

SAN PEDRO BAY PORTS CLEAN AIR ACTION PLAN

June 15, 2023

South Coast Air Quality Management District
Attn: Governing Board
21865 Copley Drive
Diamond Bar, CA 91765
email: cob@aqmd.gov

SUBJECT: Proposed Rule 2304 Marine Port Indirect Source Rule Concept

Dear SCAQMD Governing Board Members:

On June 1, 2023, staff from the ports of Long Beach and Los Angeles attended the Indirect Source Rule 2304 public workshop and appreciated the opportunity to learn more about the South Coast Air Quality Management District's (SCAQMD's) proposed draft concepts for Rule 2304. Please find attached an initial set of questions and requests for information that will help us to be able to evaluate and review the proposed Rule 2304 concept. Additionally, since the release of the proposed concept has been delayed from SCAQMD's original timeline, we kindly request the SCAQMD adjust the comment period accordingly.

If you need any clarification related to these questions, please feel free to reach out at any time.

Sincerely,



Matthew Arms
Director, Environmental Planning
Port of Long Beach



Christopher Cannon
Chief Sustainability Officer
Port of Los Angeles

cc: Wayne Nastri, Executive Director SCAQMD
Ian McMillian, Assistant Deputy Executive Officer, SCAQMD
Elaine Shen, Planning and Rules Manager, SCAQMD
Charlene Nguyen, Program Supervisor, SCAQMD
POLB Board of Harbor Commissioners
POLA Board of Harbor Commissioners
Mario Cordero, Executive Director Port of Long Beach
Gene Seroka, Executive Director Port of Los Angeles



Port of **LONG BEACH**
THE GREEN PORT

Port of Long Beach | Environmental Planning
415 W. Ocean Blvd | Long Beach, CA 90802
562.283.7100



Port of Los Angeles | Environmental Management
425 S. Palos Verdes Street | San Pedro, CA 90731
310.732.3675

The San Pedro Bay Ports Clean Air Action Plan was developed with the participation and cooperation of the staff of the US Environmental Protection Agency, California Air Resources Board and the South Coast Air Quality Management District.

Attachment

Initial List of Questions on the Proposed Rule 2304 Concept

Establishing Emission Caps

- Please explain the technical methodology used for setting the Port-wide Mass Emissions Cap (PMEC) and Container Terminal-Specific Mass Emissions Cap (TMEC) levels.
- What are the technical assumptions SCAQMD will use for PMEC and TMEC, or if unknown at this time, how will SCAQMD develop them?
 - Are there going to be differences in the methodology or assumptions between container terminal operators (CTO) and port authorities (PA)?
 - With respect to emission sources, are they the same for PA and CTO?
 - How will the equipment used in each source category be determined?
 - How will the cargo throughput for CTO and for PA be estimated?
 - How will AQMD factor in growth or reduction in cargo, for either PA or CTO, when SCAQMD sets 2031, 2037 and interim year targets?
- What is the geographic scope of the mobile source activities included in the caps?
- Are the PMECs and TMECs targeting greater emission reductions from the regulatory efforts underway by the California Air Resources Board?
- To what degree does SCAQMD anticipate that the requirement to meet the PMEC or TMEC will limit a PA or CTO, respectively, from being able to access federal, state or other grant funding to support the transition to cleaner equipment and operations?
- The draft concept identifies potential compliance pathways, such as installing infrastructure, applying for grants, and developing/implementing incentive programs. What specific activities does AQMD anticipate that the Port ISR will require ports to undertake in addition to the activities already included in the CAAP?
- Will AQMD reconvene the Technical Working Group (TWG) to develop the PMECs and TMECs? How will AQMD select members of the TWG?
- What is the process or timeline for a PA to submit an alternative forecast? Can a CTO submit an alternative forecast?
- If an alternative forecast isn't established at the beginning, can it be adjusted later when more information is known?
- Please explain how technology demonstrations can be used as a compliance pathway?
- Are the TMECs going to be the same for each terminal or will they vary based upon terminal capacity or current throughput? Is the PMEC equal to the aggregate of the TMECs?
- When PAs or CTOs face competing regulatory requirements – for example, when NO_x reduction and greenhouse gas (GHG) reduction measures conflict – how can SCAQMD help eliminate or minimize such conflicts?

Ongoing Compliance

- Please explain how the amounts of required annual incremental reductions in emissions prior to 2031 will be determined.
- How will rule compliance be monitored and enforced?
- What if a source outside of the direct control of the PA or CTO fails or refuses to comply with emission reductions? Who will be accountable for the emission reduction shortfall?
- Similarly, what if a source outside of the direct control of the PA or CTO fails or refuses to provide data required for reporting?

- How will AQMD determine whether a PA or CTO should be responsible for a source that falls under both the P MEC and T MEC? Would fees be imposed under both the P MEC and T MEC for failure to meet interim year targets?
- Under the Alternative Timeline approach, CTOs within the same port are allowed to meet their TMECs as an aggregate. Please explain how this would work.
- If a CTO has invested in cleaner equipment and operations, yet experiences unanticipated growth in cargo throughput that pushes them above the emissions cap, what happens to them? What happens if the increase occurs in 2031 or 2037?
- If progress on technology development doesn't meet rule assumptions, and the CTOs or PAs are unable to meet the milestone deadlines, would SCAQMD consider an extension or adjustment process? How would this work?

Mitigation Fees

- Please explain the methodology behind the establishment of PA and CTO mitigation fees.
- How can the PAs and CTOs provide input on staff analyses on mitigation fee design?
- How will the escrow work? Who will hold and manage it? How will it be determined and what kinds of projects would the escrow account fund?
- What limitations will be placed on spending of the mitigation fee monies?
- Will the mitigation fees be reserved for reinvestment in cleaner equipment or operations at the CTOs or PAs where they were generated?
- Who will manage the investment of mitigation fees?

Infrastructure & Energy

- What specific information will be required from the PAs for the required infrastructure plan?
- Are there extensions to compliance deadlines for delays outside of the PA's and CTO's control in installing infrastructure?
- Since the regulation requires an infrastructure plan, how will the rule incorporate utilities/energy providers' information on energy capacity and timelines?
- Will SCAQMD require an energy management system as part of the infrastructure plan? If so, to what extent?

Other

- Will an economic impact analysis of the ISR be conducted? If so, how can PAs and CTOs provide input on the analytical framework and methodology?