MARINE PORT COMMITTEE MEETING

Committee Members
Council Member Joe Buscaino, Chair
Supervisor Marion Ashley
Dr. Joseph Lyou
Council Member Judith Mitchell
Council Member Dwight Robinson

August 31, 2017 ♦ 1:00 p.m.
Hilton Long Beach
701 West Ocean Boulevard, Long Beach, CA 90831
International IV & V Conference Room, 2nd Floor

TELECONFERENCE LOCATION

County Administration Center
4080 Lemon Street, 5th Floor
Conference Room D
Riverside, CA 92501

(The public may attend at any location listed above.)

Call-in for listening purposes only is available by dialing:
Toll Free: (888) 850-4523
Listen Only Passcode: 5419243
In addition, a webcast is available for viewing and listening at:
http://www.aqmd.gov/home/library/webcasts

AGENDA

CALL TO ORDER

INFORMATIONAL ITEMS – Items 1 and 2

1. Update on the San Pedro Bay Ports Draft Clean Air Action Plan
   (No Motion Required)
   The Port of Los Angeles and Port of Long Beach staff will provide an
   update on the San Pedro Bay Ports Draft Clean Air Action Plan Update.

   30 min
   Port of Los Angeles
   and
   Port of Long Beach
2. **Preliminary Staff Comments of Draft Clean Air Action Plan** *(No Motion Required)*

Staff will present preliminary comments on the Draft Clean Air Action Plan and seek input from the Committee.

### OTHER MATTERS

3. **Other Business**

   Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Gov’t. Code Section 54954.2)

4. **Public Comment Period**

   Members of the public may address this body concerning any agenda item before or during consideration of that item (Gov’t. Code Section 54954.3(a)). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee’s authority. Speakers may be limited to three (3) minutes each.

### ADJOURNMENT

**Document Availability**

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

**Americans with Disabilities Act**

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Gov’t Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Marine Port Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Ana Ponce at (909) 396-3008 from 7:00 a.m. to 5:30 p.m., Tuesday through Friday, or send the request to aponce@aqmd.gov.
Background - San Pedro Bay Ports Clean Air Action Plan Overview

- Maintain San Pedro Bay Standards
- Add new GHG standards for 2030/2050
- Update emission reduction strategies
- Establish San Pedro Bay Standards with emission reduction targets for 2014/2023
  - By 2023 reduce NOx emissions by 59%
  - Update emission reduction strategies
- Project and Source Specific Standards
- New projects must meet 10 in a million excess residential cancer risk threshold)
- Emission reduction strategies
- Maintain San Pedro Bay Standards
- Add new GHG standards for 2030/2050
- Update emission reduction strategies

Clean Air Action Plan Updates

2006

2010

Draft 2017
Ports have commissioned three key growth forecast studies: 2007, 2009, 2016. Forecasts are incorporated into AQMP emissions inventory through SCAG’s Regional Transportation Model. San Pedro Bay Standards developed assuming higher future growth.
Los Angeles Mayor Garcetti and Long Beach Mayor Garcia signed a declaration committing to:

- Advancing clean technologies toward the goal of zero emissions at San Pedro Bay Ports
- Approving an updated Clean Air Action Plan (CAAP) by November 2017
  - Goal of Zero Emissions cargo-handing equipment by 2030
  - Goal of Zero Emissions on-road drayage trucks serving the ports by 2035
  - Expanding at-berth emissions reductions, pilot projects for drayage trucks, and technology advancement programs
- Forming the Green Ports Collaborative
  - Work with other mayors on west coast and rest of nation to advance the market for zero emission goods movement vehicles
- Working together to ensure equipment/infrastructure funding
Background - 2012 and 2016 AQMP Port-Related Commitments

- IND-01, Backstop Measure for Indirect Sources of Emissions from Ports and Port-related Facilities
- NOx, SOx, and PM2.5 emissions reductions from port-related sources
- Reduce port-related emissions on a fair-share basis
- Rule development initiated (PR 4001) then delayed pending CAAP update and 2016 AQMP

Final 2016 AQMP approved by SCAQMD and ARB in March 2017 directly addresses port-related emissions

- Control Measure: Facility-Based Mobile Source Measure MOB-01 for Emission Reductions at Commercial Marine Ports [NOx, SOx, PM]
- Board Resolution: Place priority on the most cost-effective technologies, such as current and emerging near-zero natural gas engines

![NOx Emissions Chart]

- Baseline from Existing Regulations
- 45% reduction needed by 2023
- 55% reduction needed by 2031
Report on *concepts* for an Indirect Source Rule and *any alternatives* to control pollution from large freight facilities (i.e., ports, railyards, warehouses and distribution centers)

- March 2018

Develop At-Berth regulation amendments that achieve up to 100% compliance by 2030 for LA Ports and Ports that are in or adjacent to areas in the top 10% of CalEnviroScreen areas

- October 2018

Develop Cargo Handling Equipment regulations to achieve up to 100% compliance with ZEV by 2030 for the same criteria as At-Berth regulations

- March 2019
Background – Other Statewide Freight Planning Efforts

- California Sustainable Freight Action Plan
- California Freight Mobility Plan
- Senate Bill 1

- Establishes targets to improve freight efficiency, transition to zero emission technologies and increase freight system competitiveness
- Identifies procedures to implement corridor-level freight pilot projects integrating advanced technologies, alternative fuels, and infrastructure improvements
- Incorporates input from California Freight Advisory Committee (CFAC)
- Conforms with Federal Moving Ahead for Progress in the 21st Century (MAP-21) guidance
- Establishes goals for economic competitiveness, security & safety, environmental stewardship, congestion relief, innovative technology & practices
- SB1 approved by Governor April 28, 2017
- Creates a "useful life" period for future regulations, if CARB adopts future in-use regulations, trucks are not required to turnover until they have reached:
  - 13 years or 800,000 miles, and no more than 18 years from the model year the engine and emission control systems are first certified
Draft 2017 CAAP Update Discussion Document

- Daft Discussion Document Released in November 2016
- Comments submitted February 17, 2017

Summary of staff comments submitted on 2017 CAAP Update Discussion Document:

- Staff requested that the 2017 CAAP provide the following:
  - Specify proposed strategies (e.g., a clear strategy for drayage trucks regarding incentives for near-zero and zero-emission trucks)
  - Set interim milestones and actions to ensure progress toward milestones

- SCAQMD staff requested that the 2017 CAAP emission reduction targets be consistent with 2016 AQMP
  - 2016 AQMP regional emissions reduction targets based on a “fair share” approach
Preliminary Staff Comments - Overview

- Ports have significant challenge in developing a CAAP that serves diverse stakeholder needs (beneficial cargo owners, truckers, community, regulators, etc.)

- Proposed measures in 2017 Draft CAAP will provide additional NOx reductions beyond existing CAAP
  - Many positive ‘facilitating’ measures also included (e.g., truck appointment system)

- Key staff concern is that the proposed mechanisms to achieve reductions do not meet the timing and magnitude needed to achieve attainment in 2023
  - Proposed measures do not have defined targets
  - Assumed effectiveness of measures potentially too optimistic
  - Process for determining measure targets and effectiveness still unclear
CAAP Commitment to Reduce NOx

- 59% Reduction below 2005 levels by 2023 established in 2010 CAAP Update
- 2017 Draft CAAP keeps 59% commitment
- As of 2016, ports achieved ~56% reduction
Implications of CAAP NOx Reduction Target for Attainment

*2023 Port emissions assume 59% reduction below 2005 levels
All Other SCAQMD emissions from 2016 AQMP
Port NOx Emissions

CAAP Projected Emission Reductions by 2025*

- Trucks – 74% - 91%
- CHE – 10%
- Harbor Craft – Unknown, if any
- Locomotives – Unknown, if any
- OGV – Unknown, if any

*Emission reductions by 2023 would be lower, but unspecified
Preliminary Staff Comments – Truck Measures

- Differential rate structure target
  - Target for percentage of fleet turnover not defined
  - Process for determining target unclear
    - How and when will it be determined?
    - How often will it be re-evaluated, and under what criteria?

- Differential rate structure timing
  - Program will not begin before 2023, even though trucks will be commercially available starting 2018

- Fleet turnover assumptions
  - Assumed turnover rate much higher than basin average, but incentive to turn over not clear
    - Only incentive to turn over vehicle will be differential rate structure
    - Structure of program could incentivize older trucks if rate structure not strong enough
Introduction of cleaner ships

- 2017 Draft CAAP vessel forecast predicts no real introduction of Tier III vessels until 2040s
- Differential rate structure in proposed Clean Ship Program for higher tier vessels begins no earlier than 2025

Vessel Calls at Ports in 2015

<table>
<thead>
<tr>
<th>Tier</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Tier I</td>
<td>64%</td>
</tr>
<tr>
<td>Tier II</td>
<td>19%</td>
</tr>
<tr>
<td>Steam</td>
<td>3%</td>
</tr>
<tr>
<td>Tier 0</td>
<td>14%</td>
</tr>
</tbody>
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NOx Emissions Standard for Vessels

- Tier I: 64%
- Tier II: 19%
- Tier III: 3%
- Steam: 3%

2005-2016 Global Keels Laid but Not Constructed

- 2005: 4
- 2006: 8
- 2007: 2
- 2008: 30
- 2009: 5
- 2010: 6
- 2011: 17
- 2012: 13
- 2013: 47
- 2014: 87
- 2015: 1,211
- 2016: 99
At-Berth Controls
- No defined measures to advance at-berth controls before CARB regulatory update
- Unclear if CARB at-berth regulation will further reduce emissions by 2023

Vessel Speed Reduction Program
- High compliance with existing program
  - ~80% within 40 miles, 90% within 20 miles
- Compliance target for proposed change unclear
- Process for determining effectiveness unclear
Staff continuing to meet and discuss potential options to obtain SIP credit for port emission reduction measures

- Indirect source rules, credit generation rules, memorandums of understanding, contracts, etc.

EPA requires that ‘Integrity Elements’ be met to obtain SIP credit for future emission reductions

- To satisfy Integrity Elements requirement, proposed emissions reductions must be permanent, quantifiable, surplus, and enforceable

Most measures as proposed in Draft CAAP do not appear to meet integrity elements
Many measures in CAAP are proposed to be implemented through individual terminal leases
- Staff inquiring about terminal lease schedules
- Leases may not always work as an implementation tool
  - China Shipping
  - Leases are negotiated agreements. Approach could lead to competitiveness issues if some facilities do more to reduce emissions.
- CAAP is proposing to potentially relax cancer risk threshold for future projects
  - Threshold currently 10/million, same as SCAQMD CEQA significance threshold.

No measures to reduce emissions from locomotives, and little definition of measures to reduce emissions from cargo handling equipment or harbor craft by 2023

Cost to implement the Draft CAAP
- Cost estimates use different methodology than 2016 AQMP
- More discussion needed of how to reduce costs through time
  - CAAP assumes 2017 costs persist forever, including for non-commercial technology
Next Steps

- Continue to meet and discuss Draft CAAP with port staff and other key stakeholders
  - Work with port staff to evaluate mechanisms to obtain SIP credit (e.g., Facility Based Mobile Source Measures)
- Submit comment letter by September 18