

April 10, 2017

Mary D. Nichols, Chair  
California Air Resources Board

SUBMITTED ELECTRONICALLY

**RE: SAN DIEGO UNIFIED PORT DISTRICT COMMENTS ON THE 2017 CLIMATE  
CHANGE SCOPING PLAN UPDATE (DRAFT)**

Thank you for the opportunity to comment on the 2017 Climate Change Scoping Plan Update authored by the California Air Resources Board (CARB), January 20, 2017 (hereafter referred to as “2017 Scoping Plan Update”).

The mission of the San Diego Unified Port District (District) is to protect the Tidelands Trust resources by providing economic vitality and community benefit through a balanced approach to maritime industry, tourism, water and land recreation, environmental stewardship and public safety. The District was created with the San Diego Unified Port District Act (hereafter “Port Act”) adopted by the California State Legislature in 1962 and as amended. The Port Act recognizes the Public Trust Doctrine, and states that tidelands and submerged lands are only to be used for statewide purposes. To this end, the District is charged with management of the tidelands and diverse waterfront uses along San Diego Bay that promote commerce, navigation, fisheries, recreation and environmental stewardship on granted lands. When issuing discretionary permits and/or project approvals for projects and activities located within tidelands, the District often times serves as the lead agency under CEQA.

The District has been a champion of several important initiatives intended to help combat the effects of climate change. In 2013, the District was among one of the first ports in the nation to voluntarily adopt a Climate Action Plan (CAP). The CAP includes greenhouse gas emission (GHG) reduction strategies that align with the CARB’s 2020 reduction targets, and puts the District on a path towards achieving greater reductions beyond 2020. In 2016, the District certified a programmatic Environmental Impact Report (EIR) for a 20-year Redevelopment Plan at the Tenth Avenue Marine Terminal (TAMT), which includes several project-specific mitigation measures intended to reduce GHG emissions from goods movement through 2035. Finally, the District is currently working on a comprehensive update to its Port Master Plan that will include GHG emission reducing policies related to land use, transportation, and sustainable freight. It is anticipated the corresponding EIR will contain GHG emission mitigation measures that will address climate change impacts over the 30-year time horizon of the Port Master Plan. These initiatives illustrate the District’s commitment to addressing climate change, which are generally aligned with the 2017 Scoping Plan Update goals and objectives.

After review, District staff is providing comments on the 2017 Scoping Plan Update related to local planning, permitting, and other project-level GHG reduction efforts<sup>1</sup>. To help ensure successful implementation of the 2017 Scoping Plan Update, the District offers additional language below for recommended inclusion in the local planning and permitting section of the document.

- 1. Alternative metrics to the “six metric ton CO<sub>2</sub>e per capita” 2030 goal are needed for jurisdictions without residential populations:** As the District does not have a residential population, a “per capita” standard cannot be used by the District as a performance metric<sup>2</sup>. The per capita standard involves summing the number of residents in a geographical area, then dividing it by the total CO<sub>2</sub>e emission target for 2030 to derive an efficiency threshold. Moreover, the service population approach involves summing the number of residents and jobs in a geographical area, and then dividing it by the total CO<sub>2</sub>e emission target for 2030, to derive an efficiency threshold. Since both the per capita and the service population approaches are both based (in part or in full) on population, it would be misleading for a jurisdiction like the District that does not have a residential population to use either approach. Furthermore, establishing such a metric would result in double-counting employees and other users of tidelands because their per capita GHG emissions would have been, presumably, already accounted for in the jurisdiction in which they live. Thus per capita or per service population metrics are more suitable to land use jurisdictions that have a mix of residents and employees. The 2017 Scoping Plan Update (page 1377) acknowledges the limitations of having per capita metric goal by stating *“knowing that the per capita emissions goals may not be appropriate in some jurisdictions, mass emissions and service population emissions are also important to discuss”*. Therefore, the District recommends the 41% Performance-Based Reduction metric (as described below) be added to the 2017 Scoping Plan Update. This will enable the District, as well as other ports and special districts throughout the State, to implement strategies that are clearly consistent with the 2017 Scoping Plan Update.

**Recommendation: Specify that a 41% Performance-Based Reduction is equivalent to attaining a six metric ton CO<sub>2</sub>e per capita goal by 2030:** SB 32 requires statewide emissions be reduced by 40% below 1990 levels by 2030. Based on a 2014 baseline, the 2017 Scoping Plan Update determines that the 2030 GHG emission target (e.g. 40% below 1990 levels) would be attained if GHG emissions are limited to six metric tons per person. This statewide per capita threshold is equivalent to establishing a statewide

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<sup>1</sup> 2017 Scoping Plan Update, Section B: Climate Action through Local Planning (pgs. 133 through 137).

<sup>2</sup> The Public Trust Doctrine and Port Act requires tidelands and submerged lands to be used for statewide purposes only, which effectively prohibits residential uses within the District's jurisdiction.

performance-based reduction of 41% below 2014 baseline levels.<sup>3</sup> A jurisdiction or entity that provides these levels of mass emissions reduction should be considered as providing the equivalent of the proposed per capita goal. While the District supports the State's reduction targets and understands the value of moving towards a per capita measurement, the District encourages CARB to provide alternative metrics that can be used in those instances where a per capita goal cannot be applied.

- 2. The “No net increase” default standard should discuss possible exceptions:**  
The 2017 Scoping Plan Update (page 136) recommends that absent a qualifying GHG reduction plan, all new land use development should implement all feasible mitigation measures to reduce GHG emissions. It identifies recent examples of development projects in California that have achieved zero net additional GHG emissions and continues to state: *“CARB believes that achieving a no net increase in GHG emissions is the correct overall objective, but it may not be appropriate or feasible for every development project.”* While District staff is generally supportive of the “no net increase” default standard, greater explanation about the circumstances under which the “no net increase” standard may not be appropriate should be included in the document.

Unlike most jurisdictions that can help facilitate a reduction in GHG emissions by reducing vehicle miles travelled (VMT) through land use planning, this is not a viable option for Port projects that are responsible for moving goods throughout the state. The California Coastal Act states:

*“The location of the commercial ports within the State of California, are well established, and for many years such areas have been devoted to transportation and commercial, industrial and manufacturing uses consistent with federal, state and local regulations. Coastal planning requires no change in the number or location of the established commercial port districts. Existing ports shall be encouraged to modernize and construct necessary facilities within their boundaries in order to minimize or eliminate the necessity for future dredging and filling to create new ports in new areas of the state<sup>4</sup>.”*

While the District’s CAP identifies a number of transportation demand management (TDM) strategies that are appropriate for its hotels, parks, and other non-maritime related uses, mobile source emissions associated with industrial ship-building and

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<sup>3</sup> Calculations are based on 1990 and 2014 emissions of 431 and 441.5 million metric tons of CO<sub>2</sub>e, respectively. To attain the 2030 GHG emission target of 258.6 million metric tons of CO<sub>2</sub>e in year 2030, emissions need to be limited to six metric tons per person, which is equivalent to reducing emissions 41% below 2014 levels.

<sup>4</sup> California Coastal Act, Chapter 8, Article I Section 30701(b).

the goods movement tend to be regulated by the federal and state government<sup>5</sup>. Therefore, attaining a “no net increase” in GHG emissions is not possible for maritime-related development projects at the Port<sup>6</sup>. The 2017 Scoping Plan Update should acknowledge exceptions to the “no net increase” objective and provide explicit guidance that clarifies the circumstances under which “no net increase” may not be appropriate.

**Recommendation: Clarify that *most* projects are *encouraged* to attain a “no-net increase” in GHG emissions, but there are notable exceptions:**

The discussion on page 136 to 137 should provide at least one example of a development project that may not be appropriate for the “no net increase” in GHG emissions objective. The Port recommends identifying marine-terminal projects that are part of California’s freight transport system as a type of project that may not be able to attain a no net increase in GHG emissions because of the mobile source emissions that are associated with the project’s vessels and trucks. The discussion should emphasize that marine-terminal projects should implement all feasible measures to reduce GHG emissions, but mobile-source emissions may be unable to attain a no net increase in GHG emissions for these types of projects. The discussion should encourage lead agencies to identify alternative compliance strategies, such as compliance with the State’s Sustainable Freight Strategy, as discussed in more detail below.

- 3. Marine-related industrial and freight-based projects need an alternative compliance mechanism:** The District’s maritime operations contribute approximately 19,000 jobs and 1.6 billion in economic activity annually to the San Diego region. Furthermore, maintaining and enhancing coastal-dependent maritime uses is part of the District’s mandate. However, marine-related industrial uses and other freight-based projects result in GHG emissions associated with ocean-going vessels, tugs, barges, trucks, specialized equipment and machines, and heavy duty rail. While there are recent examples of residential and commercial projects resulting in no additional GHG emissions, the District is not aware of any marine-related industrial uses or other freight-based projects that have attained a “no-net increase” in GHG emissions<sup>7</sup>. Furthermore, given that these uses rely on mobile

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<sup>5</sup> The International Maritime Organization (IMO) International Convention for the Prevention of Pollution from Ships (MARPOL) Annex VI, establishes international NOx emissions on marine engines over a certain size. Similarly, the federal EPA and the California ARB also establishes emission standards for large marine diesel engines, as well as off-road / on-road engines and fuel standards.

<sup>6</sup> An estimated 61% of the Port’s GHG emissions are attributed to the transportation sector. More specifically, approximately 39% of the Port’s total emissions come from on-road transportation and 22% come from off-road transportation. The District’s ability to reduce on-road VMT freight-related emissions associated with its two marine terminals is limited. In addition, off-road transportation emissions are largely attributed to recreational boating and oceangoing vessels. Off-road emissions account for 22% of the District’s emissions compared to 5% of Countywide.

<sup>7</sup> At this time, the maritime industry does not have technology (including pre-commercial and/or demonstration technology) that could attain a no-net increase in GHG emissions.

equipment and other heavy duty machinery, the GHG emissions associated with these uses tend to be significant, and emission standards to date have primarily been targeted at reducing criteria pollutant emissions and air toxics. While the District believes that marine-related industrial and other freight-based projects must do their fair-share to reduce GHG emissions, their fair-share contribution should not be based on the same reduction requirements that are applied to residential and commercial projects.

Due to the nature of the freight industry, the State prepared the Sustainable Freight Action Plan (July 2016), which identifies the following freight targets for 2030 (relative to a 2014 base year):

- **System Efficiency:** Improve freight system efficiency by 25 percent by increasing the value of goods and services produced from the freight sector, relative to the amount of carbon that it produces by 2030;
- **Transition to Zero Emission Technology Target:** Deploy over 100,000 freight vehicles and equipment capable of zero emission operation and maximize near-zero emission freight vehicles and equipment powered by renewable energy by 2030;
- **Increased Competitiveness and Economic Growth Targets:** Establish a target or targets for increased State competitiveness and future economic growth within the freight and goods movement industry.

Based on these performance targets, the 2017 Scoping Plan Update estimated that Sustainable Freight, in conjunction with the Clean Fuels technology, will result in substantial GHG reductions compared to other GHG reduction efforts being implemented throughout the State<sup>8</sup>. The Sustainable Freight Action Plan states that "modernizing California's freight transport system in a manner that improves safety and reduces pollution is essential to improve public health and to meet our environmental imperatives".

**Recommendation: Establish consistency with the California Sustainable Freight Action Plan as an alternative compliance strategy for eligible projects:** The 2017 Scoping Plan Update should acknowledge that eligible industrial projects (including sea ports, distribution centers, and warehouses) may demonstrate consistency with the State's Sustainable Freight Action Plan to help meet the State's 2030 GHG reduction targets. The project's consistency analysis should demonstrate consistency with the Sustainable Freight Action Plan targets noted above, including compliance with the 25 percent system efficiency requirement, as well as a fair-share

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<sup>8</sup> The 2017 Scoping Plan Update (Page 41) estimates that the Sustainable Freight Action Plan and Clean Fuels Technology will result in 67 million metric ton (mmt CO<sub>2</sub>e) reduction between 2021 and 2030. This reduction is more than the low carbon fuel standard (25mmt CO<sub>2</sub>e), more than the reductions required of refineries (30 mmt CO<sub>2</sub>e), and more than the energy efficiency reductions associated with residential, commercial, industrial and agricultural uses (54 mmt CO<sub>2</sub>e).

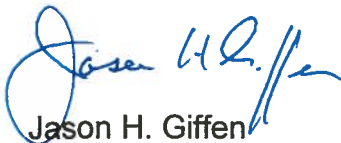
contribution towards the deployment of 100,000 freight vehicles and equipment capable of zero emission operation. The 2017 Scoping Plan Update should encourage eligible industrial projects to maintain consistency with the State's Sustainable Freight Action Plan, just as residential and commercial projects are encouraged to adhere to the Sustainable Communities Strategies, pursuant to SB 375.

- 4. Carbon sequestration is narrowly defined and not well explained:** The 2017 Scoping Plan Update (page 135) states that carbon sequestration values associated with natural and working lands should be included in CAPs, but fails to recognize the value carbon sequestration projects may have at the project level. In addition, it provides very little detail about what types of habitats, improvements, or projects would assist with carbon sequestration.

**Recommendation: Under the "Project-Level Greenhouse Gas Emissions Reduction Actions and Thresholds"<sup>9</sup> (page 136 to 137), add carbon sequestration as a project-level mitigation measure and identify land and water-based examples:** The 2017 Scoping Plan Update should make it clear that carbon sequestration can be a project-level improvement and does not necessarily need to be part of a comprehensive inventory and/or CAP. Furthermore, this section should list land-based carbon sequestration projects, including tree-plantings, increased tree canopies, community gardens, and open space, as well as water-based projects, such as enhancements to wetlands, salt marsh, eelgrass, and other submerged habitats.

Thank you for the opportunity to review and provide comments. Please feel free to contact me if you have any questions.

Sincerely,



Jason H. Giffen  
Assistant Vice President, Planning and Green Port

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<sup>9</sup> The 2017 Scoping Plan Update (Pages 136 to 137)