

DOCKETED

Docket Number:	21-ALT-01
Project Title:	2021-2022 Investment Plan Update for the Clean Transportation Program
TN #:	240473
Document Title:	Port of San Diego Comments on 2021-2023 Investment Plan Update for the Clean Transportation Program
Description:	N/A
Filer:	System
Organization:	Port of San Diego
Submitter Role:	Public Agency
Submission Date:	11/9/2021 11:52:26 AM
Docketed Date:	11/9/2021

Comment Received From: Port of San Diego
Submitted On: 11/9/2021
Docket Number: 21-ALT-01

Comments on 2021-2023 Investment Plan Update for the Clean Transportation Program

I am submitting this Comment Letter again (initially submitted on 11/8/21) because the first submission did not include the "entity name" - Port of San Diego.

Additional submitted attachment is included below.



November 8, 2021

Commissioner Patty Monahan
1516 Ninth Street, MS-33
Sacramento, California 95814

*Submitted electronically to Docket 21-ALT-01 via
<https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=21-ALT-01>*

Subject: Comments on 2021-2023 Investment Plan Update for the Clean Transportation Program

Dear Commissioner Monahan,

Thank you for the opportunity to provide input on the California Energy Commission's (CEC) 2021-2023 Investment Plan Update for the Clean Transportation Program (Plan). It is gratifying to see funding dedicated to expanding the state's electrical infrastructure and making it resilient, yet we know the true need is felt at the local level, where resources to plan, design, and fund projects are necessary to implement our shared vision for a clean, sustainable goods movement system.

For more than a decade, the Port of San Diego (District) and its partners have deployed clean air investments and new technologies to improve air quality. Plans like the Clean Air Plan (2007), Climate Action Plan (2013), and the Final Environmental Impact Report for Tenth Avenue Marine Terminal (TAMT) Redevelopment Plan and corresponding TAMT Redevelopment Plan (2016) have all played a part. These plans provided ideas, guidance, and other measures to improve overall air quality and alleviate the environmental burden on surrounding communities. These efforts have steadily increased over the years, with continued investments in solar energy, shore power, and expanded installation of electric vehicle (EV) charging stations and other emerging technologies like a microgrid at TAMT. District tenants have also been early adopters of new technologies to reduce emissions. In 2016, the San Diego Port Tenants Association received funding from the CEC to demonstrate and deploy a wide range of zero emission (ZE) trucks and cargo handling equipment. These efforts have established a solid foundation to position the Port to advance the next level of clean air investments to help chart the course for further improvements in and around the District's tidelands.

Recently, the District adopted a new Maritime Clean Air Strategy (MCAS), establishing goals ahead of the state's actions. Highlights of the MCAS goals and/or objectives that go beyond State requirements include:

- A goal of 100 percent of cargo trucks calling on the District cargo maritime terminals being zero emissions (ZE) vehicles by 2030, far exceeding State requirements by five years, and in some cases, 15 years.
- A goal of 100 percent of cargo handling equipment being ZE by 2030. (An Executive Order of the Governor calls for full transition of cargo handling equipment to ZE by 2035, where feasible.)
- Facilitate implementation of the first all-electric tugboat in the United States by June 30, 2026.
- Convert the Port's fleet of vehicles to ZE starting in 2022 and completing by 2030.



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Other notable clean air projects in the works that will aid in the achievement of the MCAS goals include:

- Addition of a second shore power circuit for cruise ships by 2023.
- Adding shore power or an alternative technology to reduce ocean-going emissions at berth at the National City Marine Terminal by 2025 in alignment with State requirements.
- Purchasing electric cranes to replace the older diesel mobile harbor crane at the Tenth Avenue Marine Terminal.
- Purchasing electric equipment like UTRs (Utility Tractor Rigs), drayage short-haul trucks, and General Services fleet trucks.

California's energy and environmental goals will be met at the county, city, and community level – in all the places where the old technology must be replaced with the new. However, the costs of this statewide technology turnover are concentrated in heavy industry, particularly seaports, where the infrastructure and equipment are the most expensive, and for that reason, the electrification of our working waterfronts requires massive, upfront investment. While trucks total 3% of vehicles on the road today but 40% of pollution, a bold emphasis of this class of vehicles is needed for the Plan to accelerate that industry toward cleaner operations and adopting new, electric technology. Accordingly, **the CEC's grant programs must not only be sized to fit the need, but focused on equitably reaching the need**, or else the state will fall short in meeting its emissions targets and our communities will miss this opportunity in California's history.

The Plan must embrace the reality that port business operations call for different sizes, types, and quantities of equipment. As the ongoing CEC Ports Collaborative dialogue – begun under the leadership of former Commissioner Scott and continued by Commissioner Monahan – has uncovered, there is a great variety among ports, and despite their commonalities, no two ports are the same. The jobs they do, and the infrastructure required to do them, vary in the extreme. **However, a port-specific funding program does not yet exist at CEC**, forcing ports of all sizes and models of operation to – such as in the case of Zero-Emission Drayage Truck application (GFO-20-606), a solicitation favoring larger ports – compete against each other for project funding, regardless of the shape of the needs in their own community. State investments should be equal in variety to the needs they seek to meet. Ports are not all the same and should not be placed at a competitive disadvantage just because they have different operational needs and abilities.

Specifically, to promote a more equitable distribution of CEC's assistance, and to better leverage its capacity to lift all who strive to achieve the state's emissions goals in disadvantaged communities, the District would urge programs in the Plan be stipulated to include:

- Match levels and solicitations scaled to electrification projects of different sizes.
- Equity carve-outs, perhaps by air district or through regional or size-based allocations, to expand reach and widen geographic distribution.
- Locally informed solicitations crafted to support specific goals on the ground, such as electrification plans in the District's MCAS, rather than taking top-down approaches.
- New efficiencies in grant processes to reduce the administrative burden that jeopardizes project implementation and timelines.



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As most of the trucking routes to and from the District's Tenth Avenue Marine Terminal consist of longer-range duty cycles (over 500 miles), the District believes that hydrogen fuel cell technology and infrastructure will be important, though the Plan only allocates roughly 5% of funding for hydrogen trucks and infrastructure. The District believes there should be a greater emphasis on hydrogen vehicles and associated infrastructure, especially outside of the Los Angeles basin.

More broadly, while the District appreciates the Plan's support for the transition of diesel drayage trucks to zero emission drayage trucks and associated infrastructure, there are additional mobile sources of emissions which need state investment to spur innovation. The District would respectfully propose several additions:

- Expand beyond on-road vehicles to increase support for electrification of off-road vehicles and marine vessels, including zero emission ocean-going vessels and commercial harbor craft, such as shore power. (Installing four shore power substations, shore power outlets and connection vaults, and one military shore power substation and connection power mound at National City Marine Terminal would cost \$35,000,000, which is nearly the entire annual Maritime revenue for the District.)
- Protect ports from impacts of grid insufficiencies during power shortages.
- Consider ways to provide off-sets to the above-average electricity rates that – in the absence of a single, statewide rate for truck charging and vessel shore power – vary from port to port so that California does not pick winners and losers but supports maritime electrification, lowers prices for consumers, and enjoys a competitive trade and goods movement.
- Ensure CEC and other state agencies commit to tethering new funding with the operative regulations and making grant funds available for planning and design of projects so that applications for necessary larger infrastructure or equipment may be timely submitted.

Fine-tuning the CEC's approach will bolster its capacity to be a catalyst in California's energy revolution and provide infrastructure-heavy entities like the Port of San Diego with crucial leverage in accessing the funds CEC brings to the table at a time they are needed the most. The District is glad to continue working with CEC commissioners and staff to make these improvements and being partners together in meeting the electric infrastructure challenge ahead of us. Thank you for the opportunity to provide feedback, and please contact my office with any additional questions or for further information.

Sincerely,

Job Nelson
Vice President
Strategy & Policy