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September 28, 2021

Chair Michael Zucchet  
Port of San Diego  
3165 Pacific Hwy  
San Diego, CA 92101

***RE: EHC's "ZEV" Comments on the August Draft MCAS***

Dear Chair Zucchet:

EHC would like to greatly thank you and the Board for the unanimous decision on 7/13/2021 to transition 100% of heavy-duty trucks to zero emission vehicles (ZEV) by 2030. This Board action provided bold and clear direction for the MCAS effort. EHC would also like to recognize the effort that both the Board and Port staff have provided thus far to help address the disproportionate air quality impacts Portside communities have been asked to shoulder for far too long.

However, while there has been some progress, the MCAS' policies and strategies will not position the Port to be able to achieve the Governor's Executive Order (100% ZE drayage trucks by 2035) or the Board's more aggressive ZE truck goal (100% ZE trucks by 2030). While all of EHC's previous comments are critical to meet the Board's 7/13/2021 ZEV direction, the two most important recommendations we are urging the Board to include in the Final Draft MCAS are described below. Although the Final Draft MCAS is not yet out for public review, we thought it would be helpful to summarize and update our previous comments into one letter in order to help the Board to more easily evaluate them while we all await the Final Draft. Once the Final Draft MCAS is out for public review, EHC will update our comments below as necessary prior to the anticipated 10/12/2021 Board hearing.

## **EHC's top two MCAS ZEV issues and policy recommendations:**

**Issue #1:** The biggest flaw with the August Draft MCAS' ZE truck strategies is that there is NO requirement for the creation of a ZE truck transition plan that identifies the major tasks, benchmarks and anticipated timelines. The MCAS focuses on a limited number of near-term and somewhat vague ZE strategies through 2026 with no roadmap for the vast majority (80%) of the ZE truck transition assumed to occur between 2027-2030. National City's 9/3/2021 comment letter to the Port also speaks to the MCAS' inadequate ZEV policies and the need to set yearly ZEV goals.

### **EHC's recommendations to address issue #1:**

Prepare a ZE heavy-duty truck transition plan, by January 2022, that includes the following:

- ZE heavy-duty truck transition benchmarks: 50% by 2025; 60% by 2026; 70% by 2027; 80% by 2028; 90% by 2029; and, 100% by 2030.
- A compilation of all foreseeable tasks and their timelines including: charging infrastructure planning and development; planning and implementation of a short-haul truck program, and creation of a truck registry.
- Development of key policy concepts such as additional revenue source mechanisms and guidelines to utilize them; and, new lease provisions for ZE truck requirements. This section should include the process required for consideration and adoption by the Board as well as their projected hearing dates.
- Compilation and analysis of truck data (e.g., truck ownership, delivery distances within the San Diego region and beyond) needed to be able to prepare the transition plan.

**Issue #2:** There are no policies in the MCAS that provide specific guidance regarding the ZE truck requirements for discretionary actions (such as new leases). There can be no new diesel or natural gas truck trips associated with new tenants if the Port intends to have any chance at meeting its ZEV goals. Discretionary review provides the Port with the utmost leverage in transitioning to ZEV. The Port will not be able to achieve even it's near term 2026 goal of 20 percent ZE truck trips, if at the same time, it approves new projects in the future that bring in new diesel trips. For example, if the Mitsubishi Cement Corporation project proposal were to come back proposing thousands of new monthly diesel truck trips, it would significantly offset any potential gains from strategies listed in the Draft MCAS.

### **EHC's recommendations to address issue #2:**

Prohibit use of heavy-duty diesel and natural gas trucks in new leases. By 2022, prepare new Port of San Diego lease requirements for the Board's consideration that prohibit the use of heavy-duty diesel and natural gas trucks and provide incentives for ZE heavy-duty trucks.

## **EHC's response to objections to preparing a long-term ZEV Plan:**

Port staff have consistently argued that it is just not possible to prepare a long-term ZEV truck plan because of too many unknowns pertaining to the state of ZE truck technology. Port staff's understanding as to what is possible with respect to heavy-duty ZE trucks is inconsistent with CARB's analysis including the following:

- New heavy-duty ZE trucks are **commercially available for order today** from several manufactures<sup>1</sup> - see slide 16 (please note that this is further supported by the Port of SD's own study last year<sup>2</sup> - see page 4);
- New heavy-duty ZE trucks have a **lower cost of ownership** (TCO) starting in 2025 when compared to diesel as discussed in CARB's 9/9/2021 TCO analysis (see page 59), even when accounting for infrastructure<sup>3</sup>. CARB's TCO findings are conservative in that the analysis does not factor in grants, incentives, and/or utility infrastructure programs which can further reduce the costs to truck owners;
- **In 2023, only ZEVs may be added** to the CARB Drayage Truck Registry<sup>4</sup> (see slide 33) with the proposed Advanced Clean Fleet rules; and,
- **Delivery times** for new heavy-duty ZE drayage trucks are **comparable to diesel** and new heavy-duty ZE drayage trucks can be customized to help meet local trucking demands<sup>5</sup>.

While the state of ZE technology and economic benefits of ZE trucks have never been clearer and are quickly getting better, the Board has the opportunity to lead on this issue to help address the severe public health crisis in the Portside communities. ZE trucks are here today and the sooner that the Port establishes a clear and measurable long-term strategy towards that end, the easier the transition will be for all stakeholders.

## **EHC's full set of MCAS ZEV comments on the August Draft MCAS:**

EHC has previously and repeatedly recommended that the Port create a long-term ZEV plan and develop separate groups of policies and strategies to advance ZEV with respect to the varying levels of the Port's regulatory authority (e.g., policies for: 1. existing tenants; 2. new discretionary actions, including new leases; and, 3. charging infrastructure). Port staff asked that EHC propose policies/strategies for each of these three groups, which EHC subsequently did on 8/23/21. For ease of evaluating EHC's complete comments on the August Draft MCAS, below is a high-level set of comments followed by a more detailed analysis.

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<sup>1</sup> CARB's Advanced Clean Fleets

Regulation Workshop. 9/9/2021. [https://ww2.arb.ca.gov/sites/default/files/2021-09/210909acfpres\\_ADA.pdf](https://ww2.arb.ca.gov/sites/default/files/2021-09/210909acfpres_ADA.pdf)

<sup>2</sup> Port of San Diego's [https://pantheonstorage.blob.core.windows.net/ceqa/MCCW\\_Vol\\_1\\_Final\\_SEIR.pdf](https://pantheonstorage.blob.core.windows.net/ceqa/MCCW_Vol_1_Final_SEIR.pdf)

<sup>3</sup> CARB's Draft Advanced Clean Fleets Total Cost of Ownership Discussion Document. 9/9/2021.

[https://ww2.arb.ca.gov/sites/default/files/2021-08/210909costdoc\\_ADA.pdf](https://ww2.arb.ca.gov/sites/default/files/2021-08/210909costdoc_ADA.pdf)

<sup>4</sup> CARB's Advanced Clean Fleets

Regulation Workshop. 9/9/2021. [https://ww2.arb.ca.gov/sites/default/files/2021-09/210909acfpres\\_ADA.pdf](https://ww2.arb.ca.gov/sites/default/files/2021-09/210909acfpres_ADA.pdf)

<sup>5</sup> 9/1/2021 virtual meeting with CARB, EHC, Port staff and others.

**EHC's high-level comments:**

- Prepare a ZE heavy-duty truck transition plan, by January 2022, to achieve 100% ZEV by 2030.
- New leases will not include new sources of heavy-duty diesel or natural gas trucks.
- Finalize a ZEV truck program by the end of 2022 for short-haul trucks.
- Focus should be on ZEV, not near-zero emission trucks.
- Prepare a ZEV fee/tariff proposal by January 2022 with policy options for consideration by the BPC. Thank you for your progress thus far on this one!
- Creation of a ZEV charging infrastructure plan by March 2022.
- Ensure the clearinghouse process/database that tracks MCAS/CERP is public facing and transparent and includes on-going status updates along with stakeholder oversight.
- Incorporate EHC's recommended policies/strategies for new discretionary actions (e.g., requirements for ZEV, rent relief, expedited review and/or other incentives etc.).
- Incorporate policies/strategies to promote charging facilities similar to those for existing tenants and new discretionary actions.

**EHC's detailed comments:**

1. MCAS Truck Goal #1 states: Improve the air quality in the Portside Community by accelerating the implementation of zero emission/near zero emission trucks.

**EHC comments:**

- a. Remove "near zero". In order to achieve the goal of 100 percent ZE by 2030 for trucks, per BPC direction, near zero emission trucks cannot be part of the goal.
2. MCAS Truck Objective 1A states: 20% of the Port's annual truck trips will be performed by zero emission trucks by June 30, 2026.

**EHC comments:**

- a. 20 percent ZEV by 2026 is not aggressive enough to meet the goal of transitioning all trucks to ZE by 2030. EHC recommends 50% by 2025 and annual zero emission truck milestones leading up to 2030. See objective 1E below.
3. MCAS Truck Objective 1B states: By the end of 2022, Port staff will develop and present a short haul, on-road, Zero Emission Truck Program for the Board's consideration that includes at least one collaborating trucking company and that targets having the necessary charging infrastructure in place by 2024, in order to displace approximately 65,000 diesel vehicle miles traveled.

**EHC comments:**

- a. EHC supports completion of the short haul ZE Truck Program by 2022.
- b. Work with the community to identify **additional** short-haul truck routes in the near-term that are good candidates for ZEV trucks that include

trips up to 200 miles per day.

4. MCAS Truck Objective 1D states: In collaboration with the California Air Resources Board, the Port will utilize a truck registry or other system to summarize annual truck trips to the Port's marine cargo terminals and measure progress to achieve Port goals.

**EHC comments:**

- a. Prepare a public facing registry by 2023 as required by the state, with annual updates.
  - b. Prepare a truck inventory, by January 2022, to provide complete data on which trucks enter/leave the tidelands truck routes, destinations, and the VMT to help inform charging infrastructure needs and potential for ZEV transition.
  - c. The Port should make truck registry and inventory data easily digestible, available online, and updated in real time.
5. MCAS Truck Objective 1E states: Provide status report to the Board of Port Commissioners with recommendations on zero emission truck technologies, as well as an evaluation of potential impacts to small fleets and/or independent truck drivers, as part of a Biennial Emissions Report to better understand the transition zero emission truck technology.

**EHC comments:**

- a. Prepare a ZE heavy-duty truck transition plan, by January 2022, that includes the following:
    - a. ZE heavy-duty truck transition goals/benchmarks: 50% by 2025; 60% by 2026; 70% by 2027; 80% by 2028; 90% by 2029; and, 100% by 2030.
    - b. A compilation of all foreseeable tasks and their timelines including: charging infrastructure planning and development; planning and implementation of a short-haul truck program, and creation of a truck registry.
    - c. Development of key policy concepts such as additional revenue source mechanisms and guidelines to utilize them; new lease provisions for ZE truck requirements. This section should include the process required for consideration and adoption by the Board as well as their projected hearing dates.
    - d. Compilation and analysis of truck data (e.g., truck ownership, delivery distances within the San Diego region and beyond) needed to be able to prepare the transition plan.
6. MCAS Truck Objective 2A states: Within the fourth quarter of calendar year 2022, present a concept plan to the Board for its consideration that identifies four potential public facing medium-duty/heavy-duty charging locations within the San Diego Region to support deployment of zero emission trucks, which may include locations in close proximity to or on the Tenth Avenue Marine Terminal and/or the National City Marine Terminal.

MCAS Truck Objective 2B states: Collaborate and coordinate with community

residents, stakeholders, and agencies to ensure that the medium-duty/heavy-duty zero emission truck charging facilities identified in Objective 2A are aligned with and connect to the region's larger zero emission vehicle charging infrastructure system.

**EHC comments:**

- a. EHC supports this objective and looks forward to collaborating with the Port to ensure robust and authentic community participation.
  - b. Avoid land use incompatibilities. The siting of potential/conceptual charging stations should be done through robust public engagement not just to align with the region's larger ZEV systems but to also ensure that they not worsen and/or create any land use incompatibilities in environmental justice communities.
7. MCAS Enabling Objective 1B states: Work with the California Department of Transportation and other west coast ports to implement domestic shipping services to reduce emissions by facilitating the movement of goods by waterborne routes that are currently served by trucks or rail.

**EHC comments:**

- a. Air quality in Portside communities is the priority. Ensure that this mode shift would have a net reduction of diesel emissions in Portside communities. Portside residents need to know how this mode shift would impact air quality in their communities. Will additional ships be coming to San Diego's cargo terminals? Will these ships be shore-powered?
8. MCAS Enabling Objective 2A states: Create a clearinghouse process to track progress towards achieving MCAS and relevant AB 617 CERP goals and objectives, including technology and emission improvements associated with development, within 30-days of final approval of both documents.

**EHC comments:**

- a. EHC supports this recommendation and encourages transparency of data and the database. This should be a public facing database that is updated and presented in such a way that can be easily understood by the local community and other stakeholders. This information should be summarized and presented to the Board with on-going status updates along with stakeholder oversight. Establish policies that inform how the Port will demonstrate its progress in achieving MCAS and CERP goals.
9. MCAS Enabling Objective 2B states: Establish an Emissions Reduction Incentive Program.

**EHC comments:**

- a. EHC supports this objective and recommends development of the program by mid-2022. This program should include the funding strategies that support an incentive based approach to reducing diesel emissions and be part of the regular updates to the Board.
10. MCAS Enabling Objective 2C states: Prepare a market study/feasibility

analysis for the Board of Port Commissioners that explores a range of potential fees that can support zero emission/near zero emission reduction projects, as well as identify any implications the fee may have on the Port's revenue and maritime business opportunities.

**EHC comments:**

- a. EHC supports this objective with removal of the term "near zero". This should be completed no later than January 2022 per the BPC's direction. Circulate the staff report at least one week ahead of the January Board hearing.
- b. Public outreach/oversight components and the implementation timeline of the feasibility analysis recommendations should be included in staff's presentation to the Board in January.

11. MCAS Enabling Objective 2E states: Promote adoption of zero emission technologies by Port tenants, truckers, and other users of equipment.

**EHC comments:**

- a. EHC supports promotion of ZEV as a complement to requirements to transition to ZEV.

**The following are EHC's policy recommendations for existing tenants and future discretionary actions:**

1. EHC's recommended ZEV policies/strategies for existing tenants:
  - a. Increase the rates/tariffs charged to vessel operators, terminal operators, cargo handlers, and tenants and dedicate this increased funding to ZE trucks.
  - b. Establish a dirty truck and/or cargo fees. Establish a fee for non-ZEV trucks that enter Port tidelands and utilize funds collected from the fee to subsidize purchase of zero emission trucks and infrastructure. Ensure that equity and a priority on small, locally owned companies is incorporated into a truck fund, and that fees do not fall on the backs of misclassified truck drivers. Also, ensure that dray-off activities are not occurring to avoid the fees. Alternatively, or in addition, establish a fee on cargo entering the Port and use funds collected by the fee to subsidize zero emission trucks, zero emission cargo handling equipment, electric infrastructure etc.
  - c. Establish additional incentives for zero emission trucks, such as registration fees and/or a priority access system. Establish annual registration fees for the truck registry that are waived for ZE trucks. The Port could consider implementing a priority access system to provide ZE trucks preferential access to its terminals. For instance, the Port could consider giving owners and operators of ZE trucks their first-choice appointment slots at terminals. This measure would allow ZE trucks to access terminals more quickly than other trucks, enabling them to carry more cargo and earn more revenue in the same amount of time.
2. EHC's recommended ZEV policies/strategies for future discretionary actions:
  - a. Proactively renegotiate existing tenant leases. Start reaching out to

- tenants to put them on notice of the types of terms/conditions that could be required in order to extend the existing lease. Identify ways in which the Port can offer incentives (e.g., rent relief etc.) and associated terms (e.g., 100% ZEV by 2030 and interim targets leading up to that date, no misclassification of truck drivers etc.).
- b. New lease requirements. Develop requirements for new leases that support 100% ZEV by 2030. New leases must not include new sources of heavy-duty diesel and natural gas trucks. Similarly, mitigation measures for new CEQA projects should be aligned with these ZE goals.
  - c. Expedited review. Create an expedited discretionary review process for projects that are implemented equitably, in-line with public health priorities of the Portside communities, and consistent with the MCAS. Working with the Portside communities through community outreach, determine what type of review processes would be accelerated and what protections there would be if there were an MCAS provision that the community is not supportive of.
3. EHC's recommended ZEV policies/strategies for charging infrastructure:
- a. Develop a ZEV charging infrastructure plan by March 2022. Create a plan to build out charging infrastructure on a timeline that will support 2030 ZEV goals.
  - b. Establish similar fees, tariffs, incentives, lease provisions etc. (as described above for existing tenants and new discretionary actions) to support electric charging infrastructure.

Thank you for your time and consideration. Please contact Danny Serrano at [dannys@environmentalhealth.org](mailto:dannys@environmentalhealth.org) for any additional information.

Sincerely,



Danny Serrano, AICP  
Campaign Director

CC:  
Port Commissioners  
City Council of National City  
City of San Diego Mayor Gloria  
City of San Diego Councilmember Moreno  
Barrio Logan Community Planning Group Chair, Mark Steele