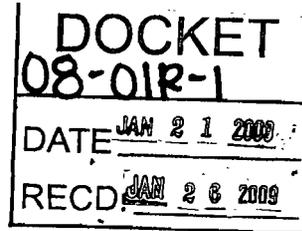




The Port of  
LONG BEACH

# San Pedro Bay Ports Clean Air Action Plan

January 21, 2009



California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 08-OIR-1  
1516 Ninth Street  
Sacramento, CA 95814-5512

Subject: Docket Number 08-ALT-1: AB 118 Advisory Committee Meeting

Dear Commissioners and Staff:

Thank you for the opportunity to provide input regarding the California Energy Commission's (CEC's) Assembly Bill 118 (AB 118) Alternative and Renewable Fuel and Vehicle Technology Program Draft Investment Plan (Plan).

The Port of Los Angeles and the Port of Long Beach propose the development of a Strategic Alliance between the ports and CEC as an effective and efficient mechanism to support the Plan's implementation. The ports are extremely excited about the possibility of forming a Strategic Alliance with CEC. We believe it is mutually beneficial to leverage our joint resources, focusing on both turnkey and longer term projects, to maximize AB 118 program benefits and to meet the goals of the legislation.

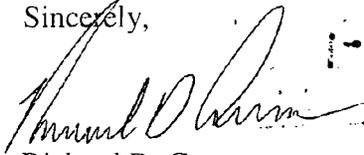
The ports are confident that a Strategic Alliance partnership would yield excellent benefits including significant leveraging of state funds, accelerated greenhouse gas and criteria pollutant emission reductions, and overall program synergies. Furthermore, the ports believe that a Strategic Alliance would benefit from our successful track record of working with agencies, port tenants, and contractors to implement a wide variety of incentive and technology advancement projects. Upon full implementation the ports' proposed Strategic Alliance projects are estimated to reduce petroleum consumption by more than six million gallons per year and reduce greenhouse gas emissions by more than 55,000 tons per year, as well as valuable reductions in criteria pollutants. Additionally, the proposed projects could potentially generate additional jobs in the port and technology industries. Attachment A provides a summary of proposed Strategic Alliance projects and the estimated benefits of each project as calculated by the ports in coordination with McKinley Addy of the CEC. This list also serves to communicate the ports' desired project priorities for the AB 118 program, regardless of implementation mechanism.

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The ports will follow up under separate cover to provide more detailed information regarding each of the proposed Strategic Alliance projects, and to provide additional comments on the AB 118 Investment Plan. If you have any questions regarding the proposed Strategic Alliance, please contact Heather Tomley, Assistant Director of Environmental Planning, Port of Long Beach, at (562) 590-4160, or Kevin Maggay, Environmental Specialist, Port of Los Angeles, at (310) 732-3947.

Sincerely,



Richard D. Cameron  
Director of Environmental Planning  
Port of Long Beach



Ralph Appy, Ph.D.  
Director of Environmental Management  
Port of Los Angeles

Attachment

## **ATTACHMENT A**

### **Port of Long Beach and Port of Los Angeles Proposed AB 118 Strategic Alliance Projects and Benefits**

The following proposed Strategic Alliance project list is offered as a framework to initiate development of a comprehensive partnership that facilitates CEC and port efforts to successfully achieve AB 118 program and the ports' Clean Air Action Plan (CAAP) goals and objectives. Specific project areas proposed for this alliance are listed below and the estimated benefits are summarized in Table 1 below:

1. *Clean Trucks Program* – This existing port program will help finance the replacement of approximately 16,800 heavy-duty drayage trucks, 50 percent of which are targeted to be fueled by liquefied natural gas (LNG) which would assist in meeting the CEC's low carbon fuels objectives. There is currently a small market for LNG trucks; however the ports are moving forward with advancing a technology in a significant manner. The 50 percent goal of LNG trucks would represent the largest deployment of LNG trucks in the nation. The ports are also working with LNG providers to secure sufficient infrastructure to ensure that there is enough fuel available to fuel the trucks. The ports' investment in LNG greatly reduces petroleum use and could potentially have an indirect, beneficial impact by encouraging use of the fuel. Additionally, the Clean Truck Program would create employment opportunities in the LNG component manufacturing and truck manufacturing and maintenance industries. AB 118 funding is sought to offset a shortfall in port funding to assist in the purchase of LNG trucks.
2. *Accelerated Port Equipment Fleet Modernization* – While some technologies proposed for this project category have been implemented on a demonstration basis, the ports are proposing to formalize and expand an effort to implement electric and hybrid-electric vehicle and equipment technologies in port terminal applications. These technologies include all-electric equipment such as yard tractors, clerk trucks, and rubber tired gantry cranes which would assist in meeting the CEC's Super Ultra-Low Carbon fuel objectives. Hybrid technologies, which would assist in meeting the CEC's Vehicle and Engine Efficiency objectives, would also be included. AB 118 funding is sought to supplement port funding in order to accelerate the implementation of these technologies.
3. *Technology Advancement Program (TAP)* – An existing program under the CAAP, the TAP's mission is to accelerate the verification or commercial availability of new, clean technologies, through evaluation and demonstration, to move towards an emissions free port. The TAP considers projects for new technologies as well as technology upgrades to increase efficiency, which would assist in meeting the CEC's Vehicle and

Engine Efficiency objectives. Additionally, many projects are alternative fuel, hybrid, and fuel saving technologies which are related to several AB 118 objectives. The TAP is synergistic with a number of other port technology initiatives, including the Port of Los Angeles green technology cluster, which supports economic development and creation of local and regional green collar jobs. AB 118 funding is requested to match port funding to expand TAP project awards.

4. *Ocean-Going Vessel Shorepower Infrastructure* – Cold-ironing is an effective measure that reduces significant pollutant emissions. AB 118 funding is requested to assist the ports in installing the necessary infrastructure improvements to provide electricity to the wharfs, earlier than is required by regulation. In addition to the environmental benefits of cold-ironing, these projects would generate jobs in the construction industry.
5. *Renewable Energy Projects* – As an early action measure under each port's developing greenhouse gas programs, the ports are proposing to develop solar panel arrays on port property and will be offering financial assistance to terminal operators to install systems on their leased properties. AB118 funding is requested to support and expand these programs.
6. *AB 118 Program Synergy Projects* – This project area is a commitment to work cooperatively with CEC and its other strategic partners to facilitate successful projects not originated by the ports. Specifically, the ports would work cooperatively to solicit demonstration partners for technologies/projects proposed by CEC, facilitating testing and demonstration of these technologies in port applications.
7. *Efficiency Enhancements to Port Operations* – The ports recognize that there are a number of potential efficiency improvements that will provide emission and fuel consumption reductions from port equipment. One focus of efficiency enhancements is the "Truck Efficiency Project," which is a potential tool for trucking companies to utilize technologies and operational methods to increase efficiency and maximize profits. As part of this effort, the ports will investigate the work conducted to date on EPA's SmartWay Transport program, which has initiated a number of projects in this area. Another focus of efficiency enhancements is the "Operational Efficiency Project." This project area would support the Non GHG Category of the AB 118 objectives, specifically, Sustainability and Public Education and Outreach. ARB is developing an initial study of terminal efficiency and the ports intend to assist ARB in this effort.

Table 1 provides a summary of the proposed project areas and associated budget requests.

**Table 1: POLA/POLB Proposed Strategic Alliance Projects  
and Estimated Benefits**

<b>Project Area</b>	<b>Preliminary Project Scope</b>	<b>Annual Diesel &amp; Gasoline Gallons Displaced (gal/yr)</b>	<b>Annual GHG Emission Reductions (tons/yr)</b>	<b>Annual NOx Reductions (tpy)</b>	<b>Annual PM Reductions (tpy)</b>
1.0 Clean Trucks Program	350 units	757,470	1,761	49	2.45
2.0 Fleet Modernization	768 units	5,445,870	52,800	280	198.3
3.0 TAP	3 projects	92,043	164	4	0.014
4.0 OGV Shorepower Infrastructure	4 berths	980,000	8,178	216	20
5.0 Renewable Energy Projects	tbd	tbd	tbd	tbd	tbd
6.0 Synergy Projects (CEC lead)	tbd	tbd	tbd	tbd	tbd
7.0 Efficiency Enhancements	tbd	tbd	tbd	tbd	tbd
		7,275,383	62,903	549	221