

SAN PEDRO BAY PORTS

CLEAN AIR ACTION PLAN

Clean Air Action Plan Implementation Stakeholder Advisory Meeting

MEETING SUMMARY

January 27, 2021

All meeting attendees participated via teleconference using the WebEx platform or by phone. Questions or comments were submitted via the WebEx Q/A feature or WebEx microphone feature.

1. Welcome

- Heather Tomley, Port of Long Beach (POLB) Managing Director of Planning and Environmental Affairs and Christopher Cannon, Port of Los Angeles (POLA) Director of Environmental Management made opening remarks.

2. Status Update on Current Technology Demonstrations

- The Ports provided updates on the Ports' Technology Advancement Program (TAP), the Ports' grant-funded technology demonstrations, and the impacts of COVID-19.
 - The Ports reviewed three proposals for the TAP through the Request for Information (RFI) and Concept Paper process and selected two ocean-going vessel (OGV) projects for funding. The Ports highlighted recently completed TAP projects and the three OGV demonstrations underway. The 2020 TAP annual report will be released in Q1 2021.
 - An update was provided on the Tier III OGV deployments at POLB, the zero emissions (ZE) RTG cranes at POLB, the ZE top handler demonstrations at both ports, the yard tractor demonstrations at both ports (both natural gas and ZE), the deployment of plug-in hybrid electric trucks with LNG range extender, and the POLA Shore-to-Store project including the Kenworth Toyota hydrogen fuel cell ZE trucks and the Shell hydrogen fueling stations.
 - The Ports also summarized the COVID-19 impacts that are being experienced across the demonstration projects, including slowed equipment production, reduced demonstration hours, limited terminal access, and travel restrictions.
- The public was invited to provide comments and ask questions to port staff.
 - One attendee inquired about the tugboat design project mentioned in the presentation. The Ports responded that it is a project with Nett Technologies to demonstrate an after treatment emissions control system on a tugboat. The control technology is intended to be capable of meeting Tier 4+ performance standards.
 - One attendee inquired if there are any near-zero or ZE locomotive TAP projects on the horizon. The Ports responded that they are coordinating with

a local switching line that is working on the demonstration of ZE locomotives. Also, the Ports continue to engage with with Class I railroads regarding their ongoing demonstration projects. Locomotives continue to be a priority for the Ports, but the TAP has not received any recent applications for specific near-zero or ZE locomotive technologies.

3. Clean Truck Program Update

- The Ports provided a presentation on the Clean Truck Program (CTP).
 - A summary of the truck population in the Port Drayage Truck Registry (PDTR) was provided.
 - Port staff gave an update on the status of the Clean Truck Fund (CTF) rate and rate collection mechanism.
 - An update was provided on the Ports' development of the CTP Long-Term Strategy Plan for Trucks with the state of California's zero-emission drayage truck goal for 2035 in mind.
 - The status of the City of Los Angeles' ZE truck financing RFI released by POLA on October 30, 2020 to solicit information from private financing companies to provide potential pathways for financing the transition to a ZE drayage fleet at the Ports was provided.
 - The Ports discussed the partnership with other regional partners to support the South Coast Air Quality Management District's (AQMD) application for the CARB and CEC large-scale truck demonstration grant funding opportunity.
- The public was invited to provide comments and ask questions to port staff.
 - One attendee inquired whether ZE trucks will be allowed priority access to terminals. The Ports responded that they are developing appointment systems and other incentives that may potentially allow ZE and near ZE trucks to have higher priority.
 - Several attendees inquired about the schedule for the CTF rate implementation and when a low-NOx truck exemption will be finalized. The attendees highlighted that certainty in the exemption length and implementation date will allow for shippers, trucking companies, and equipment/infrastructure manufacturers to plan accordingly. The Ports responded that they do not have a specific date for determining the exemption or CTF rate implementation date and the Ports' Boards of Harbor Commissioners (Boards) and Executive Directors are monitoring the situation. The Boards and Executive Directors are concerned with the impacts of COVID on the worldwide economy and the Boards will make the ultimate decision to begin collecting the rate. The Ports' goal is to collect the rate as soon as appropriate, later in 2021. The Ports anticipate the rate collection mechanism contract will go to the Boards in the coming months.
 - A couple attendees inquired as to when the Ports' Comprehensive Long-term Strategy Plan for Zero-Emission Trucks will be released for public comment.

The Ports responded that they have a completed draft; however, it needs to be revised to address the latest regulatory movement. The Ports want to ensure that the Plan is consistent with the updated goals of state and local agencies.

- Several attendees commented on the need for near-term action to secure emission reductions and the role low-NOx trucks will play in immediate emission reductions and the overall strategy.
- One attendee inquired about the types of organizations that were among the RFI respondents. Port staff responded that they received responses from banks and financing institutions, equipment manufacturers, and infrastructure manufacturers outlining schemes for vehicle and infrastructure financing.
- One attendee inquired as to how diversity is considered in SCAQMD's proposed 100 ZE trucks deployment project. The Ports responded that they are actively working with SCAQMD. The Ports sent notices through the PDTR soliciting any interest in participating in the program. One of the Ports' priorities is workforce development. The Ports are in discussion with labor organizations to plan for training that teaches truck operators how to maintain ZE trucks. SCAQMD has considered a variety of technology developers and have had many conversations with a number of diverse fleets.
- One attendee asked if there are any studies looking at short haul freight rail between the Ports and the Inland Empire. The Ports responded that there is an ongoing study led out of the San Joaquin Valley. The multi-phase study is evaluating the potential for development of an inland port in the Central Valley that can balance imports and exports. Trucks may be used in the early phases with expansion to short haul rail between the Ports and the Central Valley.
- One attendee commented that there are significant hurdles for the transition to a ZE truck fleet, particularly with the financing of trucks, and inquired what level of investment the Ports needed in order to fully embrace a ZE strategy. The Ports responded that billions of dollars are needed for this transition. The Ports are advocating for additional funding and looking at various sources, both public and private, which can finance fleet turnover to ZE trucks.
- One attendee asked whether congestion at both ports is being considered in the implementation of the CTF rate. The Ports responded that port congestion, and the additional costs incurred by industry as a result, is among the considerations that the Boards are evaluating for rate implementation. The Boards are carefully evaluating the potential impacts of rate implementation on maritime and industry.

4. 2020 Accomplishments & 2021 Priorities

- The Ports presented a number of their accomplishments in 2020 and highlighted their priority initiatives for 2021.
 - The Ports were able to achieve several CAAP supportive milestones.
 - The Ports' 2021 priorities include initiatives and actions for all five source categories (trucks, cargo handling equipment, OGVs, harbor craft, and locomotives).
- The public was invited to provide comments and ask questions to port staff.
 - One attendee asked for port staff to elaborate on harbor craft demonstrations mentioned in the presentation. The Ports responded that there are two harbor craft projects, one of which is the Nett Technologies TAP demonstration previously mentioned under the Current Technology Demonstrations Update. The other project is the design and build of a new diesel electric-drive tugboat meeting Tier 4+ emissions.

5. Additional Comments & Questions

- Participants provided additional comments and questions regarding Port air quality initiatives.
 - An attendee suggested that terminal operators put together ZE vehicle and ZE transition plans describing ZE equipment procurement and necessary infrastructure, which could also allow equipment manufacturers to plan accordingly. The Ports responded that as part of the 2017 CAAP update, terminals were asked to provide 10-year planning information on their transition to ZE. Those plans are in progress.
 - One attendee asked about emissions from ships at anchorage and whether the emissions from these ships are measured by either POLA or POLB, and whether there are ideas of what to do long-term about large numbers of ships at anchor since they undermine the efforts of both Ports' at-berth regulations. The Ports responded that the emissions are calculated for each Port's Emission Inventory if the ship eventually berths at one of the ports. If the vessel does not berth, the emissions are captured in the State's emissions inventory. The Ports have an interest in identifying technological solutions to reducing emissions at anchorage. Although the Ports have yet to test an emission capture and control technology capable of treating stack emissions while vessels are at anchorage, there is significant interest in learning more from potential technology providers.