

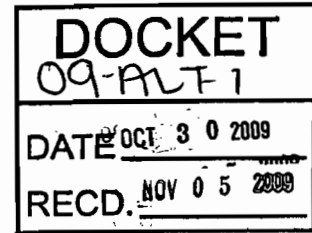


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Executive Director

October 30, 2009



California Energy Commission
Dockets Office, MS-4
RE: Docket No. 09-ALT-1
1516 Ninth Street
Sacramento, CA 95814-5512

RE: 2010-2011 Investment Plan – 09-ALT-1

Dear Chairman Douglas and Vice Chairman Boyd:

I would like to thank you for the time you provided my team this month to meet with you to discuss the ambitious energy and environmental programs we are pioneering at the Port of Los Angeles (POLA). Under our Clean Air Action Plan (CAAP), POLA, together with the Port of Long Beach, is addressing all port-related emission sources — ships, trains, trucks, terminal equipment and harbor craft — to reduce pollution by at least 45% in the next five years. We are now going one step further, beginning to look at how we can reach AB 32 greenhouse gas (GHG) emissions reduction goals. The only way we are going to achieve these goals is by moving further and faster in the electrification of the ports, especially with respect to shore-side power and electric trucks and yard equipment. Our continued partnership with the California Energy Commission (CEC) is essential in our quest to develop and implement the innovative technologies necessary to improve air quality and reduce harmful emissions.

We previously received the commitment of CEC matching funds for our Electric Truck Demonstration and Alternative Maritime Power Project applications to the U.S. Department of Energy (DOE). Unfortunately, DOE did not fund a single heavy duty truck, port, or goods movement project, so we were unable to utilize the CEC funds. The DOE seemed to focus on improvement of existing technology and not on the transitional technology that is so critical to the future of the California ports, despite our importance to the country and status as critical national infrastructure.

We are still moving forward with our trail-blazing programs, and need the support of the state to match our local public and private sector efforts. We have already invested over \$6 million in electric trucks and more than twice that in shore-side power infrastructure this year. Some of our projects are cutting-edge, like our prototype electric drayage truck; and others involve the utilization of existing technology in new configurations, i.e. cables to plug in ships, etc. We – and all ports in California – need funding for both.

In addition to funding multiple areas of clean goods movement technology, focusing on both existing and cutting-edge technology, we would also respectfully request that the CEC take into consideration the fact that we have already been committing our own funding to projects and that we may not have additional matching funds going forward in the current fiscal year. Matching fund requirements are challenging for all local public agencies, especially for ports that have seen their largest volume declines in the last half century. We therefore hope that the CEC will provide some flexibility in the matching requirements by acknowledging recent investments that could count as matching funds, and/or provide flexibility in meeting any potential matching fund criteria, making it not a requirement but a consideration in the development of the award criteria.

The CEC is one of the few agencies at the state or federal level that shares the ambitious vision for the future that we have at the Port of Los Angeles in terms of tackling GHG emissions. I have to reinforce, however, that it will be nearly impossible to reach AB 32 reduction targets without new and better goods movement electrification technology moving further, faster. POLA and CEC can do that together, and the time is now.

Thank you in advance for your consideration of this request and please feel free to contact me directly at 310-732-3456, or Isaac Kos-Read, Senior Director of Government Affairs, at 310-732-3905, should you have any questions or like additional information.

Sincerely,


GERALDINE KNATZ, Ph.D.
Executive Director

Port of Los Angeles Zero Emission Electric Truck Proposal

The Port of Los Angeles has teamed with the University of California Riverside and two Southern California small businesses (Balqon Motors and Vision Motors) to develop prototype road certified zero emission Class 8 trucks. The trucks represent two technologies full electric and hydrogen fuel cell electric hybrid. The port would like six million in funding assistance from the California Energy Commission which it will match the funding the port has committed to build and test 52 pre-production single and dual axle units for use in the following duty cycles; drayage of containers around and between terminals, short haul drayage (less than 10 miles to rail heads and distribution facilities), medium haul drayage (11-50 miles to distribution facilities) and regional drayage (beyond 50 miles to distribution facilities and destinations) and on specific routes such as Port of Los Angeles to San Diego, Port of Los Angeles to Las Vegas and Port of Los Angeles to Phoenix.

Initial testing of the vehicles indicates that they can operate cost effectively in various duty cycles with the full electric truck achieving over 100 miles per charge (over 150 in testing not under load) and the hydrogen fuel cell hybrid achieving over 200 miles per tank of hydrogen (over 220 in testing not under load). The configurations tested are a single axle Class 8 truck for terminal drayage and drayage between terminals, and a dual axle Class 8 truck for short, medium and regional drayage. Early testing and modeling indicates that these trucks are capable of performing in these and similar markets at ports around the country. Additional testing is necessary to:

1. Ensure that identified vehicle cycles and usage information is accurate
2. Validate the capabilities of the trucks in real world conditions
3. Refine the truck technology, equipment and aerodynamics to maximize performance
4. Assess the capability of the technology to be applied to smaller platforms in similar duty cycles such as large and medium sized delivery platforms and industrial equipment

The anticipated cost of the vehicles is approximately \$250 per unit. The vehicles and charging devices, if required, will be provided to the test participants, who will be expected to pick up approximately 10% of the vehicle cost and all fuel/electricity costs during the test. Maintenance during the test period will also be provided. Letters of interest have been received from a number of trucking companies and marine terminal operating companies that have made a commitment to test the units in Southern California, regionally and nationally in various duty cycles and operating conditions. These companies include Swift Transportation, one of the nation's largest trucking companies and Maersk, one of the world's largest terminal operating companies.

We are also supported by the Clean Truck Coalition, a group of Drayage Companies that represents the single largest group of USEPA 2007 Compliant diesel and alternative fuel trucks operating in the San Pedro Bay Port Complex. The companies in this coalition are responsible for a significant percentage of the short, medium and regional drayage in Southern California. Our efforts are also supported by two large truck manufacturers; Kenworth and Autocar, who will provide the chassis for the project.

The Port of Los Angeles will coordinate and administer the program supported by the trucking companies, terminal operators and manufacturers noted above. The CE-CERT Center at UC Riverside will be responsible for validation of all vehicle cycle data, data verification and analysis, and modeling. In order to ensure that the evolution from prototype to production moves smoothly the testing needs to be significant and diverse. In order to do this we anticipate the need to build and test 52 vehicles in the following configurations and duty cycles:

- Terminal and Inter-terminal drayage: 16 full electric trucks and 12 hydrogen fuel cell hybrids, tested at a number of small , medium and large terminals
- Short haul drayage: 4 full electric trucks and 8 hydrogen fuel cell hybrids
- Medium haul drayage: 4 full electric trucks and 4 hydrogen fuel cell hybrids
- Regional drayage: 4 hydrogen fuel cell hybrids

The test period is anticipated to be one year with a rough cost breakdown as follows:

Vehicle cost: 52 X \$250K =	\$13,000,000
UC Riverside Cost=	\$ 500,000
Project management costs=	\$ 250,000
Subtotal	\$13,750,000

Participant reimbursement	
52 X \$25,000	\$ 1,300,000

Total Project Outlay	\$ 12,450,000
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The port is already underway on a contract to build 24 fully electric trucks that will be deployed in the terminals and in the drayage market later this year. In order to ensure that we have identified all possible technology partners we have also issued a Request for Proposals (RFP) from companies that build zero emission class 8 vehicles. We intend to use the results of this RFP in selecting companies to receive funding. The equal cost share for the Port of Los Angeles and the California Energy Commission would be \$6,225,000. When successful, this small amount of funding would move two Southern California companies from prototype to production in a large international market while making it possible to provide a means to dramatically continue our emission reductions goals.