



Meeting No. 2023-03

**San Pedro Bay Ports
Sustainable Supply Chain Advisory Committee
*October Meeting Summary***

Date: October 11th, 2023 | 9:00 am – 12:00 pm

Location: Via Zoom conference

Attachments: Attachment A - Attendees
Attachment B - Meeting Agenda
Attachment C - Presentation - Committee Meeting

Meeting Summary

1. Opening Remarks (5-10 min)
 - a. GNA welcomed meeting participants with an update on the decision to revise the Committee’s meeting schedule from bi-monthly to quarterly, and limit meetings to three hours due to scheduling constraints. The October meeting topic of near-term zero emission drayage truck deployments in the San Pedro Bay Port (SPBP) fleet was introduced in the context of the recently-adopted Advanced Clean Fleets rule and the existing Advanced Clean Trucks rule.
 - b. Representatives from both ports commented that the Sustainable Supply Chain Advisory Committee (SSCAC) has been an important forum for their work on the Clean Air Action Plan (CAAP) for providing valuable perspectives on challenging issues and evaluating important details and possible solutions.
 - c. The joint ports shared several updates on their environmental work.
 - i. The Port of Long Beach (POLB) 2023 Green Port Fair, in September, was widely considered a successful avenue for improving engagement between the port, city and community members around environmental work in goods movement.
 - ii. The Green Shipping Corridor program released its implementation plan outline in Shanghai in September, and the partners are moving forward to put this into action. Port staff also met with partners in Singapore on implementation strategy. Meanwhile, the State of California is developing a green shipping corridor partnership with the nation of Japan. The Ports are encouraged by the momentum for global green corridors and believe they are in a good position to support them and secure benefits locally.
 - iii. August cargo volumes were down 15% year-over-year in the POLB, and the drop is considered an adjustment after a high-volume year in 2022; volumes are consistent with pre-pandemic levels. The ports are also anticipating that rail cargo volumes may drop in the near term. No gate congestion was reported.
 - iv. The ILWU and PMA were congratulated for ratifying a new six-year labor contract.
 - v. The ports are anticipating several funding announcements. The Department of Energy’s Hydrogen Hub program is expected to announce awards within the next week; the ports are participants in the State’s proposed ARCHES program. Applications are also



expected to open for the Port Infrastructure Development Program by the end of the year and the EPA Clean Ports Program in early next year.

- vi. Port of Los Angeles (POLA) and POLB staff noted that state, national and international policy engagement around clean fuels in trade is increasing and they are playing a more active role in these discussions and working to raise their profile at events.

2. Committee Member Questions on Advance Materials (30 min)

- a. GNA and the Port staff presented updates on the ports' emissions inventories and progress on 2020-2023 Committee recommendations (**Attachment C**). Staff noted that dredging in the harbor over the last several years has allowed the complex to receive fewer, but larger, ships, creating efficiencies, and thus, lower ship emissions.
- b. Members of the Committee discussed the continuing value of using 2005 as the baseline year, and opportunities to measure progress against 2018 or 2019 as some other air quality and attainment monitoring agencies are doing. The Ports noted that they are currently discussing ways to present the data and track emissions progress against targets over time. In addition to a comparison back to the 2005 CAAP baseline and a year over year comparison, POLB is considering adding a comparison back to 2017, the year of the last CAAP Update. Currently, in their Emission Inventory, POLA compares back to all previous inventory years.
- c. Members expressed concern that airports do not have to include jet emissions in their MOU with AQMD or their annual emission inventory, but seaports include all technology types in their emissions inventory.
 - i. GNA will facilitate further discussion with Committee members and port staff to confirm technologies required in both sea and airport emission inventories, and share findings in a future meeting.
- d. The group discussed the value of voluntary versus obligatory nature of emissions reduction targets and that emission reductions must be enforceable to be accounted into the State Implementation Plan (SIP). Members noted that alternatively, emission reductions from vessel speed reduction are produced through a voluntary incentive based program, but are credited into the SIP.

3. Topical Discussion: Near-Term Changes in the SPBP Drayage Fleet

- a. Presentation (GNA): Overview of Drayage Industry Reactions to Market Shifts (10 min)
 - i. GNA presented a summary of findings and observations about the drayage truck industry's current and expected activities in a business environment heavily shaped by the Advanced Clean Fleet (ACF) rule and the 12/31/2023 cut-off for registering non-zero emission trucks for port service. This content summarized information provided by several SSCAC members during meeting preparation, and questions posed to members, ports, and state agencies.
 - Regarding infrastructure, POLA staff shared that they have released an RFP for truck charging services at a one-acre site in Wilmington and will be receiving responses in mid-October.
 - Regarding shifting market share, Coalition for Clean Air (CCA) observed that drayage truck fleet capacity is most directly impacted by container volumes which is a contributing factor of market share, but that market share represents the interactive effects of multiple technologies including rail, which handles cargo moving outside of the region.
 - CCA added that a new round of funding under State Bill 671 will be discussed in an upcoming Transportation Commission meeting and pertains to the role of cargo movement in the I-710 corridor, which is an important factor. Draft



recommendations that are being considered include guidance for state agencies to prioritize funding at a granular level where possible. Port staff noted that regional planning bodies are in great demand, particularly to effectively access federal funding while those resources are available.

- ii. Grid Alternatives prompted the group to discuss the types of services and organizations that can help trucking organizations navigate the complicated transition to zero emission technologies, given issues around grant availability.
 - iii. Staff at the City of LA observed that the financial burden of grant taxes has been and remains an important topic that they are hoping to address at various levels. California Air Resources Board (CARB) staff advised that only the legislature can advise on tax issues. HTA observed that tax liability has been a confusing issue for decades but that fleets need clarity given the significant effect it has on total cost of ownership, particularly for small (<20 truck) fleets. CARB agreed to provide information back to the group to document how 1099s are handled by the HVIP and other applicable funding programs. GNA will follow up with CARB staff on the issue.
- b. Presentation/Remarks: Investments in Regional Infrastructure 2023-2025
- i. South Coast Air Quality Management District (AQMD): Prologis Drayage Truck Charging (15 min)
 - South Coast AQMD staff described a project for which it is expecting Board approval to award to Prologis and Wabtec in December 2023 for 376 DC fast chargers at 7 California locations, along with 19 hydrogen fuel dispensers. This infrastructure is expected to be ready for operation in 2025, pending any development delays related to permitting and/or utility service timelines, which are unfortunately common for these kinds of projects. Additionally, Wabtec will be developing a hydrogen fuel cell locomotive by 2028 to support rail cargo movement in the Southern California region.
 - The full scope of the proposal was funded through California State Transportation Agency (CalSTA), and staff are discussing the best means to distribute lessons learned given the size and significance of the project. The project's unique scope also prevents it from being a scalable opportunity to replicate elsewhere, so the project will be looking at streamlining opportunities. GNA noted that delivered fuel cost to the driver is an important factor in the economics of battery electric trucks as the promise for equivalent or better TRO heavily relies on significant fuel cost savings, and given industry concerns about the current cost of \$25/kg or more for retail hydrogen in Southern California. It was suggested that these early projects will provide a good data source for delivered fuel cost information and that such data should be shared back with the SSCAC and stakeholders more broadly.
 - ii. CARB: Forecasted Impact of ACF Drayage Truck Rule (15 min)
 - CARB staff responded to Committee inquiries about truck populations and funding as available from state databases:
 - a. Over 200,000 drayage trucks' records have been migrated into the new state registry (TRUCR) and the process continues to move forward. Approximately 1,000 zero emission vehicles are being added, which is less than originally estimated.
 - b. Due to a reporting lag, trucks that meet their age or mileage limits under the terms of State Bill 1 will not be "kicked out" of the registry



until 2025. At this time, the databases do not support firm predictions of attrition rates.

- c. CARB is working across agencies to track relevant information as it becomes available through other programs and host working groups to accelerate the rate at which information is collected and action is taken.
 - i. They have agreed to update the Committee on registration figures and vehicle profiles as this information becomes available through 2024 and 2025.
 - HTA asked CARB staff to clarify how truck records are compared across existing and emerging databases, what the expectations are for testing and registration timelines, and ultimately if these various databases can help to facilitate the verification of truck mileage other information related to the drayage truck inventory, and how many trucks will be removed from the system each year due to SB-1 mileage and/or age restrictions. CARB staff commented that the databases may be configured for direct interaction and data transfer, but they do not currently support that level of exchange. CARB agreed to report at the next meeting (January 2024) on the potential for leveraging databases to inform the San Pedro Bay Ports' planning effort, including with truck populations by fuel type and voucher volumes and redemption rates.
 - CARB additionally clarified the infrastructure exemption allowance under ACF.
- iii. The Committee and Port staff noted that the ports' Clean Trucks Program Active Truck Summary can be a useful public resource for recent truck data to inform these discussions in the interim, and to monitor activity on a running basis. The following information was shared in the meeting chat:

August Clean Trucks Program Active Truck Summary:

- 16,560 active trucks for the month
- 274 active trucks are exempt from CARB
- 1.54 % are engine year 2007-2009 and perform 1.47 % of moves
- 98.46 % are engine year 2010+ and perform 98.53 % of moves
- 14,027 2014+ trucks and perform 85.23 % of moves
- 879 trucks are CNG/LNG and perform 5.52 % of moves (includes Low NOx)
- 420 are low NOx and perform 2.83 % of moves
- 116 are electric and perform 0.88 % of moves

Registered Trucks in PDTR Summary:

- 21,662 trucks registered with access to LA or LB
- 501 trucks use a .02g NOx or lower engine (confirmed)
- 148 trucks are Electric (confirmed)
- 3 trucks are Hydrogen Fuel Cell (confirmed)

- c. Discussion: (75 min)
 - i. Equipment & Infrastructure Obstacles to Near-term Fleet Transitions
 - ii. Industry Solutions in 2024-2025
 - iii. Balancing Socio-economic Stability with Clean Air Goals
 - GNA prompted the group to define the challenges are most immediately relevant and addressable based on the information shared.



- PMSA expressed deep concern for the capacity of the ports' drayage fleet to move freight in the coming years, noting that an emergency valve has always been needed but the new limitations on eligibility create a static fleet and thus limit the available resources to handle fluctuations. As demonstrated during the crises of recent years, the ports' ability to handle surges is important for the region's economic health, and its long-term reputation as a reliable business partner.
- Port staff added that they too are concerned about the ability to handle cargo capacity, as well as the now high cost to enter the trucking market.
- HTA confirmed that ACF represents a foundational change to the way the drayage truck business operates in California, and noted that approximately 18,000 diesel trucks have recently been added to the registry in order to ensure that the drayage sector can meet shipper demands. It is expected that this increase in diesel trucks being registered will help to meet capacity demands for a few years, but that in 2025, due to turnover and trucks leaving the registry, lack of drayage truck capacity issues could result in congestion.
- PMSA noted that congestion has significant environmental consequences, as was experienced in the Pandemic as the inability to move freight off the docks then resulted in ships being back up in the bay and creating massive incremental emissions challenges for the region.
- Port staff requested that a discussion on the capacity of the drayage fleets at SPBP to adequately handle the volume be explored further in the next Committee meeting.

4. Committee Support Opportunities for 2024 – Port Funding Applications (15 min)

- a. POLA staff noted that they have already applied for 2023 Ports Infrastructure Development Program (PIDP) funding for the deployment of more than 100 pieces of zero emission equipment across four terminals, and that a decision on this funding is expected soon. It was also noted that the ports are preparing to apply to a variety of upcoming programs for clean technology funding and advised that they would likely be requesting letters of support from the Committee in early 2024.
- b. The \$400M climate bond that would have provided \$250M to CARB and \$150M to CEC was pushed out to the 2026/2027 budget year, so there is an opportunity for the SSCAC to assist in advocating to get some of this funding moved up to a closer timeline given that the money is needed now, and not several years in the future.
- c. POLB staff commented that the EPA Clean Ports Funding program – expected to be released in Q1 2024 – has an ambitious liquidation deadline (September 2027) which is not conducive for infrastructure projects as they are currently designed. These projects continue to generate four to seven year lead times, depending on the utility. The ports are asking for flexibility to spend grant funds early so that they can spend match dollars at later stages, but their request is currently pending a response from EPA.
- d. Port staff requested Committee input on grant partners to help bring funding to California that can directly support zero emission transitions.

5. Conclusion & Next Steps (10 min)

- a. Committee Meeting Topics for 2024
 - i. With limited time remaining, it was quickly noted that the SSCAC members are interested in talking more about zero emission drayage trucks, funding, and the DOE Hydrogen Hub program in future meetings. Additional input on agenda topics and/or



site tour opportunities will be provided by SSCAC members to GNA in advance of the next meeting. GNA advised the Committee that it would solicit input on agenda items and/or site visit opportunities for the 2024 calendar year and confirm those dates by email in the coming weeks.

- b. Next meeting: January 2024, 9 am – 12 pm, Zoom. GNA will poll the members and staff by email to confirm which of the dates works best.
 - i. Monday January 22
 - ii. Tuesday January 23
 - iii. Wednesday January 24
 - iv. Thursday January 25



Attachment A
List of Meeting Participants

SSCAC Committee Members	
Kat Janowicz	FuturePorts
Thomas Jelenic	PMSA
Michele Grubbs	PMSA
Aaron Katzenstein	South Coast AQMD
Joe Lyou	CCA
Stella Ursua	Grid Alternatives
Sal DiCostanzo	ILWU-13
Adrian Martinez	EarthJustice
Louis Dominguez	San Pedro Neighborhood Council
Matt Schrap	Harbor Trucking Association
Kristal Romero	Los Angeles County Federation of Labor
Ajay Mangat	CARB
Los Angeles Port & City Staff	
David Libatique	Port of Los Angeles
Tim DeMoss	Port of Los Angeles
Arley Baker	Port of Los Angeles
Michael DiBernardo	Port of Los Angeles
Teresa Pisano	Port of Los Angeles
Michael Samulon	Mayor Karen Bass' Office
David Ou	Mayor Karen Bass' Office
Artie Mandel	Mayor Karen Bass' Office
Daniella Simunovic	Mayor Karen Bass' Office
Erik Martell	Mayor Karen Bass' Office
Long Beach Port & City Staff	
Heather Tomley	Port of Long Beach
Morgan Caswell	Port of Long Beach
Rose Szoke	Port of Long Beach
Harry Semerdjian	Port of Long Beach
Zannatul Zannat	Port of Long Beach
Sergio Carillo	Mayor Rex Richardson's Office
Paul Barragan-Monge	Mayor Rex Richardson's Office



Meeting Facilitation Staff	
Eleanor Johnstone	GNA
Christopher Davis	GNA
Erik Neandross	GNA
Other Stakeholders	
Regina Hsu	EarthJustice
Karla Sanchez	HTA
Mei Wang	South Coast AQMD
Andre Freeman	CARB
Tony Brasil	CARB
Analisa Bevan	CARB
Dori Chandler	CCA



Attachment B

Meeting Agenda

6. Opening Remarks (5-10 min)
7. Committee Member Questions on Advance Materials (30 min)
8. Topical Discussion: Near-Term Changes in the SPBP Drayage Fleet
 - a. Presentation (GNA): Overview of Drayage Industry Reactions to Market Shifts (10 min)
 - b. Presentation/Remarks: Investments in Regional Infrastructure 2023-2025
 - i. South Coast: Prologis Drayage Truck Charging (15 min)
 - ii. CARB: Forecasted Impact of ACF Drayage Truck Rule (15 min)
 - c. Discussion: (75 min)
 - i. Equipment & Infrastructure Obstacles to Near-term Fleet Transitions
 - ii. Industry Solutions in 2024-2025
 - iii. Balancing Socio-economic Stability with Clean Air Goals
9. Committee Support Opportunities for 2024 – Port Funding Applications (15 min)
10. Conclusion & Next Steps (10 min)
 - a. Committee Meeting Topics for 2024
 - i. Future Site Tour opportunities
 - b. Next meeting: January 2024, 9 am – 12 pm, Zoom
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Attachment C
Presentation - Committee Meeting