

# Port of Oakland

## Maritime Air Quality Improvement Plan<sup>1</sup> (MAQIP) Supplement No. 1

Subject: Amendment of Control Measures and of Port Funding Sources

Date: April 7, 2009

### Summary

The Port of Oakland's (Port's) Maritime Air Quality Improvement Plan (MAQIP), inclusive of Supplements, is the master plan of air quality goals and policies that covers all seaport-related development and operations at the Port. Subsequent to preparation of the Revised Final MAQIP (April 2009), but prior to the Board of Port Commissioners' (Board's) approval of the plan, Port staff met with the MAQIP Interagency Group, and agreed to incorporate into the MAQIP feasible actions from the Interagency Group's "Proposed Near-term Implementation Plan for Port of Oakland Maritime Air Quality Improvement Plan" (November 19, 2008)<sup>2</sup>. Therefore, the MAQIP's Section 8.4.1 ("Details of Control Measures and Strategies") is amended through this Supplement to include:

- A control measure that explicitly states the Port's support for drayage truck clean-up: "Support of CARB's Drayage Truck Regulation";
- Additional actions for some existing control measures, as proposed by the Interagency Group; and
- Additional detail on the current implementation schedule and approach for all control measures, where available, as provided by Port staff.

The MAQIP's Section 10.6.2 ("Port Funding Sources") is also amended through this Supplement to clarify the availability of Port funding.

### Role of MAQIP Supplements

Proposed amendments (i.e., material changes) to the MAQIP plan itself, such as policy direction and new, revised or deleted control measures, are in the form of MAQIP Supplements, subject to Board consideration and approval.

As air quality programs and projects are further developed in support of the MAQIP's emissions reduction control measures, more details regarding timelines, implementation, emissions reduction benefits, resources, etc. will become available. Updates of this project-specific information will be provided to the Board and public periodically through status reports, as described in MAQIP Section 11.

### Background

While the MAQIP is a master plan guiding the Port's long-term air quality strategy through 2020, it also includes more detailed components, such as the initiatives, programs and projects, that provide a roadmap for the Port to follow in achieving its 2020 health risk reduction goal. Two

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<sup>1</sup> This MAQIP Supplement No. 1 reflects revisions made by the Board of Port Commissioners (Board) on April 7, 2009 when the MAQIP was approved, and reflects the Board's commitment of Port funds to a truck retrofit program on that date. All amendments included in this Supplement No. 1 are fully incorporated in the text of the Final MAQIP, as approved by the Board.

<sup>2</sup> MAQIP, Appendix K.

Sections in the MAQIP are amended through this Supplement: Section 8.4.1 and Section 10.6.2.

The control measures outlined in the MAQIP in Section 8.4.1 (“Details of Control Measures and Strategies”), as amended in this Supplement, represent the most effective opportunities for the Port to fulfill its three-fold emissions reduction strategy:

- Target emissions reductions earlier than required by regulations (“early actions”)
- Support enforcement of regulations
- Target emissions reductions above and beyond those required by regulations.

This Supplement encompasses updates for the control measures in Section 8.4.1, based in part on the “Proposed Near-term Implementation Plan for Port of Oakland Maritime Air Quality Improvement Plan” (November 19, 2008)<sup>3</sup> proposed by some members of the MAQIP Interagency Group. The Interagency Group is comprised of representatives of the public agencies and elected officials that participated in the MAQIP development (CARB, EPA, BAAQMD, City of Oakland, Port of Oakland, Alameda County Public Health and Environmental Health Departments, Offices of Mayor Ron Dellums of Oakland and Alameda County Supervisors Nathan Miley and Keith Carson). The November 19, 2008 Interagency Group proposals that are not feasible, such as those recommending infeasible financing mechanisms, or measures that the Port cannot currently fund, such as incentive payments, are not included in this Supplement.

The MAQIP’s Section 10.6.2 (“Port Funding Sources”) is amended through this Supplement to clarify the availability of Port funding.

### **Amendments**

The following sections replace the entire Section 8.4.1 and the entire Section 10.6.2, respectively, in the Revised Final MAQIP (April 2009). Amendments are shaded; additional levels of detail and schedule are not shaded.

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<sup>3</sup> MAQIP, Appendix K.

## Section 8.4.1: Details of Control Measures and Strategies

More detailed descriptions and target dates<sup>1</sup> of the Port's control measures and other strategies in the MAQIP's Table 8-2 are provided in this section. As specific air quality programs and projects are developed for these control measures, more details regarding timelines, implementation, emissions reduction benefits, resources, etc. will become available. Updates of this project-specific information will be provided to the Board and public periodically through status reports. Proposed amendments (i.e., material changes) to the MAQIP plan itself, including control measures and policy direction, will be in the form of Supplements, subject to Board consideration and approval.

In MAQIP Supplement No. 1 (April 7, 2009), an expanded measure was added to reiterate the Port's support of CARB's drayage truck regulation, in response to a recommendation by the MAQIP Interagency Group. Other actions proposed by the Interagency Group were added to some existing control measures, and additional detail on the current implementation schedule and approach was provided where available.

### Early Action Retrofit and/or Replacement of Port Drayage Trucks

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The Port will cooperate with BAAQMD and CARB in a program to retrofit port drayage trucks according to the following schedule:

**By December 31, 2009:** Retrofit model year 1994 through 2003 trucks with available BAAQMD and CARB grant funds and with Port funds. The BAAQMD may use some of the funds to target truck replacements (meeting 2007 engine standards). The Port will apply for grant funds, where feasible, in cooperation with the BAAQMD.

**2009-2013:** Promote early implementation of 2007/2010 truck engine standards.

### Support of CARB's Drayage Truck Regulation

The Port is committed to an achievable plan for diesel truck clean-up that ensures that trucks serving the Port are in compliance with CARB regulations<sup>2</sup>.

To implement the plan, the Port will: (i) pursue funding mechanisms and other programs (e.g., federal and state grants and loan assistance) to assist drayage truck owners, (ii) implement a truck registry, (iii) conduct outreach, and (iv) complete the CTMP as follows:

**March 2009 – December 2013:** Pursue funding programs to assist drayage trucker owners in retrofitting, repowering or replacing trucks to meet the drayage truck regulation deadlines for 2010 and 2014. A potential funding source that the Board may consider is a user fee.

**May/June 2009:** Present the final Comprehensive Truck Management Program (CTMP) report to the Maritime Committee of the Board and to the full Board for approval.

**March 2009 – December 2009:** In coordination with City of Oakland staff, investigate the potential to negotiate quantity purchase prices for new trucks (similar to efforts at the Ports of Los Angeles and Long Beach).

**September 2009 – December 2009:** Implement a truck registration process<sup>3</sup>.

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<sup>1</sup> Dates may be subject to change.

<sup>2</sup> See MAQIP, Appendix E for a description of the regulation.

<sup>3</sup> Truck registry and tracking are subject to availability of funding on the order of \$4 million.

**December 2009 – July 2010:** Install truck tracking technology.

**By December 31, 2009:** Notify trucker owners of upcoming regulatory requirements and the initial compliance deadline through an education campaign.

**January 1, 2010:** CARB drayage truck regulation (Phase 1) takes effect. The Port will support enforcement of the regulation.

**January 1, 2014:** CARB drayage truck regulation (Phase 2) takes effect.

## **Compliance with CARB's "Shore Power" Regulation**

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The Port will support and promote identification and development of future projects to assist regulated Port customers to comply with CARB's shore power regulation according to the following schedule of deadlines:

**Ongoing:** Meet with terminal operators and/or carriers to request their approaches to compliance with the shore power regulation.

**By June 30, 2009:** "Shore Power" Program to:

- Meet with terminal operators and/or carriers to share information about potential investments in infrastructure and/or equipment and otherwise prepare for compliance with the shore power regulation.
- Pursue early implementation of the regulation, subject to feasibility.
- Work with marine terminal operators, carriers, Pacific Gas and Electric and others, as necessary, to assign responsibilities and design plans for installation of shore power at marine terminals and modification of ships to accept that power.
- Port staff will report to the public and the Board on proposed funding sources for shore-side infrastructure, including State funds (directly or through the BAAQMD), a user fee, lease requirements, or other means.

**By July 1, 2009:** Terminal operators must submit terminal compliance plans to CARB, pursuant to the shore power regulation. Vessel owners also submit plans by this date, if not selecting the "Reduced On-Board Power Generation" compliance option (i.e. grid power)

**January 1, 2010:** CARB regulation in effect for Equivalent Emissions Reduction compliance option (non-grid power)

**By December 2010:** Design infrastructure<sup>4</sup>

**2011 – 2013:** Construct infrastructure for grid power option

**January 1, 2014:** CARB regulation in effect for Reduced On-Board Power Generation compliance option (grid power)

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<sup>4</sup> The schedule and scope of shore power design and construction are subject to planning and feasibility analysis (underway). Preliminary estimate to construct grid power infrastructure for entire Port marine terminal area is \$200 million.

## **Design and Operational Efficiencies**

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The Port and its tenants will design terminal layouts, security systems and other goods movement infrastructure so greater efficiencies can be achieved. Improvements in technology, yard layout, traffic patterns and gate configuration can result in faster cargo processing, with shorter waits for trucks in line or inside the terminal. Less waiting means less truck idling and reduced emissions. The Port will continue to negotiate with current and prospective tenants on incorporating improvements into projects.

**Mid-2010:** Report to the public and the Board on potential government and industry strategies to increase efficiency at sea, on Port property, and along transportation corridors. Collaborate with terminal operators, carriers and other ports on preparation of the report.

## **Participate in Pilot and Verification Projects for NOx and DPM Reduction Strategies**

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In partnership with its tenants and customers and with regulatory agencies, the Port will seek to participate in pilot and CARB verification projects to test equipment used in the maritime industry. The priority will be for projects targeted to NOx reduction, with a secondary emphasis on DPM reduction, since strategies to control NOx are not as well developed as those targeting DPM. The expected schedule is:

**By July 1, 2009:** Contact tenant and customer groups to inform them of the Port's interest in coordinating participation in pilot and equipment verification projects.

**By July 1, 2009:** Contact CARB, industry groups and other ports to solicit opportunities to participate in pilot and equipment verification projects.

## **Early Action Construction Emissions Reduction**

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The Port plans to continue its Early Action pilot program to reduce construction equipment emissions through available mechanisms, including financial incentives, if available, and by including the program in project specifications.

**2008:** Initiated Early Action construction emissions incentive program.

## **Support Enforcement of Regulations by CARB and BAAQMD through Coordination with Tenants**

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Through either informal or formal agreements, the Port will cooperate with CARB and BAAQMD in their enforcement of seaport-related emissions reduction regulations. Support will include coordination on protocols, tenant and customer group workshops, courtesy reminders to tenants and customers of reporting and other deadlines, and similar measures.

**By April 1, 2009:** Schedule a meeting with CARB and BAAQMD to discuss the nature of the assistance that is needed from the Port.

## **Accountability, Monitoring and Reporting**

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To ensure the Port's accountability on progress towards the MAQIP health risk and emissions reduction goals, to provide opportunities for community participation, and to communicate regularly with the Port's stakeholders, the Port will:

- Convene a maritime stakeholder group, which will serve as a forum for sharing the status of projects during development and execution and discussing issues associated with projects.
- Prepare a written status report to stakeholders on MAQIP projects at least annually.
- Present periodic air quality status reports to the Board of Port Commissioners or one of its committees; the reports will be made available to the community on the Port's website.
- Present MAQIP Supplements to the Board for consideration and approval, as needed, to incorporate amendments (i.e., material changes such as control measures and policy direction) to the MAQIP plan itself.
- Prepare periodic emissions inventories with health risk updates based on CARB's 2008 report.
- Continue to meet regularly with tenants and customers to educate them on air quality regulations and community concerns; request updates from tenants on their programs and projects to include in status reports.
- Continue to participate in agency-only discussions on air quality and health risk via an Interagency Group.
- Reconvene the MAQIP Task Force in five and ten years to review progress toward the plan's goals and reconsider strategies if they need modification.

## **Section 10.6.2: Port Funding Sources**

Historically the Port's principal funding sources for maritime environmental improvement activities have been operational revenues and bond funding secured by such revenues. Because these revenue sources are insufficient to meet the needs of the MAQIP for the foreseeable future, the Port is evaluating new funding and financing mechanisms, including but not limited to user fees. A user fee could be used to fund key infrastructure and environmental projects and generate matching funds for Proposition 1B grants. It is important to note that because projects funded through a user fee may have to be financed on a pay-as-you-go basis, the timing of any fee collection may be directly related to the scope and pace of project implementation. The Port may not borrow to pay for facilities it does not own, such as trucks, but may borrow to pay for Port-owned electrical generation facilities<sup>1</sup>.

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<sup>1</sup> The Charter of the City of Oakland provides that the Port may finance Port facilities and issue revenue bonds for harbor, airport, property and equipment of the Port. See Sections 706(24) and 718(2).