



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

November 28, 2017

Joan H. Story
President, Board of Port Commissioners
Port of Oakland
30 Water Street
Oakland, CA 94607

Subject: **November 30, 2017, Port of Oakland (Port) Board of Port Commissioners Meeting Agenda Item 2.9**

Dear Ms. Story and Members of the Board of Port Commissioners (Board):

The Bay Area Air Quality Management District (Air District) is providing you with comments on Agenda Item 2.9, on your November 30, 2017, meeting to:

- Confirm its understanding of the California Environmental Quality Act (CEQA) mitigation commitments made by the Board at your November 11, 2017 meeting; and
- Provide you with the Air District's perspective on emissions and health risk from Port operations.

Background

The Air District submitted a letter on November 3, 2017, and gave testimony at the November 11, 2017 Port Board meeting regarding the Ordinance and Resolution to approve a lease with CenterPoint-Oakland Development, I, LLC for a Transload and Distribution Facility on the former Oakland Army Base (Project) (Agenda Item 5.1). The purpose of that letter and testimony was to request the Board:

- Delay approval of any resolution or ordinance on this item until the Port has developed and funded the emission reduction programs (in concert with the City of Oakland (City)) identified by the former Oakland Army Base (OAB) Environmental Impact Report (EIR) Standard Conditions of Approval/Mitigation Monitoring and Reporting Program (SCA/MMRP); and
- Develop criteria via a public process to determine when low emission equipment or strategies are "readily available" or "cost effective."

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Port CEQA Mitigation Commitments

In response to the Air District's letter, staff received a letter from the Port on November 8, 2017. In this letter, the Port commits itself to future actions to meet the CEQA mitigation requirements as follows:

Table 1. Status of Select SCAs/MMRPs		
SCA/Mitigation Measure	Schedule	Status
MM 4.4-3a (air emissions reduction program for maritime and rail operations)	Prior to starting operations	Air emissions program previously developed, funded, and under implementation. MAQIP Task Force to be reconvened in late Fall 2017-Winter 2018 to review and consider additional emissions reduction strategies.
MM 4.4-4 (truck diesel emissions reduction program)	Prior to operations	The Maritime Comprehensive Truck Management Program (CTMP.) The CTMP is already developed, funded, and under implementation.
MM 4.4-5 (recommended Transportation Control Measures [TCMs])	Prior to operations	Many individual measures, such as preferential parking for carpools, are responsibility of the developer to implement. CenterPoint lease requires compliance with all applicable MMS and SCAs, including MM 4.4-5, and the Port will coordinate with CenterPoint on incorporating and implementing appropriate TCMs. The Port and the City are jointly evaluating the feasibility and implementation approach for TCMs such as shuttle to and from West Oakland BART station.

SCA/Mitigation Measure	Schedule	Status
MM 4.4-6 (energy-conserving new construction)	Prior to issuance of a demolition, grading, or building permit	Measure addresses compliance with Title 24 of the Building Code regarding use of energy-conserving fixtures and designs. In addition, the CenterPoint lease includes specific energy efficiency requirements as well as compliance with LEED 2009 Core and Shell certification requirements (See Exhibit E to Agenda Item 5.1). LEED addresses energy and water efficiency, waste reduction, indoor air quality, materials and resources, and sustainable site management. Energy efficiency and LEED features will be incorporated into building/site design prior to issuance of a grading or building permit; their implementation will be verified during the construction monitoring process.
MM 5.4-1 (encourage, lobby, and potentially participate in emission reduction demonstration projects)	Pre-operations; operations	Since 2002, the Port has participated in emission reduction demonstration projects, some of which provided the foundation for the Port's broader emissions reduction programs. These include the 2007 LNG Trucks (Clean Air Logix), funded through V2K Air Quality Mitigation Program; the 2008 Alternative Shore Power System "Proof of Concept" (with Clean Air Logix); and the current GSC Logistics electric truck pilot. The Port is also working actively with BAAQMD to identify future emission reduction demonstration projects, such as the seven emissions reduction measures the Port proposed to the BAAQMD on October 18, 2017.
SCA GCC-1 (develop a GHG reduction plan)	Prior to approval of PUD	The Port will not have a PUD at the OAB and has interpreted the schedule to require completion of the GHG reduction plan prior to issuance of a building permit. The CenterPoint lease requires compliance with all applicable SCAs and MMs, including SCA GCC-1. A GHG reduction plan will be prepared for review, approval, and implementation for this project.

The letter also states that: ...*"The proposed CenterPoint lease requires the developer to comply with the... OAB Environmental Impact Report (EIR) Standard Conditions of Approval/Mitigation Monitoring and Reporting Program ... (SCA/MMRP). After the execution of the lease, the developer must implement applicable measures. Parallel to the ports complying with the SCA/MMRP, the port is working with the BAAQMD to evaluate and identify feasible, readily available, and cost effective strategies, including potential zero and near zero emissions equipment, to further reduce air emissions. It should be noted that the SCA/MMRP do not specifically require zero or near zero emissions equipment, but were developed to provide flexibility to identify and implement the most effective*

measures over time. The Port values public input and will use the reconvened MAQIP Task Force to provide a public forum to review and consider feasible, readily available and cost-effective measures.

The Air District believes that on November 11, 2017 the Board agreed and committed to moving the Project forward in a manner that prevents emission increases and deteriorating air quality for West Oakland residents. The Air District also believes that the West Oakland community's health will be best protected by full and stringent implementation of the SCA/MMRP required by the OAB EIR. The Air District particularly appreciates the Board's direction to staff that they continue to seek industry and community input on preventing emission increases from new development and on reducing emissions from current operations.

It is important for the Board to recognize that the Air District and the California Air Resources Board (ARB) have identified significant numbers of zero and near zero emissions equipment that the Air District believes can be deployed immediately to prevent increases in emissions and health risks in the West Oakland community. The Air District expects that these technologies will be specified by the Port as part of the CEQA mitigation measures required in the lease for operations at the Project and that this technology will also be deployed in the pre-operation phases of the Project. The Air District will monitor these efforts and commits to reporting back to the Board regarding progress on these items.

Emissions and Health Risk

At the November 11, 2017 meeting the Board questioned its staff regarding the Port's contribution to the overall cancer risk in the West Oakland community. At that meeting, Port staff cited the ARB 2008 report, *Diesel Particulate Matter Health Risk Assessment for the West Oakland Community* (2008 Report), which concluded that Port operations contribute 16 percent to the overall cancer risk in West Oakland. However, the report noted that there were significant uncertainties associated with (1) estimates of truck volumes and routes in West Oakland and (2) estimates of the percentage of truck traffic (and therefore emissions and risk) attributable to activity at the Port. The report concluded that the:

"[D]ata limitations may have led to potential overestimate of overall trucking emissions within the modeling domain and a potential underestimate of the overall fraction of trucking emissions that are attributable to the Port of Oakland."

To address this issue, the Air District, Port and local community conducted the *West Oakland Truck Survey* in 2009. This work found that a larger proportion of the truck traffic in West Oakland was attributable to Port operations and concluded **the Port's contribution to the overall cancer risk in the West Oakland community is approximately 29 percent**. The Air District is currently updating its regional Toxic Air Contaminant (TAC) inventory and expects this effort to be completed by mid-year in 2018. However, current projections show that health risk may have increased in the West Oakland Community (see section below on Health Risk versus Emissions) and that the relative contribution of the Port to that risk remains approximately 29%.

Understanding Health Risk Vs Emissions

At the November 11, 2017 Board meeting, Port staff cited its latest 2015 inventory regarding a projected 76% reduction in toxic diesel particulate matter (DPM) versus a 2005 baseline. While the Air District agrees that there have been significant reductions in emissions from Port operations, there are a number of areas where the Port's current inventory either overstates these reductions or fails to capture emissions from Port operations. These are as follows:

- **Truck Emissions:** The current Port inventory claims that emissions have been reduced by 98% from drayage trucks (from 15.9 tons per year of DPM in 2005 to 0.4 tons per year in 2015). However, both the ARB's EMFAC 2014 emissions model and independent work conducted for the Air District and ARB by UC Berkeley show that the emissions are significantly higher than the Port inventory claims. (EMFAC 2014 shows approximately 2.5 tons per year of DPM emissions for the 2015 drayage fleet – **over 6 times higher than the current Port emissions estimate** – and the UC Berkeley study indicates emissions may be even higher than this prediction).
- **Refrigerated Container Units:** ARB's 2015 Technical Assessment: Transport Refrigerators indicates that: *There are approximately 7,800 TRU gensets operating in California at any given time, emitting 322 tons of NOx and 9 tons of PM per year.* ARB has noted in the past that the Air District is subject to approximately 20% of the total emissions for goods movement and there is little doubt that emissions from these TRUs occur within Air District boundaries and at the Port. The Air District is currently working with ARB to quantify these emissions and their significance relative to health risk in the West Oakland community.

This means that while these emissions may have decreased, more work is needed to understand by how much. In addition, the science that surrounds the health risk associated with the remaining emissions has changed significantly. In 2015, the State of California's Office of Environmental Health Hazard Assessment (OEHHA) updated its recommended methodology for determining the health risks from TACs, including diesel particulate matter. These changes show that exposure to diesel particulate matter can increase cancer risk by 2 to 3 times what was previously calculated under the old methodology. As mentioned above, the Air District is currently updating its regional TAC inventory and modeling to reflect these new OEHHA methods. We anticipate that the new methodology will show that despite current emission reductions from sources near and in West Oakland, the health risks remain unacceptably high in West Oakland. In fact, the Air District believes that West Oakland continues to be the community most impacted by toxic diesel particulates in the Bay Area due in part to its proximity to the Port.

Conclusion

Considering this health risk, the Air District is particularly concerned and reiterates that no additional significant pollution burden should be imposed on the West Oakland community as part of the redevelopment of the former OAB. The Air District stands ready to assist the Port with additional guidance on determining what technology is readily available and cost effective for new development.

Additionally, in 2018, the Air District projects that approximately \$70 million dollars in incentive funds will be available for the purchase of zero and near zero emissions equipment and technology that could be used at the Port to further reduce emissions from current operations. We look forward to working with Port tenants and operators who wish to use these funds to implement these new zero and near zero technologies and equipment.

Air District staff is available to assist the Board or Port staff with questions about these comments. If you have any questions, please contact Alison Kirk, Senior Planner, at (415) 749-5169 or akirk@baaqmd.gov.

Sincerely,



Damian Breen

Deputy Air Pollution Control Officer

- cc: BAAQMD Director Pauline Russo Cutter
- BAAQMD Director Scott Haggerty
- BAAQMD Director Rebecca Kaplan
- BAAQMD Director Nate Miley
- Cynthia Marvin, California Air Resources Board
- Claudia Cappio, City of Oakland
- Richard Grow, U.S. EPA
- Matt Lakin, U.S. EPA
- Ben Machol, U.S. EPA