



Emission Reduction Strategies and Challenges at the Ports of Los Angeles & Long Beach

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Existing Plans

- Goods Movement Action Plan – CalBTH/CalEPA
- Emission Reduction Plan for Ports and International Goods Movement – CARB (12/05)
- Clean Port Initiative (1/06) - SCAQMD
- No Net Increase Proposal (11/05) – Port of LA
- Green Harbor Initiative (05) – Port of LB
- Regional Strategy for Goods Movement 2005- SCAG
- Maritime Goods Movement Coalition (Fall 05)

Goods Movement Action Plan

“It is the policy of this Administration to improve and expand California’s goods movement industry and infrastructure, in a manner which will:

- Generate jobs
- Increase mobility and relieve traffic congestion
- Improve air quality and protect public health
- Enhance public and port safety
- Improve California’s quality of life”

South Coast Air Quality Management District Clean Port Initiative Action Items

1. Summit meeting
2. Call for sufficient, coordinated port actions; if not, AQMD regulations
3. CEQA
4. Monitoring
5. Call for federal rules or legislation
6. Coordination with Asian ports
7. Call for funding mechanism

No Net Increase Strategy - POLA

- Goal: No net increase in emissions over 2001 levels
- Identifies 68 measures in total
 - Measures include adopted, proposed/planned, and additional needed to achieve NNI
 - Measures under legal and financial review at this time for feasibility, legal jurisdiction and costs to implement
- Estimated Cost \$13-\$20 Billion

Port of Long Beach - Green Port Policy

- 29 measures both Ports are proposing or implementing that are within their jurisdiction
- 32 measures from NNI policy that regulatory agencies must implement
- 8 measures from NNI policy where ports may not have jurisdiction
- 2 measures that would require decrease in cargo volumes

Regional Strategy for Goods Movement – Southern Ca. Assn. of Govts.

- Identifies \$26 billion in infrastructure projects needed
- \$2 billion in projects in RTIP to start within 2 years
- Identifies similar operational strategies as NNI Policy
- Input to Governor's Goods Movement Initiative

Maritime Goods Movement Coalition – Nov. 2005

- Severe air quality challenge
- Sources (e.g., engines) in the goods movement sector have relatively high emissions and are relatively under-regulated
- Flurry of Piecemeal Legislative and Regulatory Activity
- Measures will be extraordinarily costly and may restrict growth and employment
- But we need to find prompt ways to reduce emissions in port areas

Maritime Goods Movement Coalition Mission

- Develop a positive, proactive proposal with the following characteristics:
 - Contribute to attainment of the ozone and fine PM air quality standards
 - Address material local health impacts
 - Provide for lowest-cost solutions
 - Provide flexibility in designing solutions
 - Improve goods movement efficiency
 - Protect goods movement economy
 - Encourage investment in the sector
 - Secure the time needed to make necessary investments
 - Avoid costly and time-consuming project-by-project battles

Maritime Goods Movement Coalition

- **Integrated, Attainment-Based Plan**
 - *Integrated* air quality attainment plan for the maritime goods movement sector
 - Tied to attainment dates for ozone (2021) and fine PM (2015) standards
 - Plan would constitute the “state implementation plan” for the sector

Maritime Goods Movement Coalition

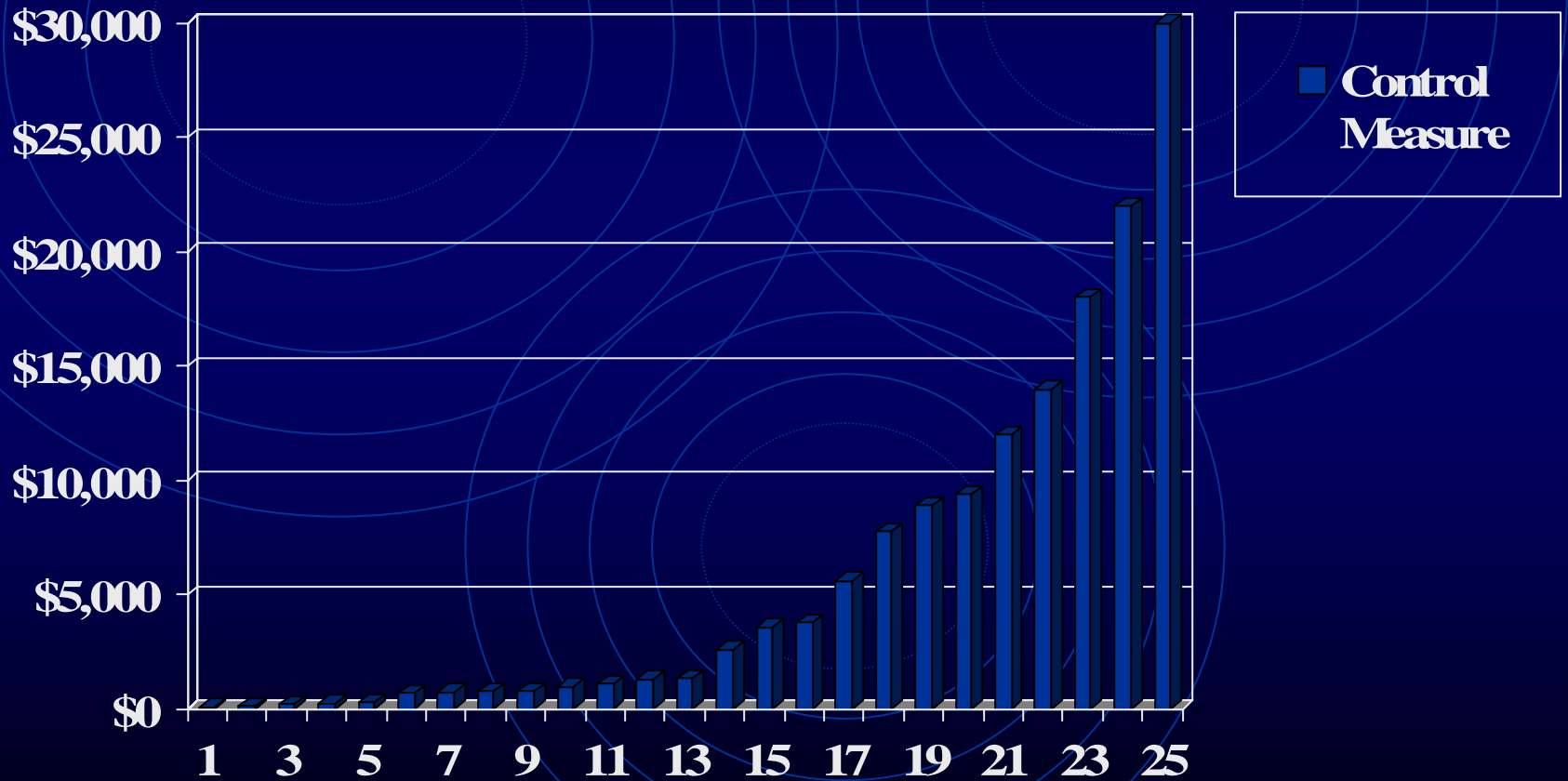
- **Market-Based Performance Program**
 - Optimize for lowest cost subject to local health priorities
 - Set performance targets and timetables for most categories
 - Allow sources to design their own strategies
 - Early actors generate tradable credits
 - Sources that fail to meet performance path must hold offsetting credits or meet safe harbor requirements
 - Infrastructure improvements that reduce goods movement impacts could generate tradable credits

Maritime Goods Movement Coalition

- **Growth-Loaded Plan**
 - By incorporating projected growth and identifying air quality mitigation in advance, the MGM Plan should streamline CEQA review of specific conforming projects.
- **Prioritize Public Health Benefits**
 - Identify sources and locations of greatest exposure
 - Accelerate, pre-certify and, if appropriate, weight strategies that address target emissions

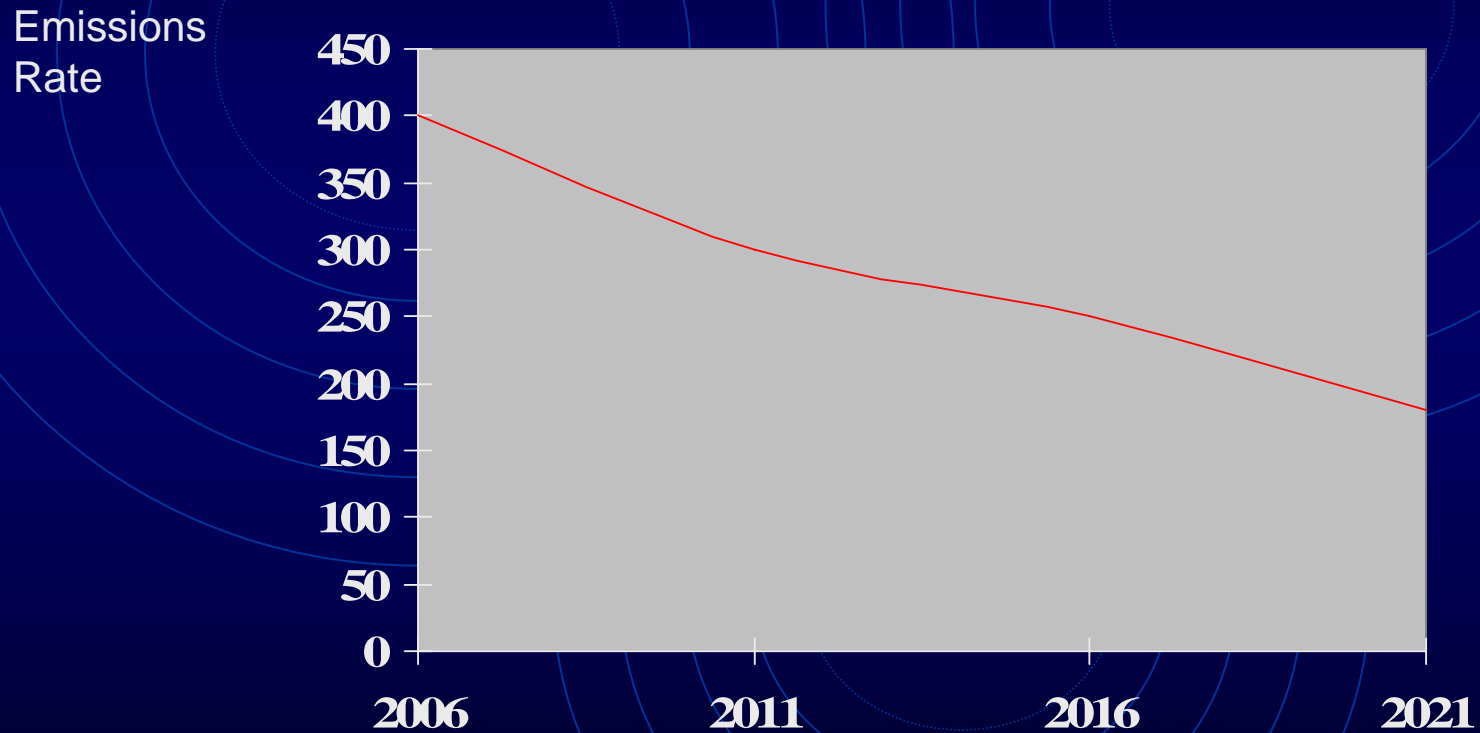
Why a Market-Based Strategy Saves Money

Relative Control Measure Cost per Ton of Emissions Reduced



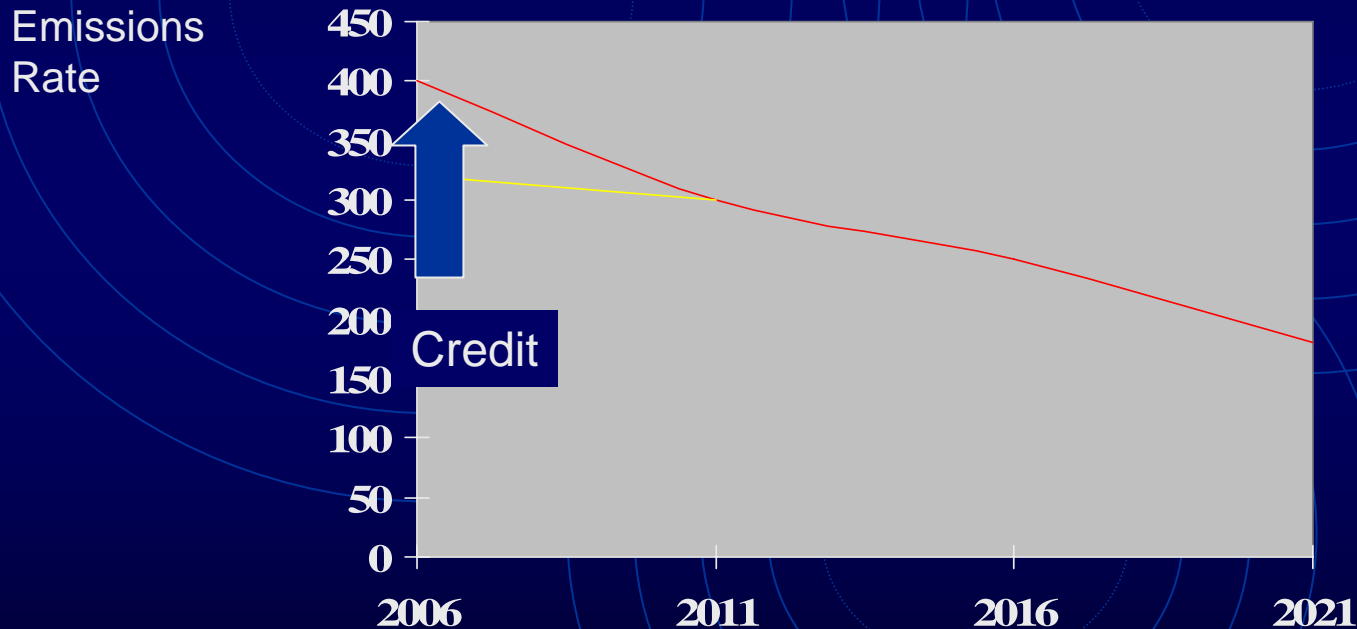
How the Program Would Work

1. Set pollutant- and category-specific emission reduction targets over time:



How the Program Would Work (continued)

2. Sources that beat expectations in degree or time generate valuable credits.



3. Sources can comply with performance targets by averaging across fleets and trading with others.

Action Plan

- Develop category-specific performance targets and timelines
- Identify desired infrastructure and efficiency enhancements
- Design market – Open vs. Closed, etc.
- Address concerns w/ Cap & Trade Programs
- Address jurisdictional issues
- Stakeholder outreach

How Will These Plans Come Together??

