Maritime Clean Air Strategy (MCAS) October 2021

October 12, 2021 Agenda Item #14 File #2021-0293



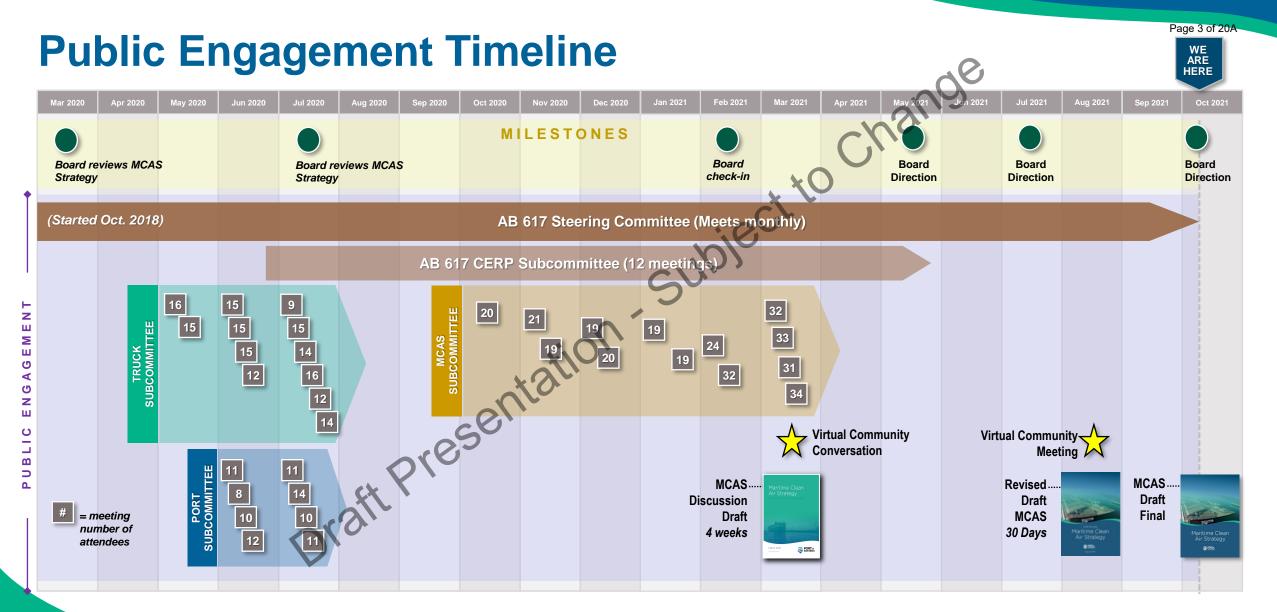
Maritime Clean Air Strategy Development and Progression



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Draft Revised MCAS: Public Review



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30-Day Public Review (August 5, 2021 – September 3, 2021)

- 33 Total Letters
 - From Community Members, Advocacy Organizations, Tenants, Government Agencies, and Truck/Transportation Entities

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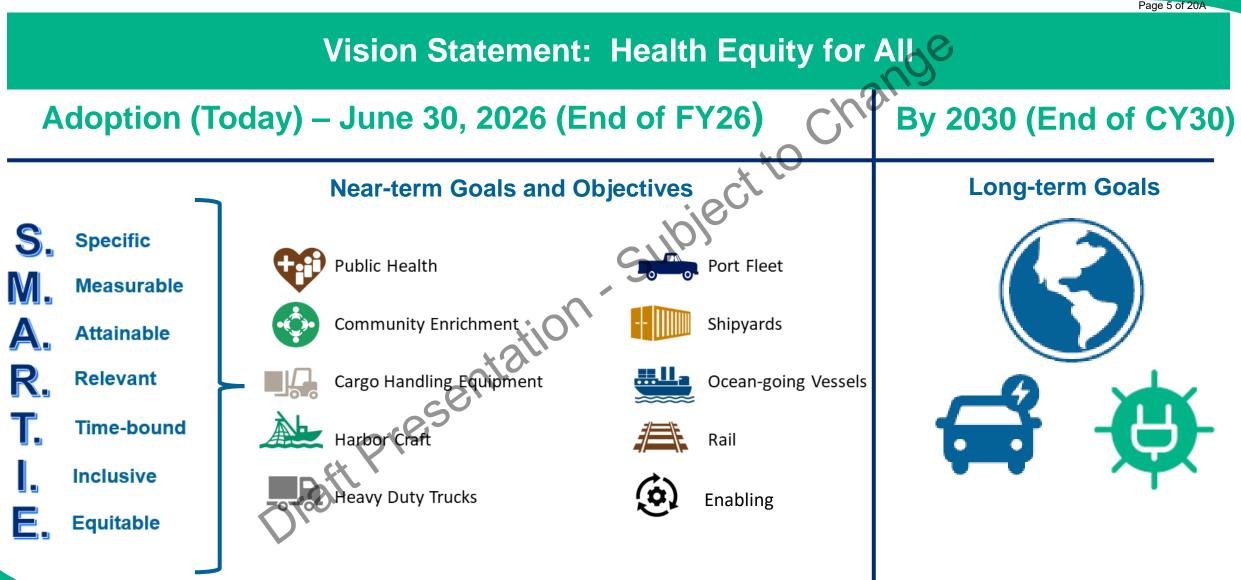
- 120+ individual comments



- August 26th Bilingual Virtual Community Meeting
 - 51 Attendees

MCAS October 2021





Long-Term Goals for 2030



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Vision Statement: Health Equity for Ail



Trucks: 100% ZE truck trips by 2030 for all trucks that call to the Port's two marine cargo terminals.



Cargo Handling Equipment: Transition diesel cargo handing equipment to 100% ZE by 2030.



Harbor Craft: Tugboat diesel emissions reduced 50% through transition to Zero / Near-Zero Emission technologies and/or other lower-emitting engines or alternative fuels.



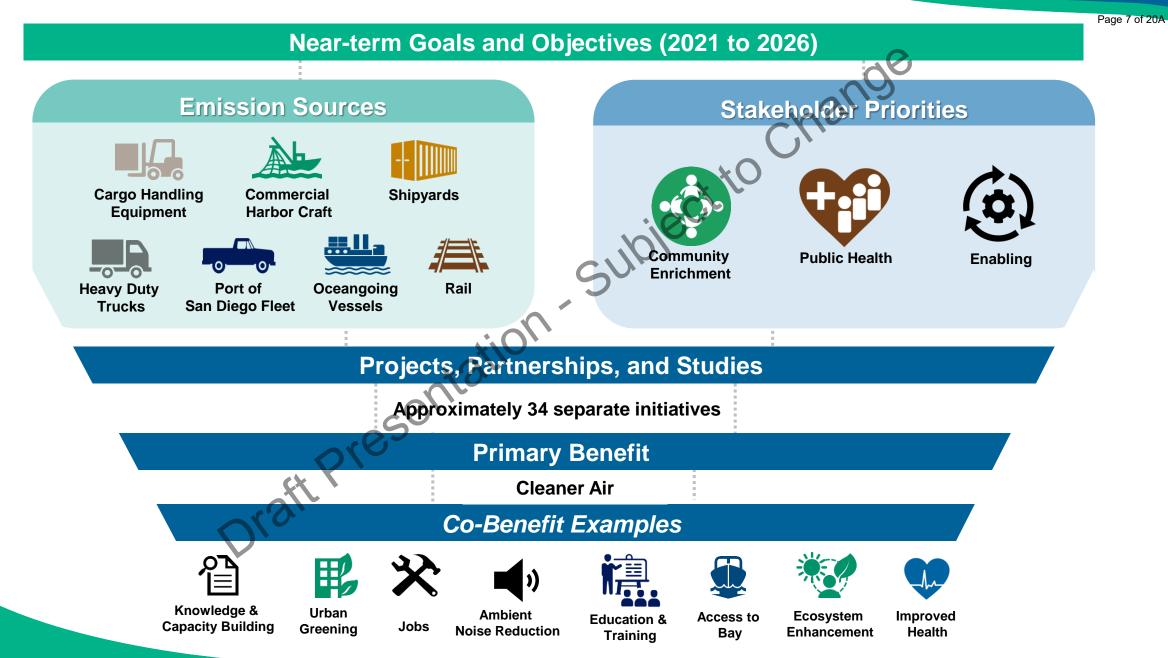
Port Fleet: Transition to 100% Zero / Near-Zero Emission technologies.



Ocean-going Vessels: Equip marine terminals with shore power and/or an alternative technology to reduce ocean-going vessel emissions for ships that call to the Port.

Structure of the Maritime Clean Air Strategy







change

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Public Comment Themes

- Timing and Execution of Goals and Objectives
 - Move Faster vs. Align with State Goals and Timing iect to
- **Near-Zero Emission Technology**
 - Support vs. Discourage
- More Specificity Needed to Reach 2030 Long-term Goal
- Limitations of Zero-Emission Technology and Supporting Infrastructure
- Competition MCAS May Create Competitive Disadvantage
- Maintain Workforce Need to Protect Jobs

Timing and Execution of Goals and Objectives (Move Faster vs. Align with State Goals and Timing)

Example Comments (Move Faster)

- "Finalize a ZE truck program by end of 2022 for short-haul trucks," "Create ZE charging infrastructure plan by Marsh 2005"

Example Comments (Align with State Goals and Timing)

"Port must conduct economic study prior to final adoption of MCAS. Incomprehensible Port is moving to finalize MCAS without critical data regarding the economic impacts and outreach to those tenants and industries that will have to deliver or stop doing business all together."

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"Deeply concerned with aggressive timeline goals expected to be implemented by tenants and their vendors. Requiring all cargo trucks to be electric 15 years ahead of state goals will demolish commercial viability of the port and institute a competitive advantage for every other west coast port San Diego competes against."

Timing and Execution of Goals and Objectives (Move Faster vs. Align with State Goals and Timing)



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change

Response:

Added more detail on the following:

- There is increased urgency to create a more sustainable future through immediate and sustained action.
- The MCAS' 2030 goals serve as our north star, and the MCAS' near-term goals and objectives through 2026 serve as our starting point.
- The Port is uniquely positioned to serve as a partner to help advance emission reduction initiatives.
- Clarified the intent of the MCAS is to increase opportunities to acquire external funding and resources to reduce emissions in advance of forthcoming regulatory requirements.



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Near-Zero Emission Technology (Support vs. Discourage)

Example Comments (Supporting NZE):

- *"NZE technology is important for today to start improving health and air quality now."*
- "Current widespread deployment of ZE technology is not a reality."
- "Choice today is between NZE and Diesel."

Response:

- Continue to have MCAS focus on ZE technologies as near-term objectives.
- Added detail that allows for the consideration of near-zero emission (NZE) technologies.

Example Comment (Discouraging NZE):

• *"Focus on ZE, not NZE trucks, remove NZE from Truck Goal 1 and Enabling Objective 2C."*



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More Specificity Needed to Reach 2030 Long-term Goal

Example Comments:

- "Urge Port to implement a plan with clear benchmarks, milestones, and anticipated target dates in order to track and accelerate progress towards greater health equity."
- "Draft does not sufficiently provide the specificity needed to ensure transition of existing tenants and future discretionary actions and new tenants to achieve 100% ZEV by 2030."

Response:

- Focus on near-term objectives that will accelerate the ZE market in this decade;
- Invest in infrastructure and fleets collaboratively with many partners;
- Technology adoption occurs exponentially, and this strategy will accelerate that process.
- The MCAS will be updated in 2025 to include more specific goals and objectives from July 1, 2026, to the end of 2030.



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Limitations of Zero-Emission Technology and Supporting Infrastructure

Example Comments:

- "Each goal should satisfy the following criteria: 1. technical availability (meet industry standards, verifiable track record of success in specified circumstances); 2. commercial feasibility (generally available to market and operationally practicable); 3. economic viability."
- "Failure to recognize that much of the technology envisioned in MCAS cannot yet be feasibly implemented – mandatory technology must be reasonably feasible."
- "Concerns if electrical grid is ready for consistent operations."
- "Significant concerns regarding evolving and available technology."

Response:

Added information to:

- Clarify the assumptions and advancements that are necessary to attain goals;
- Allow for the consideration of near-zero emission (NZE) technologies.



Competition – MCAS may create competitive disadvantage

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Example Comments:

- "MCAS implementation could lead to job loss if new and existing customers ultimately decide Port is not a good place to do business due to cost."
- "Timeline for truck electrification will demolish commercial viability and institute a competitive disadvantage."
- "MCAS does not address solutions to the existing issues relating to jobs, commerce, viability; it only addresses 'goals'. The introduction of these standards without real solutions is unfair to the businesses operating on the Port and consumers reliant on these operations because the goals are unrealistic."

Response:

- Added information to acknowledge the competitive nature of goods movement industry.
- The MCAS will be updated in 2025 to include more specific goals and objectives from July 1, 2026, to the end of 2030.



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Maintain Workforce

Example Comments

 "As a general principle, it must be made clear in the Draft Revised MCAS that any new technologies invested in and deployed at the Port <u>do not in any way displace the</u> <u>workforce</u>."

Response:

Added information to:

- Clarify that maritime tenants, operators, and service providers generate important maritime jobs that support families and that are vital to the regional economy.
- Clarify that MCAS initiatives, including deployment of clean technology, should not result in the displacement of the existing workforce or be a hindrance to workforce growth.



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Summary of Changes

- Vision and Goals (2030)
 - Added information emphasizing the urgency to create a sustainable future through immediate and sustained action to achieve short and long-terms goals.
 - Revised and simplified graphics to be more understandable
- Assumptions and Advancements (New Section)
 - Added information that identifies the assumptions and advancements that will be in place for successful deployment of ZE technologies
 - Added information acknowledging the workforce should not be displaced



Maritime Clean Air Strategy

PORT of SAN DIEGO

Draft Final MCAS October 2021



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Summary of Changes

• Near-term Goals and Objectives (2021 through 2026)

- Trucks Emphasized the importance of battery electric and hydrogen technology, as well as Near Zero technologies to achieve goals
- Trucks In addition to the registry, added information to obtain additional truck trip information by the end of 2022
- Health Provided more background information on regional emission sources (e.g., transportation networks)
- Health Provided additional background on Port initiated Health Risk Assessment and CARB's Community Health Risk Assessment
- Enabling Added clarification about tracking progress and providing periodic updates on the MCAS to the Board and the public



Maritime Clean Air Strategy

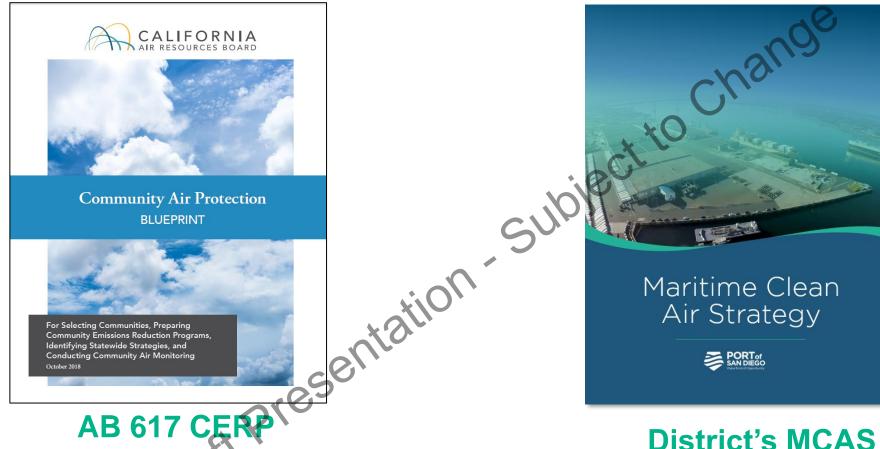
PORT of SAN DIEGO

Draft Final MCAS October 2021



Complementary Efforts





- Multi-jurisdictional plan for the region •
- SDAPCD Approved Phase II July 2021
- CARB Scheduled to Adopt 10/14/21 ٠

District's MCAS

- District's plan for Port Tidelands
- Board Scheduled to Adopt 10/12/21



Recommended Action

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- A) RECEIVE STAFF'S PRESENTATION ON THE DISTRICT'S DRAFT FINAL MARITIME CLEAN AIR STRATEGY, DATED OCTOBER 2021, INCLUDING AN OVERVIEW OF COMMENTS RECEIVED DURING THE SECOND 30-DAY PUBLIC REVIEW PERIOD; AND
- B) ADOPT THE ATTACHED RESOLUTION ON THE MARITIME CLEAN AIR STRATEGY DATED OCTOBER 2021

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