Office of the Executive Officer Wayne Nastri 909.396.2100, fax 909.396.3340

November 9, 2017

Harbor Commissioners Port of Long Beach 4801 Airport Plaza Drive Long Beach, CA 90815

Harbor Commissioners Port of Los Angeles 425 South Palos Verdes St. San Pedro, CA 90731

Re: Final Board Approved CAAP Letter

Dear Honorable Harbor Commissioners:

The SCAQMD staff appreciates the hard work that the two commission staffs have put into crafting the Clean Air Action Plan update, and their openness in working with SCAQMD staff and others during its development. We see this plan as an important first step to meeting our regional and local clean air needs. But much of the hard work remains, and it must begin immediately. The attached submittal recommends specific actions and targets for the Port's mobile sources in order to achieve the needed emission reductions for meeting the federally mandated ozone standard in the Basin by 2023. SCAQMD staff is committed to work collaboratively with the Ports and all stakeholders regarding incentive funding and resource allocations, as well as technology and economic assessments, to achieve the goals set forth in these recommendations.

Sincerely,

Wayne Nastri

Executive Officer

WN/drw/af Enclosures

## SCAQMD Staff Specific Recommendations on the Final CAAP Update

SCAQMD staff recommends the following actions and targets for the Ports mobile sources toward achieving the needed emission reductions for meeting the federally mandated ozone standard in the Basin by 2023. SCAQMD staff is committed to work collaboratively with the Ports and all stakeholders regarding incentive funding and resource allocations, as well as technology and economic assessments, to achieve the goals set forth below. The Ports should implement these goals through available mechanisms including but not limited to lease provisions where feasible:

- 1. <u>Drayage Trucks The Ports project that by the end of 2024, 70-90% of trucks will be</u> Near-Zero Emissions Trucks.
  - Establish a 70% target for NZE trucks for 2023 subject to incentive funding, commercial availability and feasibility assessments to work in concert with the Ports proposed rate structure program
    - i. Establish a requirement for pre-2010 trucks to apply for available funding
  - b. Set a minimum target of 500 ZE trucks by 2023 (demonstration and operation) subject to funding availability
  - c. Initiate development of necessary infrastructure immediately to support transition to NZE and ZE units
- 2. Ocean-Going Vessels We are offering the following recommendations:
  - a. Vessel Speed Reduction Establish a 95% target of 12 knots within 40 nm by 2023 for all vessel calls
  - b. At-Berth Controls Establish a 95% target for all calls made by regulated vessels (container, reefer, cruise ships) by 2023 beyond CARB's existing regulation and a 50% target for all calls made by other vessels (tankers, bulk, cargo) by 2023, subject to feasibility assessment by 2020
  - c. Clean Ships Program Accelerate the proposed variable rate structure beginning in 2018 to strongly incentivize cleaner vessels (with Tier 3 engines) through incentive funding (provided by the Ports, CARB, and AQMD) and discourage older vessels (with Tier 0 and 1 engines) with a goal of eliminating vessels with Tier 0 engines and reducing the number of calls by vessels with Tier 1 engines to 25% or less by 2023
  - d. Transit and Maneuvering Emissions Conduct technology demonstrations for onboard retrofit controls and advanced engine modifications for main and auxiliary engines and boilers working closely with ship engine manufactures, technology providers, shipping lines, agencies (AQMD, CARB, U.S. EPA) and other stakeholders to be completed by the end of 2019 with the goal of establishing incentive programs by 2023

- 3. <u>Cargo Handling Equipment With the CAAP's focus on a 2030 zero-emissions target, there are no efforts to maximize emissions reductions from CHE in 2023. The terminals' procurement plan process would require purchases of NZE and ZE, if and when feasible, but does not require the replacement or retirement of existing older equipment based on available technologies.</u>
  - a. Require all the following by 2023:
    - Retire all pre-Tier 4 final diesel equipment and pre 2010 LPG and gasoline powered equipment as part of the Port's review of the terminals' inventory and procurement plans in 2019/2020,
    - ii. Require replacement of the retired units with ZE units if feasible and NZE units if ZE units are not feasible,
    - iii. If neither ZE or NZE units are feasible, require Tier 4 final (for diesel equipment) or 2010+ (for LPG or gasoline equipment) equipment
    - iv. By June 2018, establish a requirement for pre-2010 diesel equipment and pre-2010 LPG and gasoline equipment to apply for available funding
    - v. Initiate development of necessary infrastructure immediately to support transition to NZE and ZE units
- 4. Rail Tier 4 switcher and line haul locomotives capable of achieving significant NOx and PM reductions are available today.
  - a. Establish a 100% target for Tier 4 switcher locomotives operating at the ports in 2023 subject to funding availability
  - Work with Railroads, CARB, and AQMD on specific actions and agreements to reduce emissions including maximizing Tier 4 line haul locomotives operating at the Ports by 2023
- 5. Harbor Craft There are still a significant number of older harbor craft operating at the ports.
  - Require all remaining harbor vessels equipped with Tier 0 and Tier 1 engines to repower with Tier 4 engines (or Tier 3 if Tier 4 not feasible) by 2023 through available incentive funding