



Sustainable Freight Advisory Committee

Meeting Summary

Date: August 24th, 2016 | 11 am – 3 pm

Location: Video Conference

Attendees: Attachment A

Meeting Agenda: Attachment B

Overview:

The August Committee meeting was kicked off by Port Executive Director Gene Seroka who shared the Port's efforts on supply chain optimization, the next iteration of the Clean Air Action Plan and the Clean Truck Program. The Committee also discussed the best path forward to deploy cleaner trucks immediately, including whether deployments should initially focus on yard trucks over on-road trucks, or if deployments should focus on battery electric technology only or a combination of ultra clean natural gas and zero-emission technology.

Key Discussion Items (Action items in green)

1. Review and approve July Meeting Summary

- Committee members agreed to approve meeting summary with no changes.
- **ACTION ITEM:** GNA to send the approved meeting summary to Mayor Eric Garcetti, via Matt Petersen, and Gene Seroka.

2. Supply chain optimization

- Gene began the meeting with a summary presentation on supply chain efficiency. He noted that the POLA has held more than 40 stakeholder meetings on this topic. From an air quality perspective, the less touches to a container the fewer emissions in the air. The first call from the Ben Franklin was a terrific example of how greater use of information can aid increased efficiency in the supply chain.
- Gene discussed ways the Port and terminals can work together to optimize container flow as cargo volume continues to increase. A recent study by Mercator International projected that cargo volume will increase from 15.3 million TEUs in 2015 to 41.1 million TEUs by 2040. With this forecast the San Pedro Bay Port Complex must analyze the infrastructure and transportation needs to handle this growth.

- **ACTION ITEM:** POLA will share Mercator study on San Pedro Bay Ports Cargo Forecast with advisory group. Group will discuss the study at next meeting.
- Gene requested the support of the POLA Sustainable Freight Action Committee to help flush out ideas that POLA is putting forward and to understand the terrain within which the port operates.
- The group asked questions about the role of an inland port and also suggested the Committee pick a few infrastructure projects the group can get behind to support. As part of this discussion Gene noted that recent decisions by the court have made CEQA review and the calculation of GHG modeling significantly more complex than was already the case; thus making these projects and concepts that much harder to analyze and advance. Gene asked the group to help identify shovel-ready projects that can be incorporated into the Port complex immediately.

3. Clean Truck Program

- Gene then provided an overview of the evolution of the CTP. With 60% of trucks coming into the port complex are older than model year 2010, Gene asked the group to analyze the impact and cost to require trucks to be 2010 model year or newer.
- The Committee raised the issue of small businesses who own these trucks could get pushed out based on capital costs to purchase newer trucks. The group discussed the option to have incentives that can help small businesses to stay competitive.
 - Cynthia Marvin told the group that 45% of trucks that are model year MY07-09 are in the hands of small fleets with 1-3 trucks.
 - Jonathan Rosenthal explained that he is skeptical of providing subsidies for businesses to purchase new trucks because this is a capital intensive business to be in and therefore they should be prepared to purchase new trucks, knowing that the average truck asset life is 7 years on average. Subsidies could create an environment where companies that do have the capital to make these purchases to be disincentive to purchase newer trucks in order to remain competitive.
 - **ACTION ITEM:** GNA to work with POLA to provide truck sunset policy strawman and corresponding emission benefit calculations for discussion at the next meeting.

4. Clean Air Action Plan 3.0

- An update on the development and release of the CAAP 3.0 was provided. The discussion document will be released in September and joint (POLA and POLB) meeting is likely to be held in October. The joint efforts and goals of the two ports (LA and Long Beach) was stressed. It was therefore recommended that Long Beach staff attend Committee meetings, upon approval from Committee members.
 - The Committee agreed that Long Beach should be involved.
 - **ACTION ITEM:** POLA to invite POLB staff to the September Committee meeting.

5. System efficiency improvements

- Gene started the discussion by highlighting the work happening at TraPac to improve efficiency. A continued focus on the digitization of the goods movement sector will be critical to improving efficiency.

- The Committee discussed a number of ways to improve system efficiency: reducing empty truck miles; reducing free time from four to three days; reducing container “touches” and getting the cargo moving most directly to its ultimate destination; an inland rail concept; and other ideas.
- Gene asked the Committee to continue to put forward recommendations on how to improve the efficiency of the system.
 - **ACTION ITEM:** The Committee was not able to put forward a tangible recommendation on this topic so the action item is for the Committee to continue to work to identify tangible and discrete activities it can recommend to Gene Seroka and Mayor Garcetti on this topic.

6. On-road battery electric truck deployment concept

- Patrick Couch gave a presentation (Attachment C) on the California Climate Investments’ Zero Emission Drayage Truck Demonstration Project. The presentation included the number of trucks, type of trucks, and the air districts that the trucks will be allocated to.
 - The Committee concluded that since truck deployments will occur in 2017 and 2018, with final reporting to be completed in 2019, these trucks won’t be immediately available to be a part of this 100-unit demonstration project concept.
- In reference to the original 100-unit battery electric truck concept presented in the last meeting, several Committee members noted a lack of support for an investment of this size in a large battery electric truck project as this technology is already being tested in the ports. It was noted that spending significantly more money to test the same technologies did not make sense until after the results of the existing project are better known.
- The Committee did express interest in the potential value of this project to test the financial model being proposed.
- It was also noted that it is important to show the electric truck manufacturers now coming to the market that there is support for this technology and a path forward for their product, otherwise there is the risk these companies will disappear. A challenge, however, is that there is only currently one manufacturer that can likely scale up production of this technology in the near term.
- Given the range and operational limitations of battery electric trucks, it was suggested that deployments should initially focus on yard trucks where there can be easy access to charging infrastructure and shorter trips. This will allow for a better opportunity to test technology. Operators want to see 1-2 year of operations of new technology before wide scale deployments.
- Matt Petersen noted the Mayor’s desire to “move the needle” on this project and the related socioeconomic issues at play here too. He suggested continued exploration of the concept. Several Committee members agreed that the group needs to think on a big and bold scale.
- Ultimately, no definitive conclusions or recommendations were put forward on these issues at this meeting.

7. Electric Tophandler Development

- Chris Cannon provided an update on a meeting he had with a manufacturer of top picks who said they’ll have one ready for testing by next summer.

- The Committee recommends the Port continue to move forward with this technology investigation in order to accelerate the development and deployment of electric top handler pilot projects in the Port.
 - **ACTION ITEM:** The Committee should develop a formal recommendation for review and consideration at its next meeting in order that this recommendation can be delivered to Gene Seroka and Mayor Garcetti.

8. Electric pick-up trucks

- The Committee asked if these vehicles need to be pick-ups or can they be a smaller sedan. There was discussion about the potential to use second-hand electric vehicles such as a Nissan Leaf.
- Peter Peyton recommended that Committee should identify a single terminal to start this transition and that this terminal should also be the host side for an electric yard hostler and top handle demonstration so that there is a “working group” of electric equipment.
 - **ACTION ITEM:** Peter Peyton to work with GNA Carter Atkins at POLA to see if they can find interest from a terminal to transition to all electric vehicles.

9. New Port Website Pages

- GNA provided a brief update and overview of the new pages on the Port of Los Angeles website: <https://www.portoflosangeles.org/environment/progress>. The Committee was asked to review these new pages and provide feedback to the Port and/or GNA on the content being presented.

10. SFAC Presentation at the September Open House

- It was noted that Louis Dominguez has volunteered to provide an update at the open house event on behalf of the Committee. The update will provide a brief review on the key issues the Committee has been working on and discussing.
 - **ACTION ITEM:** GNA will work with Louis Dominguez to prepare any required presentation materials in advance of the open house meeting.

Attachment A

Meeting Attendees

COMMITTEE MEMBERS

Louis Dominguez	Chair of the Port & Environment Committee, Coastal San Pedro Neighborhood Council
Michele Grubbs	Vice President, Pacific Merchant Shipping Association
James Jack	Executive Director, Coalition for Responsible Transportation
Joe Lyou	President & CEO, Coalition for Clean Air & Governor's Appointee to the SCAQMD Governing Board
Adrian Martinez	Staff Attorney, Earthjustice
Cynthia Marvin	Division Chief, California Air Resources Board
Matt Miyasato	Deputy Executive Officer, Science and Technology Advancement, SCAQMD
Peter Peyton	Former President, ILWU Marine Clerks Association of Los Angeles & Long Beach
Jonathan Rosenthal	Co-Portfolio Manager, Saybrook Capital
Said Al-Alaoui	Vice President, Saybrook Capital
Elizabeth Warren	Executive Director, FuturePorts

CITY OF LOS ANGELES

Matt Petersen	Chief Sustainability Officer, City of Los Angeles Mayor's Office
Michael Samulon	Policy Analyst, Sustainability Office, City of Los Angeles Mayor's Office

PORT OF LOS ANGELES & CONSULTANTS

Doane Liu	Deputy Executive Director & Chief of Staff, Port of Los Angeles
Chris Cannon	Director of Environmental Management Division & Chief Sustainability Officer, Port of Los Angeles
David Libatique	Senior Director of Government Affairs, Port of Los Angeles
Amber Coluso	Port of Los Angeles
Erick Martell	Port of Los Angeles
Erik Neandross	Chief Executive Officer, GNA
Patrick Couch	Vice President, GNA
Alexis Wiley	Communications & PR Manager, GNA

Attachment B
Meeting Agenda

1. Review and approve meeting summary from meeting #2 (attached) – 15 min
2. Presentation on supply chain efficiency from Port Executive Director, Gene Seroka – 30 min
3. Update on priority areas:
 - a. Committee discussion on system efficiency improvements – 30 min
 - i. On-dock rail
 - ii. Reduction of empty truck miles
 - iii. Maximizing peel-off
 - b. GNA to provide update on BATTERY ELECTRIC TRUCK concept – 30 min
 - i. Update on CARB EV Truck Grant awarded to SCAQMD
 - ii. Update on LAXT and Customs House
 - c. Update on zero-emission top handler equipment by Chris Cannon – 15 min
4. Update on CAAP and CTP by Chris Cannon – 15 min
5. Feedback on new website: <https://www.portoflosangeles.org/environment/progress> - 15 min
6. SFAC presentation at open house on September 21, 5 – 7:30 pm at Banning’s Landing – 15 min

Note: we will take a short break during agenda item #3

AQIP Zero Emission Drayage Truck Demonstration



Project Partners

Supporting Air Quality Organizations

Bay Area Air Quality Management District
Sacramento Air Quality Management District
San Diego Air Pollution Control District
San Joaquin Valley Air Pollution Control District

Industry Partners

BAE Systems
BYD Auto Company
Kenworth Trucks / PACCAR
LA County Metropolitan Transportation Authority
Peterbilt
San Diego Gas and Electric Company
Transpower
Volvo Trucks North America

Fleet End Users

California Cartage Company
California Multimodal Inc
Central Valley Ag/Pinnacle
Devine Intermodal
GSC Logistics
Knight Transportation
National Retail Transportation
Pasha
Rodgers Trucking
Terminalift
Three Rivers Trucking
Total Transportation Systems Inc
United States Navy

Project Overview

- Total of 43 trucks
 - 37 BEVs
 - 6 PHEVs
- Allocated to 5 Districts
- Truck deployments occur in two phases
- SCAQMD anticipates receiving 20+ trucks
 - ~10 BYD
 - ~7 Peterbilt
 - 1-3 others
 - Fleet partners: TTSI, CalCartage, Three Rivers, Knight

Peterbilt (Transpower)

2 BEVs (SR)
2 BEVs (ER)

2 BEVs (SR)
6 BEVs (ER)

BYD

5 BEVs

20 BEVs

Kenworth (BAE)

1 CNG PHEV

3 CNG PHEV

Volvo

1 diesel PHEV

1 diesel PHEV

Technology

OEM	Technology	AER	Additional Info
BYD	Battery-electric	120 miles	300 kWh battery, 2x180 kW motors, 200 kW AC charger
Kenworth	CNG PHEV	50 miles	250 mile total range, 200 kW CNG genset, 2x160 kW motors
Peterbilt	Battery-electric	80 miles	215 kWh battery, integrated inverter/charger
Peterbilt	Battery-electric	120 miles	311 kWh battery, integrated inverter/charger
Volvo	Diesel PHEV	30 miles	200+ miles total range, C-ITS technology

Timeline

Q2 2016 – Q2 2019

- Currently in contracting with CARB. Expected completion 30-60 days.
- Contracting with OEMs expected completion by end of 2016
- First truck deployments (BYD) possible in Q1 2017.
- All phase 1 trucks should be deployed in 2017.
- Phase 2 trucks likely to be deployed by Q2 2018
- Project completion: April 2019

Considerations

- Truck deployments must be approved by CARB staff
- Most OEMs will likely take the trucks back at the end of the project as they are not full commercial products
- BYD may continue to lease the trucks to the demonstration fleets at the conclusion of the project
- Best opportunity to leverage trucks into POLA EV truck demo is likely the Phase 2 BYD trucks deployed with TTSI, CalCartage, etc (~10 trucks).
- Any trucks would likely not be available until mid 2019.