

****This draft is meant as a starting point for discussions between the South Coast Air Quality Management District and the Cities and Ports of Long Beach and Los Angeles, subject to changes including additional enforcement provisions.***

**COOPERATIVE AGREEMENT AMONG
THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
THE CITY OF LONG BEACH HARBOR DEPARTMENT AND
THE CITY OF LOS ANGELES HARBOR DEPARTMENT**

This Cooperative Agreement (“Agreement”) is dated for reference purposes as of _____, 20__, between and among SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT (“SCAQMD”), the CITY OF LONG BEACH, acting by and through the Long Beach Board of Harbor Commissioners (“Long Beach”), and the CITY OF LOS ANGELES, acting by and through the Los Angeles Board of Harbor Commissioners (“Los Angeles”) (SCAQMD, Los Angeles, and Long Beach are each called a “Party” and collectively called “the Parties”).

I. RECITALS

A. RECITALS BY SCAQMD.

1. Air Regulatory Agencies. Air pollution remains a significant public health concern in many parts of California, and specifically in the South Coast Air Basin (Basin). The SCAQMD, California Air Resources Board (CARB), and the United States Environmental Protection Agency (USEPA) are the regional, state, and federal regulatory agencies, respectively, with jurisdiction over air quality in the Basin. The Basin consists of the County of Orange, and the non-desert portions of the Counties of Los Angeles, Riverside, and San Bernardino.
2. SCAQMD. The SCAQMD is the regional air pollution control agency primarily responsible for reducing air pollution in the Basin. San Pedro Bay Ports (Ports) are located within the Basin.
3. The Basin is classified as an extreme non-attainment area for the 1997 and 2008 8-hour ozone national ambient air quality standards (NAAQS) with statutory deadlines to reach attainment by 2031 and 2037. Despite significant air quality improvements achieved over the last several decades, to meet these standards, emissions of oxides of nitrogen (NOx) have to be reduced regionally by 67% in 2037 from the 2037 baseline of 184 tons per day and about 83% below 2022 levels, as outlined in the 2022 AQMP.¹ The 2022 AQMP includes

¹ 2022 AQMP, Executive summary p. ES-4.

Control Measure MOB-01 (Emission Reductions at Commercial Marine Ports) with the goal of achieving emission reductions from marine ports through implementation of a Port Indirect Source Rule (Port ISR).

B. RECITALS BY THE PORTS.

1. Cities and Ports. Long Beach and Los Angeles independently and respectively manage the Port of Long Beach (“POLB”) and the Port of Los Angeles (“POLA”) (collectively “the Ports”) as separate and distinct legal and commercial entities under Tidelands Trust grants from the California state legislature. The Cities manage the Ports for the benefit of the State under legal mandates of the Tidelands Trust and their respective City Charters, which require Port assets and funds be used exclusively for promoting maritime commerce, navigation, fishery, and water-dependent recreation.
2. Authority. Each of Long Beach and Los Angeles, acting by and through their respective Board of Harbor Commissioners, has the authority to enter into this Agreement pursuant to their City Charter. Obligations hereunder, are, however, limited to the extent they come in conflict with Tidelands Trust and City Charters.
3. San Pedro Bay Ports Clean Air Action Plan.
 - a. In 2006, the Cities approved the San Pedro Bay Ports Clean Air Action Plan (CAAP), a voluntary comprehensive strategy for dramatically reducing air pollution emissions from cargo movement by drayage trucks, cargo handling equipment, ocean-going vessels, harbor craft, and rail locomotives operating in and around the Ports (“Port Sources”). The Ports updated the CAAP in 2010 and 2017 with new strategies and emission-reduction targets including health risk reduction and greenhouse gas reduction.
 - b. The CAAP has been very successful at facilitating emission reductions from Port Sources. Combined emissions associated with these sources at the Ports achieved a 91% reduction in diesel particulate matter (DPM), 72% reduction in nitrogen oxides (NOx) and 98% reduction in sulfur oxides (SOx) between 2005 and 2023.²
 - c. The hallmark of the CAAP is its collaboration with stakeholders including air agencies, industry, environmental groups and community members alike, as well as use of expert studies (on technical and commercial readiness,

² POLA: <https://kentico.portoflosangeles.org/getmedia/3fad9979-f2cb-4b3d-bf82-687434cbd628/2023-Air-Emissions-Inventory>

POLB: <https://polb.com/environment/air#emissions-inventory>

feasibility, and cost) to ground-truth all clean air strategies to facilitate operational success.

4. Regulation of Port Sources. In the 2022 AQMP, SCAQMD stated: “Given the bulk of the Basin’s NO_x emissions in 2037 will be coming from federally regulated sources, the SCAQMD and the California Air Resources Board (“CARB”) cannot sufficiently reduce emissions to meet the standard without federal action. It is therefore imperative that the federal government act decisively to reduce emissions from federally regulated sources of air pollution, including interstate heavy-duty trucks, ships, locomotives, aircraft, and certain categories of off-road equipment. Emissions from federal and international sources are estimated to be 85 tons per day in 2037 (see Figure ES-4). Even if all sources regulated by CARB and the SCAQMD were zero emissions, federal sources alone would emit substantially more than the 60 tons per day NO_x limit, thwarting any other actions to meet the standard.”³ The Parties agree on this important point and that the reason for this stems from both SCAQMD’s and the Ports’ lack of regulatory authority for Port Sources, which are regulated at the federal and international level. Although CARB previously adopted regulations transitioning to zero emissions (ZE) for drayage trucks, OGV at-berth, harbor craft, and locomotives, and expressed intent to propose future Cargo Handling Equipment (CHE) regulations, CARB has withdrawn many of its ZE regulations directed at Port Sources. Specifically, in January 2025, CARB withdrew its pending requests for EPA Clean Air Act Waivers to require ZE Drayage Trucks by 2035, ZE Locomotives, ZE Harbor Craft and ZE transportation refrigeration units in California. Furthermore, CARB has not requested an EPA waiver or commenced rulemaking for ZE CHE in California.⁴
5. Port Tenants and Operators. The Ports are landlord ports that lease Port property to tenants (“Tenants”) that operate terminal facilities and provide cargo handling services, which may include intermodal transfers between Port Sources, such as ocean vessels, drayage trucks and trains. Terminal tenants operate and supply all equipment and labor necessary to conduct terminal operations, and are responsible to run their businesses in order to meet the economic obligations of their lease documents. Terminal infrastructure projects are typically negotiated into the leases between Ports and terminals (Terminal Leases), which may include project cost allocations between the parties and which confer to the terminals the right to undertake terminal operational uses.

³ 2022 AQMP, Executive Summary, p. ES-7.

⁴ On May 22, 2025, the U.S. Senate voted to bar California’s landmark plan to require ZE passenger vehicles by 2035 by repealing CARB’s EPA Clean Air Act waiver.

The Ports do not themselves undertake terminal operation or cargo handling activities.

6. Ports Emissions Inventory. The Ports have, since inception of the CAAP, published annual activity-based emissions inventories, which serve as the primary tool to track the Ports' efforts to reduce air emissions from Port Sources through implementation of CAAP measures and regulations promulgated at the state and federal levels. Development of the annual air emissions inventory is coordinated with a technical working group (TWG) comprised of representatives from the Ports, and air regulatory agencies U.S. Environmental Protection Agency Region 9 (EPA), CARB, and SCAQMD. Emissions estimated in these reports are consistent with CARB and US EPA published methodologies. The Ports are committed to continuing to publish these reports annually through the term of this Agreement.
7. Project Labor Agreement. The Ports are parties to separate Project Labor Agreements (PLA) with LA and Orange County Building and Construction Trades Council. The Port of Los Angeles entered its current 10-year PLA in 2017 and the Port of Long Beach entered into its current 10-year PLA in 2023. The PLAs cover construction projects undertaken directly by the Ports. The PLAs ensure that infrastructure projects at the Ports will be built with a skilled construction workforce without any stoppages.

C. JOINT RECITALS.

1. Purpose of Agreement.
 - a. The purpose of this Agreement is to set forth (i) how the Ports intend to implement new CAAP Measures set forth in Attachment A (hereinafter, the "CAAP Plus Measures") consistent with their respective legal authorities, and (ii) how SCAQMD may, in its sole discretion, quantify the anticipated emission reduction benefits from CAAP Plus Measures, and (iii) the roles and responsibilities of the Parties and stakeholders in such actions, to avoid the creation of disputes among them, which disputes would delay if not prevent the reduction in emissions sought by all Parties. This Agreement does not create State Implementation Plan (SIP) creditable reductions; rather, it identifies specific voluntary measures and provides the opportunity for the SCAQMD to quantify the emission reductions from the CAAP Plus Measures to obtain SIP credits if it so chooses.

- b. This Agreement is not intended to limit the Ports' cargo volume or operations or interfere with the Ports' Tenants' operations pursuant to their leases.
 - c. The emission reduction benefits from the CAAP Plus Measures 1 through 6 may be used by SCAQMD to obtain SIP credit to the extent the emission reduction benefits quantified by SCAQMD for these measures satisfy USEPA's integrity elements (i.e., the emission reductions are quantifiable, surplus, permanent, and enforceable). SCAQMD may seek SIP credit for the quantified emission reductions through a separate SIP submittal.
 - d. The Parties agree that should SCAQMD seek SIP credit for any of the CAAP Plus Measures, SCAQMD shall be responsible for any difference between any estimated emission reductions and actual emissions reductions achieved from the CAAP Plus Measures.
 - e. The Parties specifically disavow any desire or intention to create any third-party beneficiary under this Agreement, and specifically declare that no person or entity shall have any remedy or right of enforcement.
 - f. The Parties shall continue to work together in developing emission inventories of Port Sources to support the development of future AQMPs outside of the Agreement process.
 - g. The Ports and SCAQMD have a long history of successfully working together on air quality emission reduction projects; and the Parties desire to continue this successful collaboration through this voluntary Agreement.
 - h. This Agreement and activities hereunder are intended to and shall comply with applicable law, including but not limited to the Tidelands Trust, the Charters of the Cities of Los Angeles and Long Beach, California Health and Safety Code Sections 40440 and 40716, and Public Resources Code Section 6009. Furthermore, this Agreement and activities hereunder shall be implemented in a manner consistent with the terms and conditions of applicable Leases. This Agreement is not intended to and shall not waive, modify or alter any terms or conditions of such Leases, which can only be amended in accordance with the applicable law, including the Cities Charters. Furthermore, this Agreement is not intended and shall not be construed to obligate any Party to take action beyond those identified herein.
- 2 Agreement Applicability. The Agreement (1) addresses only the CAAP Plus Measures identified in Section II.D and Attachment A, and (2) does not

supersede legal obligations and limitations that the Ports are subject to, such as the Tidelands Trust and City Charters; or the doctrines of federal and international preemption under statutes applicable to Port Sources and the Ports' authority, the dormant Commerce Clause, and the Supremacy Clause.

- a. Preempted Port Sources. The Parties acknowledge that the Ports are preempted from direct control over the in-use activities of drayage trucks, locomotives and ocean vessels.

II. AGREEMENTS

NOW THEREFORE, in consideration of the mutual interests and benefits of all parties to be derived from emissions reductions resulting from the implementation of the CAAP Plus Measures and in connection with the Recitals above, which are incorporated herein and made enforceable thereby, the Parties agree as follows:

A. EMISSION REDUCTIONS

1. The Parties agree the Agreement does not:
 - a. establish an emissions cap or any other Port facility-wide limit for NO_x, or any other pollutant;
 - b. constitute any new regulatory authority imposed on the Ports, their Tenants or their operations;
 - c. obligate any Party to take further action not described hereunder;
 - d. limit the Ports' ability to seek incentive or grant funding through federal, State and local programs, including but not limited to the programs, which require emissions reductions achieved through such programs to be voluntary in nature and exceed existing obligations to achieve emissions reductions.

B. THE PORTS' RESPONSIBILITIES.

The Ports agree to take the following actions:

1. Implementation of CAAP Plus Measures. The Ports shall implement the CAAP Plus Measures as listed in Section D and specified in Attachment A, "CAAP Plus Measures Nos. 1 - 6.
2. CAAP and Agreement Public Process. The Ports shall implement CAAP Plus Measures using the following public processes.
 - a. CAAP Stakeholder Public Process. The Ports shall conduct a transparent public process for all CAAP stakeholders to review and comment on the Draft CAAP Plus Measures through CAAP Stakeholder Meetings. SCAQMD, CARB and EPA Region 9 have actively participated in review

and comment on CAAP measures, and, importantly, also serve as valuable members of the CAAP Technical Working Group (TWG) with whom the Ports consult throughout the 20 years of the CAAP's existence. After Plan adoption, the Ports shall publicly report on CAAP Plus Implementation Progress at their Quarterly Stakeholder Meetings.

- b. Port Board of Harbor Commissioners and City Council Public Process. City Charters and the Brown Act require the Boards of Harbor Commissioners and the City Councils to conduct noticed public meetings and opportunity for public comment, which shall apply to the CAAP Plus Measures as they are presented to the Boards. As was the case with CAAP Measures, Port Drayage Trucking Agreements, and the Clean Truck Fund Rate, the Ports may hold multiple Board Meetings, jointly or separately, for discussion of items proposed for adoption.
- c. Monitoring and Reporting. The Ports shall monitor the implementation of the CAAP Plus Measures and provide data reports to SCAQMD as specified in each of the CAAP Plus Measures in Attachment A and the annual emissions inventory described in Recital B.6.

C. SCAQMD'S RESPONSIBILITIES.

SCAQMD commits to take the following actions:

1. Technical Analysis for SIP Credit from CAAP Plus Measures emission reductions. If it chooses to obtain SIP credit from the CAAP Plus Measures, SCAQMD shall provide the necessary documentation and technical analysis with respect to the calculation of estimated emission reductions benefits attributable to the CAAP Plus Measures. This would include, but not be limited to, an analysis of the AQMP/SIP baseline for affected Port Sources, emission reductions achieved through the CAAP Plus Measures, and an estimation of emissions reductions benefits and corresponding SIP credits. Factors to be considered for purposes of calculating the emission reductions benefits attributable to the CAAP Plus Measures shall include, but not be limited to: growth forecasts from the Ports, implementation schedules for the CAAP Plus Measures, the availability of funding for relevant incentives programs, and the technical and economic feasibility of specific CAAP Plus Measures.
2. Federal Enforceability. To the extent necessary to obtain SIP approval, the SCAQMD shall provide its own federally enforceable commitments to USEPA in a SIP update document that is separate from this Agreement after approval by the SCAQMD and CARB Boards. SCAQMD shall monitor, assess, and

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report the emission reductions benefits from the voluntary CAAP Plus Measures to the USEPA.

3. Responsibility for Shortfall. SCAQMD's emission reduction estimates depend on the Port Sources' operators' voluntary compliance in the absence of federal and state enforceable in-use ZE regulations and the Ports shall not provide emissions reduction guarantees. In the event of any shortfall in estimated emission reductions from the CAAP Plus Measures, SCAQMD shall be solely responsible for such shortfall. SCAQMD shall adopt and submit substitute measures to USEPA to remedy any potential emission reduction shortfall associated with implementation of the CAAP Plus Measures. The Ports shall have no obligation(s) and/or requirement(s) to implement any substitute measures to remedy any potential emission reduction shortfall associated with implementation of the CAAP Plus Measures, unless otherwise mutually agreed on by both parties in a written amendment of this Agreement entered into and approved in accordance with applicable law. Notwithstanding the above, the Ports and SCAQMD agree that, in the event that the actual emission reductions associated with implementation of CAAP Plus Measures are less than the estimated emissions reduction benefits projected for implementation of these measures, the Ports and SCAQMD shall work together to consider potential new or enhanced programs, or better efforts to quantify existing programs, to help SCAQMD address any shortfalls.
4. Funding. The SCAQMD, at its Governing Board's discretion, shall support grant funding efforts with potential funding sources that may provide funding for the CAAP Plus Measures. The SCAQMD shall monitor and assess the implementation of the CAAP Plus Measures based on information provided by the Ports as outlined in each of the CAAP Plus Measures at Attachment A.
6. Information Sharing. The SCAQMD shall provide the means for ensuring that emission reduction data and other pertinent information related to the implementation of the CAAP Plus Measures are accessible to the public and the USEPA.
7. Agreement Effect. In consideration of the Ports entering into this Agreement, upon the effective date of this Agreement, SCAQMD shall cease any further action on PR 2304 and shall not initiate any rulemaking or SIP control measure in the future to achieve the emissions reduction goals set forth in the CAAP.

D. CAAP PLUS MEASURES (ATTACHMENT"A").

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The CAAP Plus Measures for which the SCAQMD may quantify emission reductions and seek SIP credit through a separate SIP submittal are identified in Attachment A and are incorporated as part of this Agreement:

- CAAP Plus Measure No. 1 – Clean Ship Program Enhancements
- CAAP Plus Measure No. 2 – ZE Drayage Truck Equipment and Infrastructure Funding
- CAAP Plus Measure No. 3 – ZE Equipment and Infrastructure Funding
- CAAP Plus Measure No. 4 – ZE Locomotive Demonstration Program
- CAAP Plus Measure No. 5 – ZE Equipment and Infrastructure Workforce Development
- CAAP Plus Measure No. 6 – Port Zero-Emission Infrastructure Plans

E. TERM OF AGREEMENT. The term of this Agreement shall be effective as of the date of the last Party's signature ("Effective Date") through December 31, 2035 unless terminated earlier pursuant to subsection F, below. Prior to expiration of this Agreement, all Parties agree to meet to evaluate the need for continuing participation. If all Parties agree that continuing participation is desirable, they shall negotiate, for their respective Boards' approval, a written extension of the term of this Agreement, and any applicable additional CAAP Plus Measures.

F. WITHDRAWAL AND EARLY TERMINATION. Any Party may terminate this Agreement for any reason by providing ninety (90) days' written notice to the other Party. The Parties commit to work together to resolve any issues and negotiate an updated Agreement at least thirty (30) days in advance of the specified date of termination of the Agreement. If the Parties are unable to reach agreement, the Agreement shall terminate on the date specified in the notification. Termination of this Agreement shall not terminate any grants or funds entered into prior to the termination.

G. IMPLEMENTATION. The Parties agree to implement the provisions under their respective commitments specified in the Agreement. The Ports and the SCAQMD agree that the Ports' implementation of the CAAP Plus Measures is not to be construed as a regulation, rule, or requirement of the SCAQMD. In the event that any Party fails to meet its commitment(s) or anticipates an inability to meet its commitment(s), the Party shall provide notice to the other Parties within sixty (60) days of such determination and seek to negotiate a mutually agreeable solution within ninety (90) days of the date of the Notice. The Parties shall continue to comply with all other commitments under this Agreement during the negotiations. Nothing contained in this paragraph is intended to limit any rights or remedies that the Parties may have under law. The Parties shall attempt to resolve any controversy that may arise out of or relating to this Agreement. If a controversy or

claim should arise that cannot be resolved informally by the respective staffs, executive level representatives of the Parties shall meet at least once in person and, in addition, at least once in person or by telephone to attempt to resolve the matter. The Representatives shall make every effort to meet as soon as reasonably possible at a mutually agreed time and place.

- H. MODIFICATIONS AND TIME EXTENSIONS TO CAAP PLUS MEASURES. Either Port shall promptly inform SCAQMD of modifications either Port has made to CAAP Plus Measures with notifications of time extensions to Measures or components thereof shall be given no later than 90 calendar days before the applicable completion date. If a CAAP Plus Measure or component thereof is terminated for reasons of infeasibility or otherwise, either Port shall endeavor to develop a substitute Measure or component. In cases of CAAP Plus Measures presented to a Port's Board of Harbor Commissioners for approval, the Port shall provide SCAQMD 30 days' prior notice of the Board agenda date, so SCAQMD may present written and/or public comment prior to Board decision.
- I. DISPUTE RESOLUTION. The Parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation among the Ports' Executive Director and Chief Executive and SCAQMD's Executive Officer. Any dispute not resolved in the normal course of business may be submitted for mediation by the Parties providing to JAMS (previously known as "Judicial Arbitration and Mediation Services, Inc.") a written request for mediation, setting forth (a) the subject of the dispute with reasonable particularity, (b) a statement of each Party's position and a summary of arguments supporting that position, and (c) the name and title of the executive who will represent that Party and of any other person who will accompany the executive.
- J. REMEDIES. In the event of a breach or threatened breach by any Party to this Agreement, if a dispute remains unresolved following the dispute resolution process of section I above, the Parties agree that the aggrieved Party(ies) shall be entitled to seek relief against such breach or threatened breach from a state or federal court of competent jurisdiction.
- K. FORCE MAJEURE. Whenever a date is established in this Agreement on which, or a period of time, including a reasonable period of time, is designated within which, either Party is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such Party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of acts of God, the public enemy or public riots; failures due to nonperformance or delay of performance by suppliers or contractors; any order,

directive or other interference by municipal, state, federal or other governmental official or agency (other than a Party's failure or refusal to issue permits for the construction, use or occupancy of Party's project); any catastrophe resulting from the elements, flood, fire, explosion; or any other cause reasonably beyond the control of a Party, but excluding strikes or other labor disputes, lockouts or work stoppages ("Force Majeure"). In the event of the happening of any of such contingency events, the Party delayed by Force Majeure shall immediately give the other Party written notice of such contingency, specifying the cause for delay or failure, and such notice from the Party delayed shall be prima facie evidence that the delay resulting from the causes specified in the notice is excusable. The Party delayed by Force Majeure shall use reasonable diligence to remove the cause of delay, and if and when the event which delayed or prevented the performance of a Party shall cease or be removed, the Party delayed shall notify the other Party immediately, and the delayed Party shall recommence its performance of the terms, covenants and conditions of this Agreement. For any CAAP Plus Measure project or component that becomes financially infeasible for the Port to complete by reason of grant funding being withdrawn or terminated by the grant funding source, then such Port shall be relieved from the obligation to complete such project or component.

- L. ENFORCEMENT PROVISIONS. [Subject to discussion and negotiation between all parties.]
- M. NOTICES. All notices that are required under this Agreement shall be provided in the manner set forth herein, unless specified otherwise. Notice to a Party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by U.S. Certified Mail, Return Receipt Requested, or a nationally recognized overnight courier service. Notice shall be deemed to be received when delivered (written receipt of delivery).

To SCAQMD:

South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178
Attn: _____

To City of Long Beach:

City of Long Beach Harbor Department
415 W. Ocean Blvd.
Long Beach, CA 90802
Attn: Director of Environmental Planning

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To City of Los Angeles:

City of Los Angeles Harbor Department

425 S. Palos Verdes St.

San Pedro, CA 90731

Attn: Director of Environmental Management

- N. COSTS. Each Party shall be responsible for its respective costs associated with this Agreement. No Party will submit a claim for compensation to any other Party, or otherwise seek reimbursement of costs from any other Party, for activities carried out pursuant to this Agreement.
- N. FUTURE AGREEMENTS. This Agreement does not restrict or require any future agreements between the Parties with respect to the subject matter stated herein or any other subject matter.
- O. JOINT WORK PRODUCT. This Agreement shall not be construed against the Party preparing the same, shall be construed without regard to the identity of the person who drafted such and shall be construed as if all Parties had jointly prepared this Agreement and it shall be deemed their joint work product.
- P. ENTIRE UNDERSTANDING. This Agreement, including all attachments, constitutes the entire understanding between the Parties and supersedes all other agreements, oral or written, with respect to the subject matter herein.
- Q. VENUE. Venue for resolution of any disputes under this Agreement shall be Los Angeles County, California, USA.
- R. ATTORNEYS' FEES. In the event any action is filed in connection with the enforcement or interpretation of this Agreement, each Party shall bear its own attorneys' fees and costs.
- S. AUTHORITY. Nothing in this Agreement shall be construed as a waiver of any Party's discretionary authority or deemed to restrict authority granted to any Party under law in any way with respect to future legislative, administrative, or other actions.
- T. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original.
- U. MODIFICATIONS. This Agreement may be modified at any time only in writing and signed by authorized representatives of both Parties.
- V. NO WAIVER. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person against whom such waiver is sought to be

enforced, nor shall failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder. Furthermore, discussions concerning and leading up to any execution of this Agreement shall not be construed to waive and, in fact, shall not waive any rights the Cities possess at law, equity and otherwise to challenge PR 2304 or any revision of that preliminary rule and/or subsequent or other initiative of SCAQMD whether arising from or related to the subject matter of this agreement or not.

- W. AUTHORIZED SIGNATURES. Each signatory of this Agreement represents that s/he is authorized to execute on behalf of the Party for which s/he signs. Each Party represents that it has legal authority to enter into this Agreement and to perform all obligations under this Agreement.
- X. NO ENFORCEMENT AGAINST THIRD PARTIES. The SCAQMD shall not seek to enforce the CAAP Plus Measures or any of the measures or initiatives in the CAAP Plus Measures or any of its terms against the Ports' Tenants, concessionaries, third party licensees, vendors, or other relevant operators doing business at the Ports facilities.
- Y. RELATIONSHIP TO LAWS. the Ports shall not implement any CAAP Plus Measures or measures in the CAAP or any provision or provisions thereof that would violate federal, state, municipal or international laws.

SIGNATURE PAGES FOLLOW

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year indicated next to their signatures.

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

By _____

Name: WAYNE NASTRI

Title: Executive Officer

Date: _____, 20____

Attest _____

Name: _____

Title: _____

APPROVED AS TO FORM:

Date: _____, 20____

BAYRON T. GILCHRIST,

General Counsel

By _____

Name: _____

Title: _____

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CITY OF LONG BEACH, CALIFORNIA,
a municipal corporation,
acting by and through its Board of Harbor Commissioners

By _____

Name: MARIO CORDERO

Title: Chief Executive Officer, Harbor Department

Date: _____, 20____

Attest _____

Name: _____

Title: _____

APPROVED AS TO FORM:

Date: _____, 20____

DAWN MCINTOSH
Long Beach City Attorney

By _____

Sudhir N. Lay,
Deputy City Attorney

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CITY OF LOS ANGELES, CALIFORNIA,
a municipal corporation,
acting by and through its Board of Harbor Commissioners

By _____
Name: GENE SEROKA
Title: Executive Director, Harbor Department
Date: _____, 20____

Attest _____
Name: Amber Klesges
Title: Board Secretary

APPROVED AS TO FORM:

Date: _____, 20____

HYDEE FELDSTEIN SOTO
Los Angeles City Attorney
Steven Y. Otera, General Counsel

By _____
Joy M. Crose,
Assistant General Counsel

ATTACHMENT A

**CAAP PLUS MEASURE NO. 1 –
CLEAN SHIP PROGRAM ENHANCEMENTS**
Privileged & Confidential Draft

Each City agrees to voluntarily develop and implement for its respective Port the following:

- I. Clean Ship Incentive Program: Enhance Incentive Payment for Cleaner Ocean Going Vessels (OGVs). Both Ports currently offer clean ship incentives under their respective tariffs utilizing the international standards established by the International Association of Ships and Harbors (IAPH). IAPH's ESI program is an international clean ship indexing program developed through the IAPH's World Ports Climate Initiative (WPCI). ESI assigns clean ship ratings to vessels. Under ESI, Ports can opt to provide incentives to reward top performers, for implementing cleaner equipment and operating choices such as deploying the newest and cleanest ship tiers to call at the Port, utilizing cleaner fuels, installing shore power technology on vessels, and OGV demonstration projects for the CAAP Technology Advancement Program (TAP). IAPH is currently revising ESI scoring methodology (ESI 2.0) with expected completion by 2027. Concurrent with implementation of the new scoring structure, each Port shall enact incentive payment enhancements. Incentive enhancements under consideration are: Update per call incentive amount to encourage calls by vessels that meet highest ESI score, vessels with Tier III engines, and/or use cleaner marine fuels. Estimated completion of Board action to revise tariffs with enhanced incentive payments by 2027, in alignment with implementation of ESI 2.0.
 - A. At POLA, the Environmental Ship Index (ESI) incentive program has been in place since 2012 and updated in 2017. Since the start of the POLA's ESI program, POLA has paid out approximately \$6 million in ESI incentives.
 - B. POLB initiated its Green Ship Incentive Program in 2012 to incentivize calls by ships with the cleanest engines. POLB's program was restructured to include ESI in 2021. Between 2012 and 2024, \$X million in incentives was paid to participants.
- II. Implementation Plan for Additional OGV Shore Power and CARB Approved Emissions Control Strategy (CAECS) Deployment. Since 2023, the 2020 CARB At-Berth regulation has required ports, terminal operators and vessel operators of OGVs to use shore power pursuant to a schedule from 2023-2025, phased by type of vessel, with container and cruise passenger vessels first, then followed by automobile roll-on roll-off vessels (ro-ros), and tanker vessels. Ports have installed shore power at all container terminals and existing cruise terminal, and have taken actions to accelerate shore power and emissions treatment for vessel types with technical challenges such as older container ships, ro-ros, and tankers.
 - A. POLA will have additional shore power at their auto terminal by 2028 and future outer cruise terminal by 2030.

- B. POLA has assisted AERAS in development of a test plan for treatment of ro-ro vessel emissions. AERAS is expected to complete emissions testing for CARB Executive Order submission by 2026.
- C. POLB secured grant funding under the California State Transportation Agency (CalSTA) Port Freight Infrastructure Program, in the amount of \$34,500,000, to assist Tesoro Logistics Operations with installation of shorepower infrastructure for tanker vessels at three berths. The grant will be matched with \$34,900,000 in funding from Tesoro. POLB will provide ongoing grant management. The project is expected to be completed in 2029.
- D. The Ports shall pursue opportunities to assist the remaining unregulated vessel types with more technical and safety challenges to achieve at berth emissions reductions beyond At Berth Regulation compliance.
- III. Enhanced Vessel Speed Reduction. The Ports will evaluate through the CAAP and Board Public processes and adopt by end of 2028, as deemed appropriate by their Boards, revisions to their respective vessel speed reduction programs that seek to increase emission reductions from vessels on their approach and departure from the ports. Options for consideration include extending the distance for reduced speed, modifying qualifying speed, and developing alternative compliance plans to identify vessel specific speeds that maximize emission reductions given on-board engine operating profiles.
- IV. Green Shipping Corridor. In September 2023, POLA, POLB and representatives in Shanghai, China, launched the first-ever green shipping corridor across the Pacific, in conjunction with C40 Cities and a number of ocean container carriers. POLA, POLB and Port Authority of Singapore (MPA) also entered into a green shipping corridor partnership in December 2023. The goal of these partnerships is to support decarbonization of the shipping industry from port of origin to port of destination. In alignment with this goal, the Ports will:
- By End of 2025:
- Release a Request for Information (RFI) for a methanol marine fueling pilot study.
- By End of 2026:
- Prepare an assessment of clean marine fueling demand, supply and infrastructure gaps analysis for San Pedro Bay, and share the final report with SCAQMD.
 - Release a Request for Proposals (RFP) and/or enter into a contract with selected party(ies) to conduct a methanol marine fueling pilot study in the San Pedro Bay. SCAQMD will participate in a technical advisory capacity.
- By End of 2030:

- The Ports, shipping lines and other Green Shipping Corridor partners will work together to demonstrate the feasibility of deploying the world's first Zero Lifecycle Carbon Emission Container Ship(s) along the Shanghai Corridor.

**CAAP PLUS MEASURE NO. 2 –
ZE DRAYAGE TRUCK EQUIPMENT AND INFRASTRUCTURE FUNDING**
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Each City agrees to voluntarily develop and implement for its respective Port the following:

- I. Clean Truck Fund Rate Revenues Spending Plan. Both Ports began collecting the Clean Truck Fund Rate on April 1, 2022. Each Port's Board of Harbor Commissioners has identified its own Clean Truck Fund Rate Revenues Spending Plan, with dedicated Clean Truck funding to subsidize ZE port drayage trucks and ZE truck infrastructure serving port drayage trucks. Each Port will review and present the recommended Spending Plans with their Boards on an annual basis.

- a. POLA shall include these 2025-2027 Spending Plan items:

Project	Description	CTF Amount Allocation
ZE Truck Vouchers	Additional funding to existing POLA ZE voucher incentive program. As of 4-15-2025: 260 vouchers for \$21.4 million, 105 trucks redeemed for \$8.625 million	Up to 50%
Infrastructure Match	Work with Mobile Source Air Pollution Reduction Review Committee (MSRC) on off-port truck charging/refueling infrastructure.	Up to 50%
Targeted Request for Proposals/New Incentive Programs/Technology Advancement Program	Request for Proposals (RFP) for larger purchases of ZE trucks and infrastructure projects. Any truck projects approved through the TAP process. Any new incentive programs to encourage the purchase and use of ZE trucks.	Up to 75%
Unsolicited Proposals	Collaboration on unsolicited projects from other government agencies, current tenants, or licensed motor carriers on ZE trucks or ZE truck infrastructure.	Up to 30%

- b. POLB reviews the Clean Truck Fund Rate Spending Plan on an annual basis and presents the updated allocations to their Board of Harbor Commissioners. The Spending Plan for Year 4 is:

Project	CTF Amount Allocation
ZE Truck Incentives	Up to 70%
ZE Infrastructure	Up to 15%
Innovative ZE Drayage Deployments and Demonstrations	Up to 30%

- II. “Stacking” Off-Port Truck Infrastructure. In addition to CAAP Plus Measure No. 6’s Phase 1 Plan for Drayage Truck charging and fueling infrastructure on Port-owned property, the Ports shall also identify actions that they can take, within the jurisdiction and sole and absolute discretion of the Ports’ Boards of Harbor Commissioners, related to charging and fueling infrastructure planning and implementation on off-Port properties that support Drayage Trucks that provide Port drayage service. Ports will each support Agency efforts to develop and fund through the Clean Truck Fund Rate revenue of \$10 million (\$20 million combined) annually for the three-year period following the execution of this agreement to support ZE truck infrastructure regionally in the South Coast Air Basin. After three years, the Ports and SCAQMD will discuss ongoing regional needs as a part of the development of annual spending plan priorities, as identified in CAAP Plus Measure No. 2, Section V.
- III. “Stacking” Port Drayage Truck Equipment and Infrastructure Incentives Other Agencies’ Grant funding. In alignment with the Spending Plans, the Ports shall pursue solicited and unsolicited proposals for ZE Port Drayage Truck equipment and infrastructure. Partnering programs for distributing the funds could include the Ports-CARB HVIP truck voucher program and Ports-MSRC memorandum of understanding (which funded truck charging stations including off-port property locations).
- IV. Develop ZE Drayage Truck Utilization Incentive. The Ports shall study potential incentives paid for use of ZE Drayage Trucks at Port terminals. Outreach on a ZE drayage truck utilization incentive shall be conducted and a ZE drayage truck utilization incentive program will be brought to the Ports’ Boards for consideration by 2026 and implemented by the end of 2026, if deemed feasible.
- V. Collaboration with SCAQMD on development of annual CTF Rate Spending Plan Priorities. The Ports shall consult with SCAQMD on development of annual CTF Rate Spending Plan Priorities.

**CAAP PLUS MEASURE NO. 3 –
ZERO EMISSION EQUIPMENT AND INFRASTRUCTURE FUNDING**
Privileged & Confidential Draft

Each City agrees to voluntarily develop and implement for its respective Port the following:

- I. Each Port will pursue grant funding for zero emission equipment and infrastructure on behalf of its tenants and operators, as appropriate, and manage any grant funding awards in compliance with the terms and conditions of applicable grant agreements and subrecipient agreements. Any changes to the specific funding award amounts or matching fund requirements are subject to the applicable grant agreements with the funding agencies. Current grant funding awards include the following:
 - A. Ports are subrecipients, under ARCHES, of \$50M each from the U.S. Department of Energy (DOE) Hydrogen Hub Funding Award for hydrogen equipment and mobile fueling to be used at the Ports.
 - B. POLA received a \$411,688,296 EPA Clean Ports Program (CPP) Grant. Most of the CPP Grant funds, \$309,688,296, will fund 424 pieces of ZE cargo handling equipment and associated infrastructure at five container terminals and shore power infrastructure at one automobile terminal, with \$104,081,432 terminal match share contributions committed and \$128,442,432 POLA match share contributions committed towards the total project cost of \$644,212,160. Project completion is currently estimated by December 31, 2028.
- C. POLB is currently managing two zero emission grants:
 - i. CalSTA Port Freight Infrastructure Program grant award of \$224,944,997, for a variety of zero emissions terminal equipment, locomotive, vessel and harbor craft projects, with an anticipated match of \$100,305,159.
 - ii. MARAD 2022 Port Infrastructure Development Program grant award of \$30,141,080 for 60 battery-electric yard tractors, with an anticipated match of \$7,535,270.

**CAAP PLUS MEASURE NO. 4 –
ZERO EMISSION IN-PORT SWITCHER LOCOMOTIVES**

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Each City agrees to voluntarily develop and implement for its respective Port the following:

- I. The Ports will seek and/or facilitate their operators in seeking and making, as appropriate, grant funding for zero emissions locomotives for operation at the ports.
 - A. POLA was awarded USEPA funding in the amount of \$2,025,000 to administer a grant project for Union Pacific to develop, with manufacturer Wabtec, and demonstrate a Zero Emissions Switcher Locomotive and the necessary charging components. Fabrication is underway. POLA will work with project partners to deploy locomotive by 2026.
- II. As a part of the Pier B On-Dock Rail Support Facility project implementation, POLB will conduct a switcher locomotive emission control technology assessment every five years, and will seek to implement technologies deemed to be financially, technically, and operationally feasible.
- III. POLB agrees to voluntarily develop and implement the POLB CalSTA Zero Emission Locomotive Demonstration Program, using up to \$50 Million in awarded funds. Funds must be used to demonstrate and deploy ZE (battery electric or fuel cell) locomotives. Funds are required to be spent by the end of 2028.
- IV. As a part of the Request for Proposals for the switcher locomotive operator contract, the Ports will prioritize selection of an applicant with a zero emission switcher locomotive implementation plan.

CAAP PLUS MEASURE NO. 5 –
ZE EQUIPMENT AND INFRASTRUCTURE WORKFORCE DEVELOPMENT
Privileged & Confidential Draft

Each City agrees to voluntarily develop and implement for its respective Port ZE equipment and infrastructure workforce development programs. Current activities include the following:

- I. Joint Port of Los Angeles and Port of Long Beach Goods Movement Workforce Training Facility (Workforce Training Facility) Project. The Ports are developing the Workforce Training Facility as the first training facility in the United States dedicated to the goods movement sector (longshore, trucking and warehousing), with training including the safe operation and maintenance of ZE equipment and infrastructure used in operation of ZE Port Sources. The Ports are executing the Project in conjunction with the Pacific Maritime Association (PMA), the International Longshore and Warehouse Union (ILWU), and the California Workforce Development Board (CWDB). The parties to this project are also consulting on the design of the Training Facility with community colleges in the region and the International Brotherhood of the Teamsters. The State of California will provide \$110 million, through the CWDB, for the funding of the project. Estimated completion of the Workforce Training Facility is 2030.
- II. POLA EPA Clean Ports Program Grant – ZE Workforce Development Program. On January 16, 2025, POLA's Board approved Resolution No. 25-10486, accepting the EPA-POLA CPP Grant in the amount of \$411,688,296. The CPP Grant incorporates a \$50,000,000 grant administration community and workforce development component that will be developed by the Harbor Community Benefit Foundation (HCBF). HCBF will be responsible for developing and managing a robust community engagement plan with Harbor Department staff support to collect and manage community feedback and input into large ZE deployment projects. In addition, SEA-CHANGE includes \$1 million for the launch of a focused workforce development program, Port of Los Angeles Teaching Energy Advancements in Cargo Handling (POLA TEACH). POLA TEACH is a new POLA program that relies on POLA's existing relationships with academic institutions to develop curriculum on maintenance and repair of ZE trucks and cargo handling equipment. POLA TEACH will build on existing efforts between POLA and the Adult Education Division of the LA Unified School District to make sure the school district can expand existing diesel mechanic courses to include ZE repair courses. Working directly with California Community College leadership, POLA TEACH will strengthen connections with regional community colleges by involving them in various technology advancement projects at POLA. In January 2025, POLA announced an MOU with the California Community College Chancellor's Office to effectuate the community college aspect of POLA TEACH. The CPP Grant estimated completion by December 31, 2028.

- III. POLB Education & Workforce Programs. The Port of Long Beach has long self-funded a number of impactful workforce development and education programs to help young people and workers connect with careers in global logistics, engineering, transportation, and technology, all in line with its commitment to zero-emission technology and sustainability under its Green Port Policy adopted in 2005. The Port will be expanding its workforce development and education programs through three dedicated staff in its Government Affairs Division, prioritizing zero-emission technology and upskilling and reskilling workers, as it pursues local, state, and federal funding, as well as funding from philanthropy. In August 2025, POLB will be launching their third Long Beach Unified School District (LBUSD) high school pathway, Port of Long Beach Next-Gen Opportunities in Vehicles and Alternative Energy (NOVA) Pathway, at Long Beach Polytechnic High School with an incoming freshman class of 180 students. The pathway will focus on transportation, energy, and environment providing a 4-year program with career technical education that provides students pathways in automotive or environmental studies, with an emphasis on zero-emissions. NOVA joins the Academy of Global Logistics at Cabrillo High School and ACE Academy at Jordan High School which together will serve over 1,000 students academic year 2025-26. These programs are supported through a partnership with the California State University, Long Beach Center's Center for International Trade & Transportation, who provide industry connections and inform the technical aspects of the curriculum.

Working with Long Beach City College (LBCC), Harbor Freight Tools for Schools, and the International Brotherhood of Electrical Workers (IBEW), POLB launched the Bright Path Program at LBCC which enrolled 28 high school students in an earn and learn model that allows students to complete four college courses and two certifications: Power Generation Technician & Robotics Exploration. The program aims to prepare students for apprenticeship opportunities with IBEW and incorporates elements of sustainable practices. In addition, the port supported the expansion of Trades Summer Camps at LBCC expanding enrollment to 400 registrations. The week-long camps introduce students to skilled trades, an essential component to building our zero-emission future.

In 2025, POLB provided \$350,000 in scholarships for students pursuing diploma and certificates in academic and vocational fields related to international trade in alignment with the Green Port Policy's commitment to environmental stewardship. The scholarships support students pursuing careers that include environmental studies and engineering.

Lastly, the Port of Long Beach adopted its Zero-Emissions, Energy Resilient Operations (ZEERO) program in 2023 and regularly convenes key stakeholders including representatives from industry, tribes, organized labor, community and environmental justice organizations, educational partners, and philanthropy to

discuss implementation of the Port's environmental initiatives, including transition to zero-emission cargo handling and drayage. Workforce development is a key component of the ZEERO initiative and will continue to facilitate key partnerships to expand workforce development opportunities. In March of 2025, the California Energy Commission proposed a \$20 million award to the Port of Long Beach for its Pier Wind project, a major offshore wind project proposed by the Port of Long Beach to help the State of California meet its 100% clean energy goals. Part of the funding from this grant is designated to support community and tribal engagement and workforce development through the ZEERO program.

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**CAAP PLUS MEASURE NO. 6 –
PORT ZERO-EMISSION INFRASTRUCTURE PLANS**
Privileged & Confidential Draft

Each City agrees to voluntarily develop and implement for its respective Port the following:

- I. Port Zero-Emission (ZE) Infrastructure Plans (Plans)
 - A. Each Port shall deliver the following Plans for Port Sources:
 1. Phase 1 Plan – By October 1, 2027, each Port's Board of Harbor Commissioners shall approve a Phase 1 Plan that identifies the charging and fueling infrastructure plans on Port-owned property for the following Port Sources.
 - a. Cargo-Handling Equipment (CHE) for container terminals
 - b. Drayage Trucks
 2. Phase 2 Plan – By October 1, 2029, each Port's Board of Harbor Commissioners shall approve a Phase 2 Plan that identifies the charging and fueling infrastructure plans on Port-owned property for the following Port Sources.
 - a. Cargo-Handling Equipment (CHE) for other terminals
 - b. Local Switcher Locomotives
 3. Phase 3 Plan - By October 1, 2030, each Port's Board of Harbor Commissioners shall approve a Phase 3 Plan that identifies the charging and fueling infrastructure plans on Port-owned property for the following Port Sources.
 - a. Harbor Craft
 - b. Ocean-Going Vessels (OGVs)
 - B. These Plans shall include conceptual level details with estimates and approaches aggregating the project proposals from Port tenants and operators to the extent received. Board Plan approval dates may be modified as necessary to complete the environmental review process or other legal requirements.
 - C. Zero-Emission (ZE) Infrastructure Plans Content
 1. Each Plan for Port Sources shall generally summarize that Port Source's unique technical infrastructure equipment and energy needs and requirements, with further details, to the extent known at time of Plan approval:
 - a. The Ports' and their Tenants' ZE approaches for that Port Source category
 - b. Identify appropriate site locations for ZE charging and fueling infrastructure. This will include electrical substations, switchgear, charging stations,

underground duct banks, manholes, and pull boxes required. If hydrogen or other alternative fuel is to be use, identify locations for that infrastructure.

- c. Evaluation of the energy demand requirements to meet operational needs.
 - d. Provide an Alternatives Investigation and Alternatives Report to evaluate limitations to ZE approaches and potential solutions [e.g., known shore power limitations for certain vessel types and Plan proposal to develop/use CARB-approved emission control system (CAECS)]
2. Estimated Percentage and Timeline for ZE infrastructure for Terminals in that Port Source category (completed and operational, projects in process, terminals' future plan dates). Include an anticipated timeline for construction, including proposed project phasing to minimize operational impacts.
 3. Cost Estimates and Funding Sources. Each Port shall include an assessment of cost estimates and potential funding sources to build out the additional Energy Capacity of On-Port Energy Supply analyzed pursuant to section II below.
 4. Environmental Requirements. Each Port will identify any anticipated permits (e.g., Coastal Development Permits) and CEQA and/or NEPA documents required by the Port to approve and implement the infrastructure plan within its control and the anticipated timeline for securing all needed entitlements. In accordance with their roles as CEQA lead agencies, the Ports will determine the level of CEQA analyses required and identify the NEPA lead agency involved if applicable.
 5. Construction Workforce. Each Port will identify the construction workforce needs and impacts associated with building and constructing the Infrastructure Projects identified in the Plan, to the extent known at the time of Plan approval.
- D. Only Authorized Air Agencies May Require In-Use Requirements for Port Sources to use the ZE infrastructure. This Agreement does not require the ZE infrastructure be used by Port Source owners or operators. The Parties agree that they do not have authority to issue and enforce in-use requirements for the owners and operators of Port Sources to use ZE equipment. The Ports require Tenants to comply with applicable laws related to their operations. There are currently no federal (EPA) requirements for Port Sources to be ZE, and only the CARB OGV At-Berth Regulation requiring OGV use of shore power remains in enforcement with EPA Clean Air Act Waiver.⁵

⁵ CARB has withdrawn many of its ZE regulations directed at Port Sources. Specifically, in January 2025, CARB withdrew its pending requests for EPA Clean Air Act Waivers to require ZE Drayage Trucks by 2035, ZE Locomotives, ZE Harbor Craft and ZE transportation refrigeration units in California. Further, CARB has not requested an EPA waiver or commenced rulemaking for ZE Cargo Handling Equipment (CHE) in California. Then in April 2025, CARB commenced action to repeal the adopted locomotive regulation, in

II. Port Energy Demand and Supply Analysis (Energy analysis)

Each Port shall deliver an Energy Demand and Supply analysis.

A. Energy Demand and Supply. Each Port shall include an assessment of the anticipated Energy Demand and Supply based on the assessments from the operators, applicable Utilities (e.g. LADWP, Southern California Edison) and fuel suppliers. The assessment may be in the form of a Utility's port-wide assessment, such as the POLA-LADWP "ZEPEO" project, or may be an aggregation of Utility's individual terminal project assessments. The assessment shall consist of the following:

1. Quantitative forecast of On-Port Energy Demand
2. Quantitative forecast of On-Port Energy Supply
3. Analysis of the additional Energy Capacity of On-Port Energy Supply further needed to meet the annual and peak On-Port Energy Demand forecasted that is beyond the Capacity of On-Port Energy Supply forecasted.

III. Plan Development Process

The Ports shall each develop Plans with the following considerations:

A. Implementation of ZE infrastructure and equipment at the Terminal requires careful planning and staging of construction while the Terminal continues in operation. Therefore, Ports must work with their Terminals during the conceptual design phase to identify the major operational impacts on Terminals and the Ports such as:

1. Wholesale reinvention of the physical design and layout of the terminal;
2. Large economic investment to fund that physical reinvention (the responsibility for which must be negotiated between Ports and Tenants);
3. A decommissioning of an existing suite of conventional infrastructure and equipment, and procurement and implementation of new ZE infrastructure with resultant significant economic and operational impacts;
4. A change in operational workflows at the berths and backlands, which may include, for electricity-powered equipment, the need for charging time, backup equipment and power generators;
5. Such project facility changes and construction may require Environmental reviews including without limitation, CEQA/NEPA assessments and Coastal Development Permits;
6. Impacts on workforce needs; and

order to quell regulatory uncertainty and also plans to repeal the ZE drayage truck component of its Advanced Clean Fleets regulation.

7. Fundamental changes to the premises, use and rent obligations that may require negotiations and amendments to existing provisions of the lease documents to address these issues.
- B. Feasibility. The states of the ZE equipment and infrastructure markets and technology, and the current physical and operational features/limitations of both Ports, must be accounted for in development of the ZE Infrastructure Plans. Infrastructure construction phasing and completion schedules must be determined by the Terminal Tenants working with Port Engineering and Construction Divisions, and shall consider maintaining Terminal cargo operations while minimizing disruption.
- C. Compliance with Tidelands Trust obligations, which include “[t]he duty to administer the trust solely in the interest of the beneficiaries;” “[t]he duty to take reasonable steps under the circumstances to take and keep control of and to preserve the trust property;” “[t]he duty to make the trust property productive under the circumstances and in furtherance of the purposes of the trust;” “[t]he duty to not delegate to others the performance of acts that the trustee can reasonably be required to perform and to not transfer the administration of the trust to a co-trustee.”⁶

IV. Plans Approval Process

- A. Plan Development Approvals. The Ports shall follow the protocols and secure internal approvals described in Section III.A. above.
- B. Board of Harbor Commissioners Plan Approval. Each City’s Board of Harbor Commissioners shall approve the Plans pursuant to such City’s Charter and other City requirements.
- C. City Council Approval and other City Approvals. City Council and/or Mayor approval of Plans shall also be secured, if required by a City’s Charter and other City requirements.
- D. Plan Modification Approvals. Plan modifications shall be approved in the same manner above and the public processes of Section VI.

V. Plans Implementation Process

- A. After the Plans are approved by Boards (and City Council if necessary), the Ports shall work with their Tenants to implement the Plans, including seeking all project specific approvals and local development permits, consistent with CEQA and other applicable laws and regulations, and pursuant to standard Port capital improvement project protocols, with consideration of the below issues.
- B. Ports shall comply with their Port and City protocols for infrastructure development and capital improvement projects.

⁶ Public Resources Code Section 6009.1

1. At POLA, this includes:

- All infrastructure plans included in the Capital Improvement Plan (CIP) budget process
- Project Development Committee approval of all Port infrastructure projects, initiated by the Tenants' submission of Application for Port Project (APP)
- California Environmental Quality Act (CEQA) environmental assessment
- Port-Tenant negotiations of lease terms regarding infrastructure project scope, cost, and each party's responsibilities for same
- A Harbor Engineer's Permit approving all infrastructure plans

2. At POLB, this includes:

- All infrastructure plans included in the Capital Improvement Plan (CIP) budget process
- California Environmental Quality Act (CEQA) environmental assessment
- Port-Tenant negotiations of lease terms regarding infrastructure project scope, cost, and each party's responsibilities for same
- A Harbor Development Permit approving all infrastructure plans

VI. Ports must work with their Terminals to manage project delivery of all ZE infrastructure projects and make necessary adjustment to budgets and schedules as warranted, and approved by their Boards. Public Process, Reporting and Monitoring

A. The Ports shall implement the CAAP Stakeholder Public Process and Port Board of Harbor Commissioners and City Council Public Process set forth in Agreement Section II.B.2.

B. Parties' Agreement Reporting and Monitoring and Feedback.

In addition to the CAAP public processes for Plan Draft review and input in Plan development stage, and Plan implementation progress reporting in quarterly CAAP Stakeholder meetings, the Parties shall engage in the following Agreement reporting and monitoring activities.

1. Plan Development. Ports shall share a Draft Plan and report Plan development progress to SCAQMD for feedback as follows:

- Phase 1 Plan on October 1, 2026, and April 1, 2027
- Phase 2 Plan on October 1, 2028, and April 1, 2029
- Phase 3 Plan on October 1, 2029, and April 1, 2030.

2. Plan Implementation. Following each Plan's adoption, each Port shall prepare and submit to the SCAQMD an Annual Plan Implementation Progress Report every August 1, until all Charging and Fueling Infrastructure specified in the approved Plan is Operational.