner fuels and power sources for port and freight activity emerges over the next 15-20 years. The Port Authority is located along the Detroit and Rouge rivers, where 18 terminals handle over 8 million tons of cargo annually. The Port of Detroit region is also one of the busiest logistics hubs in the county, with over 10,000 trucks moving goods and manufacturing cargo every day. There are over 16,000 direct and indirect jobs related to port activity. Planning for Clean Energy Jobs is an integral component of the Port Authority's Decarbonization Plan, which aims to transition the fuel source for all port activity to zero emissions by 2040. Developed with significant community input, the Decarbonization Plan includes the goal of ensuring good paying jobs for people who live in and near the Port of Detroit.

Acknowledgements

The Authority extends its thanks the City of Detroit and the State of Michigan for providing critical grant-writing and technical support. The Port Authority is also grateful to the dozens of elected officials, governmental entities, community organizations, labor unions and others who provided letters of support for these grants. Lastly, the Port Authority thanks its collaborating partners and participating terminals for their financial investments and support for the goals of decarbonization, improving air quality, environmental justice and equity. If the collaborative spirit embodied in the production of the grant applications carries through implementation, as we expect, the two grants awarded today will be extremely successful and will provide tangible improvements to the health and economic vitality for those who live, work and visit the Port of Detroit.

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