

Clean Air Action Plan Implementation Stakeholder Advisory Meeting

MEETING SUMMARY

July 25, 2023

All meeting attendees participated via teleconference using the WebEx platform or by phone.

Questions or comments were submitted via the WebEx Q/A or microphone feature.

1. Welcome

- Heather Tomley, Port of Long Beach (POLB) Managing Director of Planning and Environmental Affairs, Christopher Cannon, Port of Los Angeles (POLA) Director of Environmental Management, and Morgan Caswell, Port of Long Beach Manager of Air Quality Practices made opening remarks. There was an update regarding the Ports' alteration to the frequency of the Clean Air Action Plan (CAAP) progress reporting document posted on the CAAP website. The report will shift from a quarterly status update to a bi-annual occurrence.

2. Status Update on the Technology Advancement Program (TAP)

- The Ports presented updates on the Technology Advancement Program (TAP).
- Port staff provided an overview of the updated TAP guidelines, which give funding priority to zero-emission (ZE) port equipment, locomotives, harbor craft and innovative charging infrastructure.
- Updates to the TAP website and relevant reporting were explained. Port staff focused on streamlining the page in order to increase accessibility and legibility of the website. This allows for an easier application process as well as provides additional support and guidance to those interested in applying. Port staff also walked through the application and Advisory Committee evaluation process to maintain transparency.
- The Ports detailed the three new project concepts that have either been or will be approved in 2023. This includes the SSA Hydrogen Fuel Cell Top Handlers Demonstration, South Coast Air Quality Management District (AQMD) Low-Pressure Exhaust Gas Recirculation Retrofit and Multi-Fuel Injection System for Ocean Going Vessels (OGV), and the Pacific Harbor Line (PHL) Battery Charging System Demonstration. The Crowley Zero-Emission Advanced Technology (ZEAT) Tug Project is still under contract development.
- The two Ports provided updates for the ongoing TAP projects: Pasha LNG Fuel Vessels, NETT Technologies, Toyota Tsusho H2 Top Handler, and SSA Hydrogen Fuel Cell Top Handlers Demonstration.
- Since 2017, the Ports have secured a combined total of \$411 million in grants to support the deployment of an additional 134 grant-funded ZE vehicles and equipment over the next 3 to 5 years. This includes the ~\$225 million grant recently awarded to the Port of Long Beach from the California State Transportation Agency (CalSTA) for emission-reduction projects.

- The ~\$225 million CalSTA grant includes ship-to-shore power projects, and new competitive grant programs to be administered by POLB. These new programs include the ZE Locomotive Demonstration Program, Harbor Craft Business Continuity and Emission Reduction Program, and Zero Emission Terminal Transformation Program.
- Under the POLB Sustainable Terminals Accelerating Regional Transformation (START) project, delivery and demonstration of 5 Peterbilt 579 ZE trucks at Shippers Transport Express is expected this fall.
- POLA reported the completion of their ZANZEFF trucks project this past April, and looks forward to the full commercialization of newer models in 2025.
- The first generation battery-electric Taylor ZE top handlers are still undergoing testing at the Port of Los Angeles. The two units that were to be demonstrated at the Port of Long Beach as part of the START grant were sent to Shippers Transport Express at the Port of Oakland, where they are successfully meeting the duty cycle of those operations. The first generation battery-electric Taylor top handler is out of operation at LBCT.
- As the future holds more possibilities for funding and grants for upcoming projects, both Ports plan to request additional funding from local, State, and Federal agencies to support our clean air goals.
- The public was invited to provide comments and ask questions to Port Staff.
 - One commenter asked for clarification on the change from quarterly reports to biannual reports. The Ports replied that although the reports will be biannual, the frequency of CAAP stakeholder meetings will continue as is.
 - One commenter asked why the Ports are supporting the Pasha LNG ships. Port staff explained that LNG vessels are capable of producing emissions benefits and they were the cleanest vessels available at the time of order. The Ports are aware of concerns regarding methane slip and will continue to work with Pasha to better understand the issue and how the industry plans to resolve it.
 - One attendee requested more detail when it came to the dual fuel LNG ships as they voiced concerns of the spike in emissions from vessels at anchorage recorded in each Ports 2021 annual emissions inventories. The Ports shared the attendee's concern regarding vessels at anchorage but acknowledged that the industry has been very effective at mitigating this issue through the PMA/PMSA/Marine Exchange vessel queuing system.
 - Another attendee asked what bunkering for the three Pasha vessels will look like, and if infrastructure for LNG bunkering will be installed for further support of these ships. According to the Ports, there is no plan under development for an LNG bunkering facility, and the Pasha ships are being fueled via an on-dock skid.
 - One participant asked about the Crowley ZEAT Tug Project status under TAP. The Ports clarified that the project is under contract development and expected to be approved by the Ports respective Boards' this fall. Crowley is reviewing the shipyard proposals that were submitted and will enter into contract with a ship builder later this year.

3. Green Shipping Corridor Update

- Port of Los Angeles’s Teresa Pisano, Marine Environmental Supervisor, presented on the framework of a Green Shipping Corridor (GSC), along with its commitments and goals in relation to the Port and its different stakeholders. In order to achieve a cohesive and effective approach to a greener future, ports globally must work with stakeholders to identify solutions to decarbonize the ocean-going vessels visiting their terminals. The main purpose of the plan is collaborate across the globe and form a tight alliance for the passage of knowledge in light of the global climate crisis.
- The Ports are participating in six GSC collaborations. The two Ports are working on GSCs with Port of Shanghai and Maritime and Port of Singapore. In addition, POLA has work underway on GSCs with Port of Tokyo, Port of Yokohama, and Port of Nagoya. POLB is working with the Port of Kobe to share information on the development and advancement of hydrogen at the two ports.
- The public was invited to provide comments and ask questions to Port Staff.
 - One member of the public inquired if green methanol is the preferred fuel for the Ports. The participant expressed concern that greenhouse gases will be emitted from the fuel. The Ports do not have a preferred fuel at this time and are working with their global partners to better understand the emissions profiles of different fuel types. In addition, POLB is conducting a Clean Fuels White Paper that will also explore the varying ability of different fuel types to mitigate emissions including greenhouse gases.
 - Another commenter asked if GSCs will be made mandatory. The Ports replied that GSCs are voluntary at this time.

4. Clean Truck Program and Clean Truck Fund Rate Update

- The Ports provided a status update on the implementation of the Clean Truck Program and the Clean Truck Fund (CTF) Rate.
- The Ports acknowledged that there has been a report that shipping agents or cargo owners may be reducing payment for drayage services in order to offset their payment of the CTF Rate on loaded containers. This is a violation of the CTF Rate tariff adopted by the two Ports. The Ports encouraged anyone with firsthand knowledge of this to notify the Ports, and the Ports will be exploring the issue further.
- The Ports reported that they are collecting approximately \$2.5 million to \$4 million monthly through the CTF Rate since April 1, 2022. Through June 2023, the Ports have collected approximately \$96.8 million. Approximately \$14 million has been allocated to ZE trucks and infrastructure to date.
- In the year one spending plans for the CTF Rate, both Ports prioritized ZE truck vouchers, with smaller amounts of funding provided for infrastructure and demonstration projects. The Ports plan to provide supplements or “plus-ups” to the California Air Resources Board’s (CARB) Hybrid and ZE Truck and Bus Voucher Incentive Project (HVIP) vouchers in order to provide higher total incentive amounts to ZE drayage truck purchasers. The Port of Long Beach’s contract with CALSTART to administer this program was executed in April 2023, and the Port of Los Angeles is projected to amend their existing contract this September.

- Each Port developed their Year 2 CTF Rate Spending Plans, which were presented to and/or approved by their respective Board of Harbor Commissioners this spring. During the second year of CTF Rate spending, the Ports will be prioritizing ZE infrastructure, with funding also provided for continuing truck voucher supplements and early truck deployment projects.
- Both Ports are supporting public charging infrastructure to support ZE drayage trucks. POLB is working on the build out of two Port-owned sites. A solicitation for public charging at the Terminal Access Center was released on July 6. POLB plans to release second solicitation in the 4th quarter of this year for their Pier B/Carrack Avenue site. POLA is currently working on a site in Wilmington, and expects to release its Request for Proposal (RFP) in the 3rd quarter of 2023. The Ports supported the California Energy Commission and Caltrans on their application to the U.S. DOT Charging and Fueling Infrastructure solicitation, and each Port committed up to \$3 million in CTF Rate funds as match if the project is awarded funding to the I-710 charging stations.
- In late 2021, POLA released a RFP for 10+ ZE trucks and associated infrastructure to be deployed before the end of 2022, and the POLA Board has approved two of these proposals for a total of \$6 million and 22 trucks. The first project is complete with all 10 deployed trucks, and the second project will be expecting the remaining 12 trucks in December of this year.
- Both Ports have submitted a joint application to develop and administer a \$100 million incentive program to reduce truck emissions as per the U.S. DOT Federal Highway Administration's Notice of Funding Opportunity. The Ports proposed an incentive program that would pay a per-trip incentive for the use of ZE drayage trucks at container terminals. If awarded, the Ports would conduct stakeholder engagement to develop the program implementation guidelines as part of the proposed project.
- The Advanced Clean Fleets Regulation was approved by the CARB Board in April 2023, with the rule finalization being as early as July 27, 2023. These new regulations will be put into effect starting January 1, 2024.
- The public was invited to provide comments and ask questions to Port Staff.
 - A member of the public asked for clarification on the term "plus up." The Ports explained that funding from the CTF Rate would be provided in addition to any existing and future HVIP vouchers. The amount of the plus up varies depending on if the voucher applicant owns a small fleet (<10 trucks as currently defined by CARB). Plus-ups per truck will range from \$75,000 to \$100,000 with small fleets receiving \$100,000 per truck. A drayage fleet participating in HVIP will potentially receive \$225,000 (HVIP Voucher = \$150,000 + Ports' Funding = \$75,000) or \$250,000 (HVIP Voucher = \$150,000 + Ports' Funding = \$100,000).
 - A commenter asked if the Ports have public documentation that demonstrates the requirement that the CTF Rate should be charged to the beneficial cargo owners rather than truck drivers, and how the Ports plan to ensure the CTF Rate is being collected appropriately. The Ports shared that their tariffs states that the beneficial cargo owners or their agents are required to pay the CTF Rate. The Ports will be reaching out to the beneficial cargo owners and shippers to ensure that they understand the Ports' CTF Rate tariff language. Reports were

again encouraged to be made to the Ports to provide specific details on any incidences that have occurred.