

CALIFORNIA ENERGY COMMISSION

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April 24, 2006

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Cal/EPA
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PO Box 2815
Sacramento, CA 95815-2815

Barry Sedlik, Under Secretary
Business, Transportation & Housing Agency
980 9th Street, Ste. 2450
Sacramento, CA 95814-2719

Dear Ms. Tuck and Mr. Sedlik:

The California Energy Commission appreciates the opportunity to comment on the March 22, 2006, Goods Movement Action Plan, Phase II Progress Report: Draft Framework for Action.

In general, the Report includes a thorough discussion of the emissions impacts of marine traffic and associated goods movement and emission reduction options such as trucks and locomotives switching to low sulfur diesel, and requiring the cleanest ships in the fleet to service California ports. However, the crucial role that California ports play as a key component in the state's petroleum infrastructure and the importance of energy efficiency need to be highlighted more clearly. Suggestions for specific wording to highlight energy efficiency are attached.

As you know, Californians consume over 20 billion gallons of petroleum fuels annually. Our consumption of petroleum fuels continues to grow, as does our reliance on California's ports to supply much of these fuels. We do not depend on one infrastructure element more than another, rather the system as a whole. As such, California's ports, especially Los Angeles, Long Beach, and the Bay Area, must be seen for what they are: an essential part of the state's whole petroleum infrastructure. Despite the state's adopted policies, promulgated by both the Energy Commission and the California Air Resources Board, to reduce California's dependence on petroleum products, California will continue to depend on crude oil, petroleum products, blending components for a long time. Most of these goods must come through California's ports.

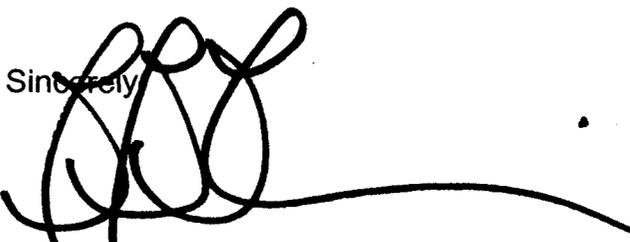
The Energy Commission has conducted a number of studies over the past several years that show that the state's petroleum infrastructure, including the critical marine

Cindy Tuck, Assistant Secretary
Barry Sedlik, Under Secretary
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components, is at or near capacity. These marine facility constraints have contributed to the high fuel prices Californians are paying. To address these constraints, the Energy Commission found that the state's marine infrastructure will need to be improved. We are currently examining the causes of and potential solutions to problems associated with the petroleum infrastructure and would welcome collaborative strategic planning with your agencies and the port authorities. Our goals are to accommodate the needs of statewide, regional, and local interests, improving the planning and permitting processes, and pursuing options to increase the state's supply of transportation fuels without compromising California's environment.

We appreciate the opportunity to comment on the latest Draft Goods Movement Action Plan and look forward to providing additional information on petroleum infrastructure or energy efficiency, if desired. If you have any questions or comments please contact Pat Perez at (916) 654-4527 or pperez@energy.state.ca.us

Sincerely,



B. B. BLEVINS
Executive Director

cc: Pat Perez

Attachment

ATTACHMENT

SUGGESTED CHANGES ON ENERGY EFFICIENCY

- Insert an additional bullet at the top of pg. I-1...*Improve energy efficiency of goods movement.*
- Add the same bullet at the top of pg. II-1.
- Add the following paragraph to pg. II-2: (1) under item C. Public Health and Environmental Mitigation: Problems, Goals and Actions.
- 1. Energy Efficiency

The energy/fuel type and mode of transport, whether by ship, truck, train, barge, crane, or tractor have dramatically different environmental, public health, and economic impacts on businesses and local communities. In terms of energy efficiency, it is about four times as efficient to move goods by train than by truck for distances greater than approximately 400 miles. More information is needed to determine the amount of energy used to move a ton of goods per mile by various modes of transportation, such as ships, trains, airplanes, and trucks. Emphasis should be placed on the mode of travel that is the most energy efficient and, based on fuel type, has the least adverse environmental and community impact.

- Add the energy efficiency bullet noted above to the bullets on pg. III-2.
 - Add the following bullet to the list of metrics on pg. III-11.
- r. Amount of energy/fuel needed to move a ton of goods per mile by different modes of transportation.
- Add the energy efficiency bullet to the existing list in the innovative technologies discussion on pg. VII-1.
 - Add the following definition to the Glossary in Appendix A on pg. A-1:

Energy efficiency of goods movement:

When moving goods through the transportation system, the kind of energy used (e.g., diesel, liquefied natural gas, electricity), and the mode of transportation (truck, train), determines the overall efficiency of moving goods a given distance. The transportation mode that uses the least amount of fuel per ton of goods per mile, and releases the smallest amount of air emissions, is considered the most energy efficient.