

## State awards Port of Oakland \$119 million in sustainable transportation infrastructure grants

**State funding to enhance goods movement supply chain and help meet Port's zero emissions goal**

The Port of Oakland this month was awarded \$119 million in grant funding from the State of California as part of the Port's Freight Infrastructure Program (PFIP). The grant award is part of the \$1.2 billion state-funded program that will support the Port in making critical infrastructure improvements at its maritime facilities and roadways that surround the Port, and to electrify Port cargo handling equipment.

"The Port of Oakland thanks the State of California, Governor Gavin Newsom and all our legislative, business and community partners who worked diligently with the Port in the grant application process," said Port of Oakland Executive Director Danny Wan. "We look forward to our continued work with California State Transportation Agency (CalSTA) Secretary Toks Omishakin to help us build for the next generation while meeting our environmental goals at the Oakland Seaport."

The \$119 million in grant funds will support the delivery of marine terminal modernization and arterial roadway improvement projects. The projects are designed to expand green infrastructure and reduce Port congestion which in turn, will reduce diesel emission impacts. → 03



### IN THIS ISSUE

- STATE AWARDS PORT \$119 MILLION
- PORT OF OAKLAND FY24 \$558 MILLION BUDGET ADOPTED
- CA APPROVES PORT'S GREEN POWER MICROGRID PROJECT
- JUNE CARGO STATS
- INDUSTRY RESOURCES



Port Executive Director Danny Wan (left) and Oakland Mayor Sheng Thao.

## Port of Oakland's FY24 budget includes funds for zero emissions projects

### Port Commissioners adopt \$558 million total budget for fiscal year 2024

The Oakland Board of Port Commissioners approved a 2024 fiscal year budget of \$558 million at their July 6, 2023 meeting. The approved budget outlined critical components for the Port of Oakland's future:

- An anticipated \$16 million revenue increase in FY 2024;
- Approval of a \$163.7 million capital budget; and
- Allocation of \$245.2 million over five years to fund the Port of Oakland's electric infrastructure, support zero emissions operation goals including funding for Seaport Air Quality 2020 and Beyond Plan projects.

The Port of Oakland projects a modest increase of three percent growth in container cargo activity at the Oakland Seaport. The Port also projects Oakland International Airport will continue to see passenger volume growth, with more peak day passenger departures and flights to new destinations in FY 2024. The Port's fiscal year began July 1, 2023, and goes through June 30, 2024.

"As a key global gateway on the U.S. West Coast, the Port of Oakland continues to grow its role as a center of innovation for emissions reductions by making major investments in the Port's capital program," said Oakland Board of Port Commissioners' President Barbara Leslie. "The Port's commitment to a zero emissions future is necessary in moving our Port forward in the best interests of all of our stakeholders and community."

"The critical investments approved by our Port Commissioners highlight the work we are all doing to ensure we are building a sustainable future for the next generation," said Port of Oakland Executive Director Danny Wan. "The Port Board's budget approval sets us on an infrastructure path that will have lasting economic and environmental benefits for Oakland and the region."

The Port of Oakland said it anticipates a \$16 million operating revenue increase in FY 2024. In FY 2022, the Aviation division generated approximately 47.3 percent of the Port's total operating revenues. At the Oakland Seaport, 94 percent of twenty-foot equivalent units (TEUs) that moved through the Port in calendar year 2022 were associated with international trade.

The Port cautioned that its businesses must remain vigilant, flexible and adapt as situations warrant in the future, due to unanticipated factors that may adversely impact passenger traffic at Oakland International Airport or cargo activity at the Oakland Seaport.


The Port's Commissioners approved a \$163.7 million capital budget for the next fiscal year. These investments in capital programs represent a 45.6% increase year-over-year strengthening the Port's vision of building for the next generation.

Furthermore, the capital budget highlights the work being done today for the Port's future and the region. Most of the spending is earmarked for Oakland International Airport and the Oakland Seaport, including the advancement of projects for green technology innovations and climate change resilience – like the longtime program to reduce pollutants from stormwater discharge, projects addressing sea level rise and efforts supporting the Port's road to zero emissions operations.

The Port's 5-year capital improvement plan, an estimate of future capital spending, is projected to be \$1.4 billion. A total of \$245.2 million over the next five fiscal years is planned to upgrade the Port's electric infrastructure system, advance zero emissions initiatives including investments in projects that are part of the *Seaport Air Quality 2020 and Beyond Plan*.

Projects included in the capital budget from the *Seaport Air Quality 2020 and Beyond Plan* include:

- Expanding electric charging facilities;
- Launching the Green Power Microgrid project (*page 4*); and
- Partnering with Matson Terminal to convert all cargo handling equipment from diesel operations to zero emissions technologies.

As a container port on the U.S. West Coast, with 99% of containerized goods in Northern California flowing through the Port of Oakland, it is vital that the Port continually strives to build a Port that is the cleanest, most efficient and most preferred gateway connecting Northern California to the world. 



## State Awards Port \$119 Million *from page 1*

**Marine terminal modernization** improvements will include:

- Launching the Port's Outer Harbor Terminal green redevelopment to provide container capacity relief and electrical utility upgrades especially for refrigerated exports. These improvements will help the Port continue to be the preferred 'green trade gateway' for exporters and California's agricultural growers and shippers;
- Converting diesel-powered cargo handling equipment to zero-emissions equipment;
- Wharf improvements including electrical infrastructure, mobile shore power outlet systems to reduce emissions, and bollard and fender replacement; and
- Repaving Berths 32-33, resulting in removing the grade differential between adjacent marine terminals for increased operational flexibility.

**Arterial Roadway** improvement projects will include:

- Adeline Street Corridor improvements that will rehabilitate the roadway between 3rd and 7th Streets and rehabilitate 5th Street between Union and Adeline Streets.
- 3rd Street Truck Corridor improvements to 3rd Street between Market and Broadway. This includes rehabilitating aging infrastructure sidewalks and roadways to improve overall safety for movement of vehicles, bicyclists and pedestrians.

Infrastructure upgrades to the roadways will improve overall truck flow, safety and create system resiliency. These projects will also greatly reduce emissions and noise impacts which is an important concern for the communities surrounding Port facilities.

"Ninety-nine percent of containerized goods in Northern California flow through the Port of Oakland and with these much-needed infrastructure updates we can continue to improve the flow of goods through our seaport," said Port of Oakland Maritime Director Bryan Brandes. "Implementing these projects will mean we can also address port-related supply chain congestion while continuing to ensure that we have modern, green and efficient maritime facilities for the benefit of our customers, tenants and local residents."

PFIP grants support the congestion reduction efforts underway at California's ports and increase the reliability and competitiveness of the state's supply chain. The program seeks to improve the capacity, safety, efficiency, and resilience of goods



*California State Transportation Agency (CalSTA) Secretary Toks Omishakin announces grant.*

movement through California's maritime ports, while also reducing greenhouse gas emissions and impacts to communities adjacent to the corridors and facilities used for freight transport. Learn more about the **PFIP** here.

"CalSTA's 'Core Four' priorities are safety, climate action, equity, and economic prosperity, and the strategic investments announced today shine in all those areas," said Transportation Secretary Toks Omishakin. "These awards – a direct result of Governor Newsom's visionary leadership – will help maintain our state's competitive edge in our nation-leading supply chain infrastructure and will create a cleaner, safer and more efficient goods movement system that will have a lasting positive impact for the people of California. The historic level of state funding also puts these projects in a stronger position to compete for significant federal infrastructure dollars from the Biden-Harris Administration."

The Port of Oakland's comprehensive environmental and electrification efforts, including the projects supported by the PFIP grant, will further advance green technology upgrades at the Seaport which is vital for neighboring communities that face impacts from port and freight operations. From the roadways to the maritime terminals, reducing congestion will deliver improvements for goods movement stakeholders that benefit Oakland and the greater Northern California region. ●

## California says ‘yes’ to Port of Oakland’s Green Power Microgrid Projects

### California Transportation Commission approves \$42 million for seaport green power improvements

The California Transportation Commission (CTC) voted to approve a \$42 million grant to the Port of Oakland for its Green Power Microgrid Project. This project will markedly increase the Port’s ability to deliver green-sourced power to its seaport operations, bringing the Port even closer to its zero emissions goal.

The Port of Oakland joined forces with Caltrans and the Metropolitan Transportation Commission to submit the grant. The project site is within the Port of Oakland Seaport complex, and the Port will implement the project.

“We are very excited about this next step in decarbonizing port power and operations at the Port of Oakland,” said Port of Oakland Executive Director Danny Wan. “The Green Power Microgrid Project is a major milestone on our road to zero emissions.” Mr. Wan added, “We could not have succeeded without the support of Governor Newsom’s administration, Bay Area legislators, Caltrans, the Metropolitan Transportation Commission, numerous regional and environmental organizations, and West Oakland community advocates. We are grateful for their advocacy and support, and for the commitment of the California Transportation Commission.”

The total project cost is \$60 million. The Port of Oakland will provide approximately \$18 million in funds for the project.

#### Project benefits

The project is a one-of-a-kind plan among ports in the U.S. It will dramatically increase the number of heavy-duty equipment pieces that can be charged at seaport facilities, raising the Port’s capacity to over 1,000 on- and off-road Zero Emissions Vehicles (ZEVs).

Once completed, the Microgrid will also increase the availability of green power for ships docked at Oakland and refrigerated containers in transit at Port facilities.

This project also supports the Port of Oakland’s and California’s efforts to achieve its emissions reduction goals related to seaport operations. Additionally, the Microgrid will supply backup power to help insulate the Port of Oakland from regional power outages.

#### Project components

- 145 heavy duty/Class 8 electrical chargers at 7 locations for yard, dockside and on-road, and transit vehicle use, increasing the number of ZEVs (zero emissions vehicles) that can be supported from 50 to over 1,000 throughout the seaport
- Solar generation infrastructure for increased green energy capacity for electric vehicles, other facilities and equipment
- Battery Energy Storage Systems storage capacity at 6 locations for clean energy storage, and to provide charging for vehicles and port operations during rolling blackouts times of peak energy demand
- 6 substation upgrades for electric grid modernization to support the Port’s transition to zero emissions, accommodate future ZEV needs and ensure a resilient local electrical grid
- Electric charging stations (*right and above*) at Port of Oakland for clean trucks

Providing electrical infrastructure improvements to support zero emissions equipment and operations is essential to decarbonizing Oakland Seaport operations. The Green Power Microgrid Project will provide a key foundation to this critical goal.

More information about this project can be found at

<https://www.portofoakland.com/tcep/> 



*The Port welcomed a group of journalists from around the world visiting this month to get a first-hand look at maritime operations. Executive Director Danny Wan spoke about global trade and the Port's efforts to reach zero emissions. The visit was sponsored by the U.S. State Department's Foreign Press Centers.*



**Port of Oakland June container volume dips**  
**Improved Port conditions point to future container volume growth**

The Port of Oakland's total container volume contracted in June this year, in contrast to June 2022.

June's full TEUs (twenty-foot containers) are 26.5% lower than in June of last year. Marine terminal operators at the Port of Oakland (Port) moved 120,433 TEUs in June 2023, compared to 163,901 TEUs in June 2022.

Full imports dropped 30.6% with 66,295 TEUs handled by the terminal operators, in contrast to 95,530 TEUs in June 2022.

Importers continue to send cargo to East Coast and Gulf Coast ports. This was in response to the uncertainty of labor negotiations between the International Longshoremen and Warehouse Union (ILWU) and Pacific Maritime Association (PMA). Now that an agreement has recently been reached, hopes are that cargo is more likely to return to U.S. West Coast ports.

"Although cargo has begun to return to the West Coast, weak consumer demand and high inventory levels continue to be headwinds to volume recovery," said Port of Oakland Maritime Director Bryan Brandes. "However, operational improvements, the return to normalcy, and the settlement of labor contracts creates an opportunity for us to gain a greater market share of containerized cargo."

Full exports experienced a 20.8% decline, with 54,138 TEUs transiting Port facilities, in contrast to 68,371 TEUs in June 2022. Full export volume was also down 10.8% in 2023 year-to-date (January through June 2023) compared to the same period in 2022. Less recycling is being sent to Asian countries. However, U.S. agricultural exports continue to be a steady export commodity for Oakland.

Empty exports declined by 40.9%, with 23,879 TEUs passing through Port facilities in June 2023, as opposed to 40,408 TEUs in June 2022. While empty imports dropped 2.3%, moving 11,516 TEUs in June 2023, versus 11,788 TEUs in June 2022.

Ships are now spending 24-48 hours in port on average, which is comparable to the pre-pandemic average stay at Oakland. The return to smoother running maritime operations creates more efficiency for the recovery of Oakland's container volume.

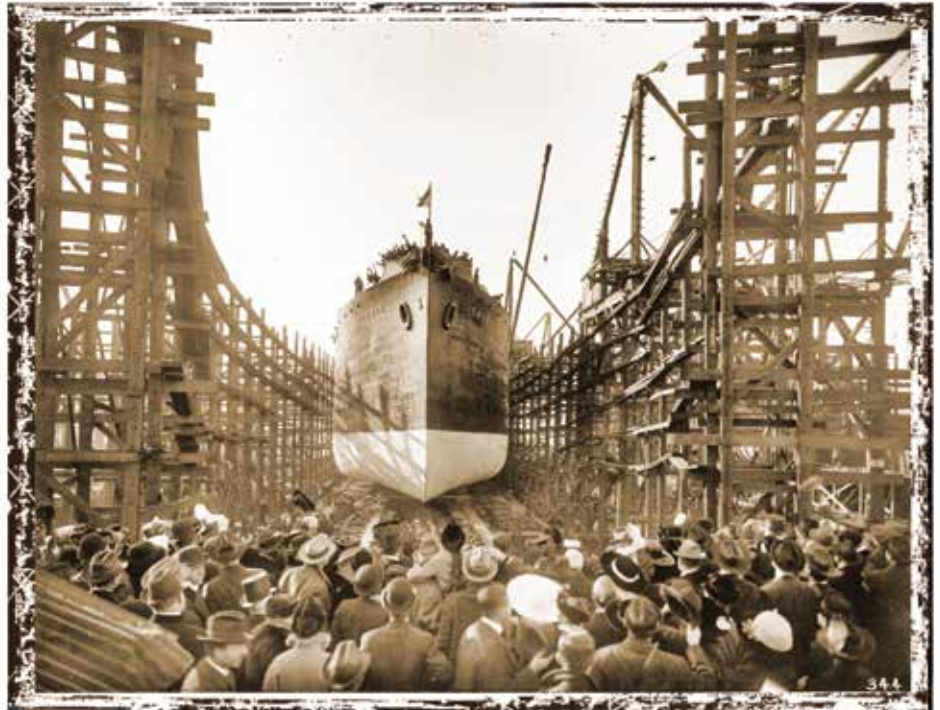
Link to Port of Oakland container volume data: <https://www.oaklandseaport.com/performancefacts-figures/> ●

**COMING  
NEXT MONTH**

## AUGUST EDITION

- LEADERS CELEBRATE PROJECTS TO IMPROVE TRANSPORTATION, GOODS MOVEMENT AT PORT
- PORT INCREASES HYDROELECTRIC POWER IN ITS GREEN ENERGY PORTFOLIO
- JULY CONTAINER STATISTICS
- AND MORE!

If you have story or content ideas for the Maritime News, please send them to [ddewitt@portoakland.com](mailto:ddewitt@portoakland.com)



## Maritime Moments

LAUNCHING OF THE 7,100-TON TURBINE POWER STEAMER THORDIS AT OAKLAND'S MOORE SHIPYARD, JANUARY 1917. DURING WORLD WAR I, SHIPYARDS SAW RAPID GROWTH. (COURTESY: SAN FRANCISCO MARITIME NATIONAL HISTORIC PARK, W.A. MUHLMAN COLLECTION).

## INDUSTRY RESOURCE LINKS:

- ▲ Oakland Portal
- ▲ Oakland Seaport Map
- ▲ Ocean Carrier Services
- ▲ Shipping Forms & Permits
- ▲ Shore Power & Vessel Commissioning
- ▲ Trucker Resources
- ▲ TWIC
- ▲ Maritime Services Directory