



**South Coast
Air Quality Management District**
21865 Copley Drive, Diamond Bar, CA 91765
(909) 396-2000, www.aqmd.gov

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. | 30
min | Ian MacMillan
<i>Planning & Rules
Manager</i> |
|---|-------------------|---|

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.

San Pedro Bay Ports Draft Clean Air Action Plan Update

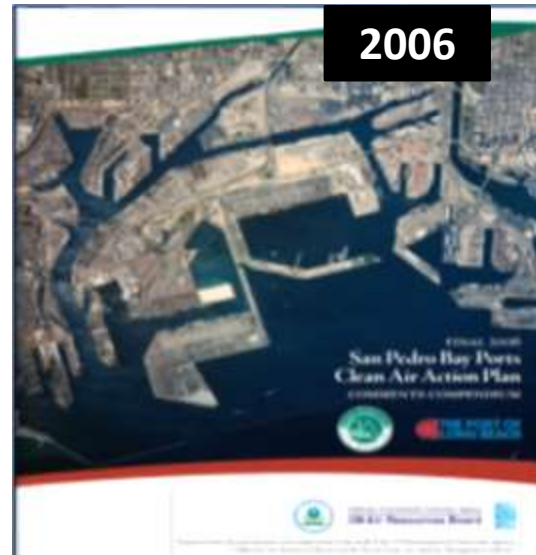


SCAQMD Marine Port Committee

August 31, 2017



Background - San Pedro Bay Ports Clean Air Action Plan Overview



2006



2010



Draft 2017

Clean Air Action Plan Updates

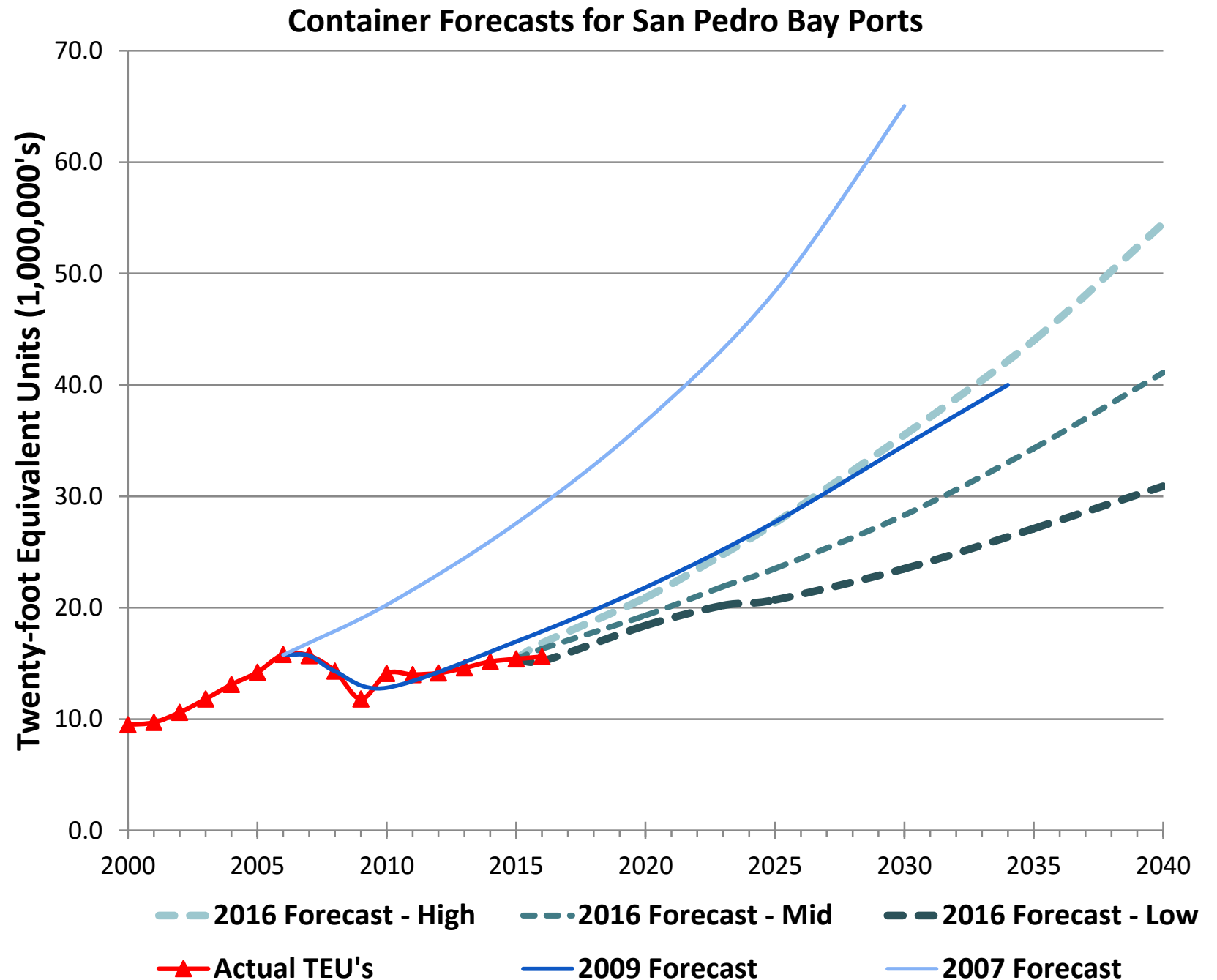
- Project and Source Specific Standards
- New projects must meet 10 in a million excess residential cancer risk threshold)
- Emission reduction strategies

- Establish San Pedro Bay Standards with emission reduction targets for 2014/2023
 - By 2023 reduce NOx emissions by 59%
- Update emission reduction strategies

- Maintain San Pedro Bay Standards
- Add new GHG standards for 2030/2050
- Update emission reduction strategies

Background – Port Growth

- 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

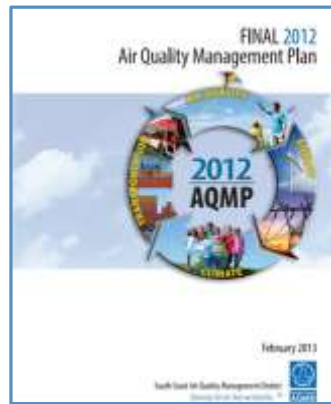


Background - Mayors Commitment to Zero-Emission Goals at San Pedro Bay Ports

- Overview of Declaration by Mayors of Los Angeles and Long Beach
- Declaration Signed June 2017

- 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

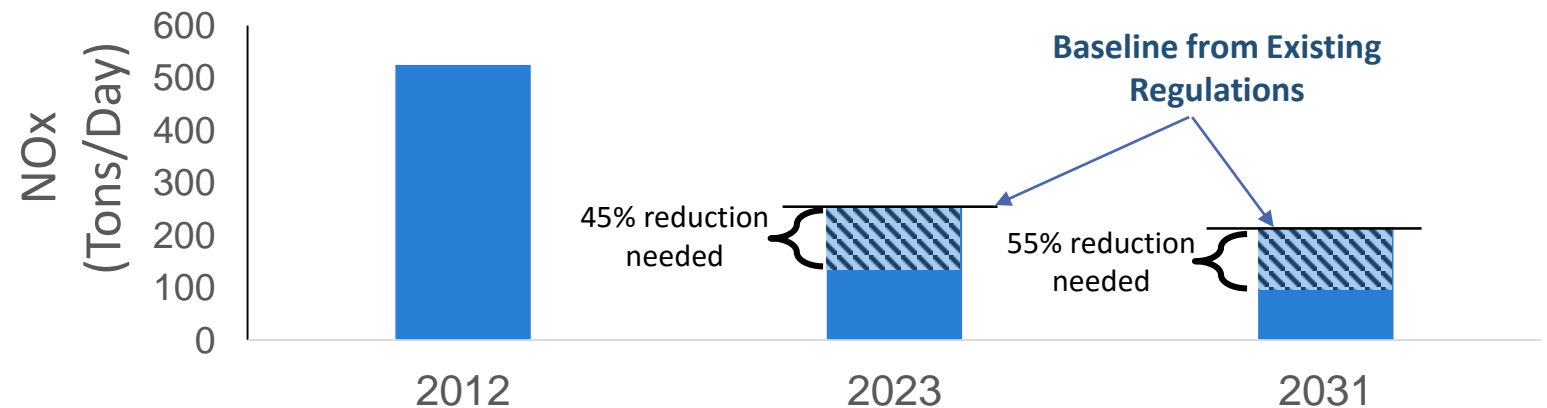
Background - 2012 and 2016 AQMP Port- Related Commitments



- IND-01, Backstop Measure For Indirect Sources Of Emissions From Ports And Port-related Facilities
- NO_x, SO_x and PM_{2.5} 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 [NO_x, SO_x, PM]
- Board Resolution: Place priority on the most cost-effective technologies, such as current and emerging near-zero natural gas engines



Background - CARB Resolutions Regarding Mobile Sources in 2016 AQMP

- 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

- Draft 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

Emission Reduction Strategy

- 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

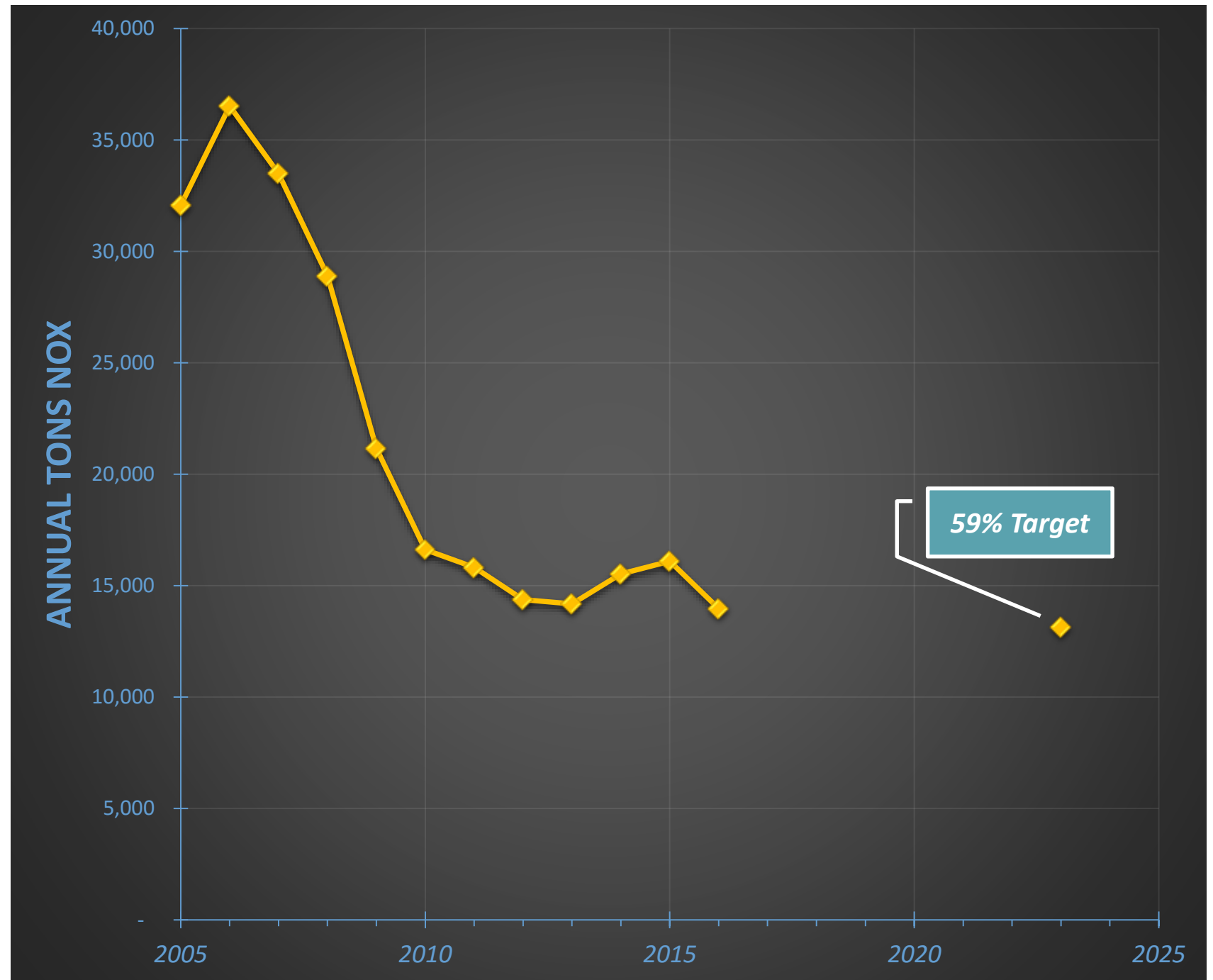
Emission Reduction Targets

Preliminary Staff Comments - Overview

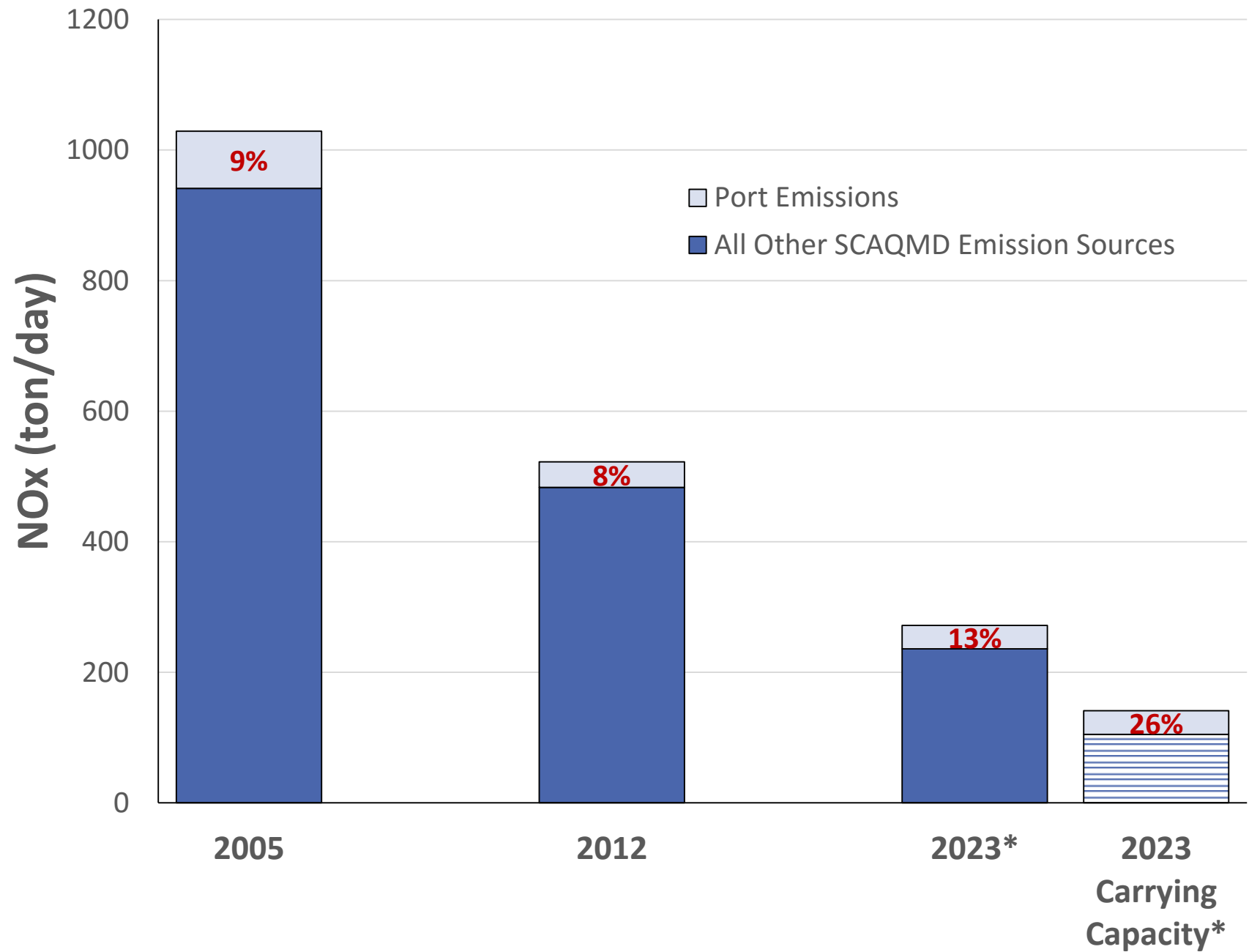
- Ports have significant challenge in developing a CAAP that serves diverse stakeholder needs (beneficial cargo owners, truckers, community, regulators, etc.)
- Proposed measures in 2017 Draft CAAP will provide additional NOx reductions beyond existing CAAP
 - Many positive 'facilitating' measures also 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 NO_x 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*

Ocean Going Vessels
53%



Trucks
20%



Harbor Craft
10%

Locomotives
10%

Cargo Handling Equipment
7%

Preliminary Staff Comments – Truck Measures

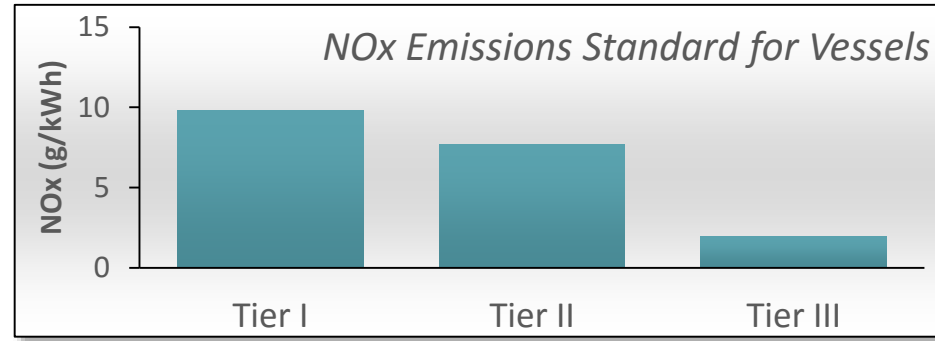
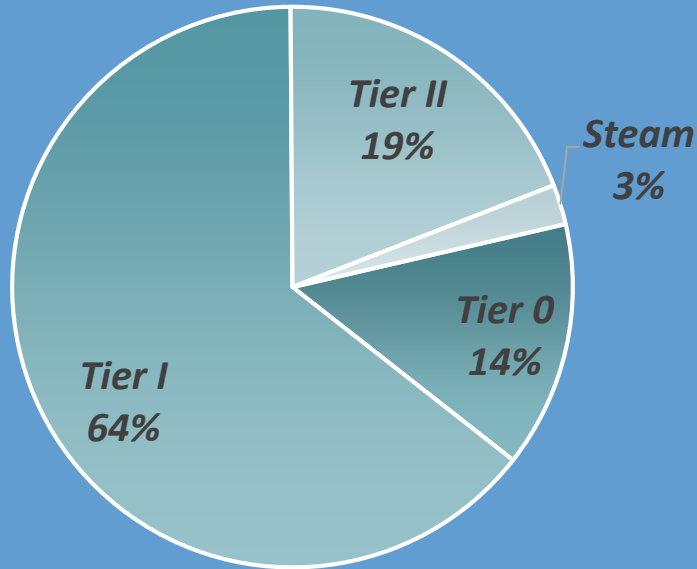
- Differential rate structure target
 - Target for percentage of fleet turnover not defined
 - Process for determining target unclear
 - How and when will it be determined?
 - How often will it be re-evaluated, and under what criteria?
- Differential rate structure timing
 - Program will not begin before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

Preliminary Staff Comments – Ocean Going Vessels Measures

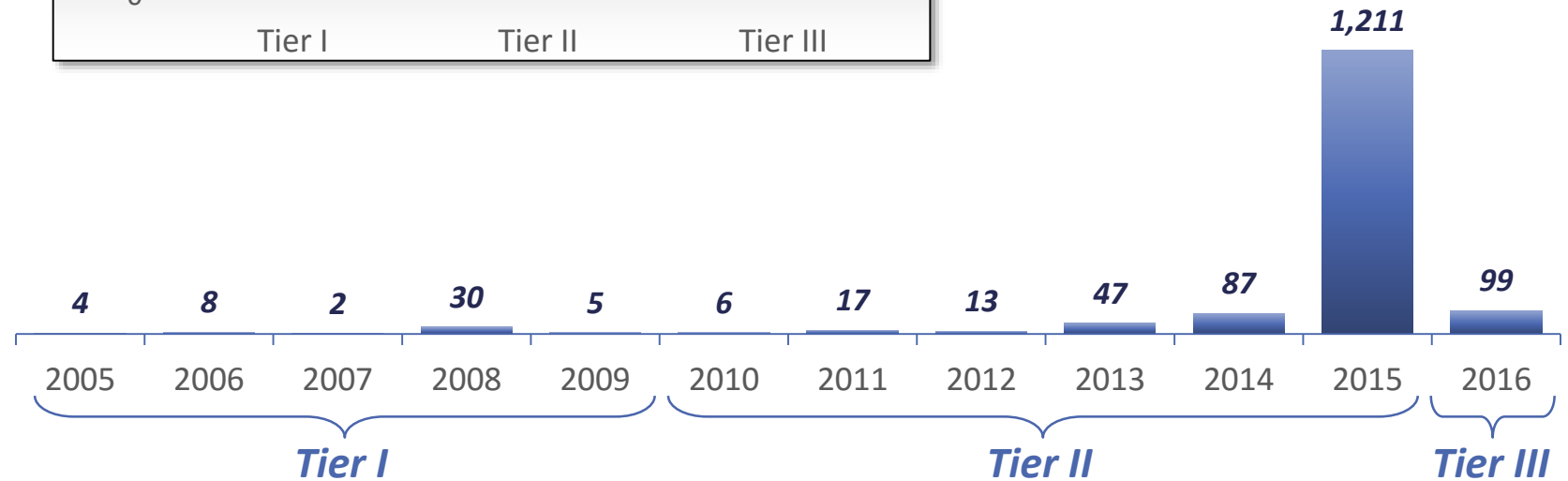
➤ Introduction of cleaner ships

- 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



2005-2016 Global Keels Laid but Not Constructed



Preliminary Staff Comments – Ocean Going Vessels Measures (continued)

- **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

Preliminary Staff Comments – SIP Credit

- 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

Preliminary Staff Comments – Other

- 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