



August 25, 2020

Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, California 95814

Dear Chair Nichols:

On behalf of the California Association of Port Authorities (CAPA), I am writing to express the Association's appreciation for the work you and your staff have invested in the proposed At-Berth regulation, and in particular the changes made in the second 15-Day Notice. With many questions remaining about the economy, technology readiness, and capacity of the state electric power infrastructure, there is a significant need for a comprehensive and robust interim evaluation.

CAPA supports the use of the interim evaluation and given the importance of this document the regulations should require evaluation and adoption by the Board. The interim evaluation must include greater direction on the breadth and depth of the evaluation to examine the readiness of control technologies for all vessel types and the economic health of ports. CAPA urges the addition of the following provisions to the interim evaluation language:

- Given the current economic disruption and uncertain future, concerns have been raised about the accuracy of forecast assumptions used in the inventory of ocean-going vessels at-berth, and the economic capacity of ports. As part of the interim evaluation requirement, a data-driven economic assessment that evaluates the impacts of the present economic downturn upon the maritime sector and economic health of ports in particular. In addition, language should be added specifically directing CARB staff to update and adjust the inventory based on the economic trends and data accumulated over the next two years. CAPA would support the inclusion of an economic analysis that utilizes a third-party review of the economic analysis.
- The interim evaluation language directs staff to evaluate information from ports and required terminal plans, and consider other public information such as engineering evaluations, logistical concerns, public engagement, and independent studies. Given the recent heat event whereby Governor Newsom issued an Executive Order suspending the requirement for vessels to use shore power in order to free-up grid capacity and avoid rolling blackouts, the interim evaluation must review the capacity of the grid to meet the demand of the expanded regulation and how future heat events should be addressed.

- Implementation of any regulation requires financial resources to invest in those improvements. The development and commercialization of capture and control measures and expansion of shore power will be expensive, and state and local support is critical. CAPA urges CARB to establish a port infrastructure fund within existing CARB incentive programs to facilitate upfront investments required for large-scale capital improvements required by the regulation.
- Given the hurdles facing ports to implement the At-berth regulation, there will be delays beyond the control of ports. This includes the lengthy and expensive CEQA process, review and approval by Army Corp of Engineers, entitlements, agreements with utilities, and funding. CAPA urges CARB to consider adding to the regulation a formal process through which measurable good faith efforts demonstrated by ports is counted towards compliance with the final regulation. These measurable milestones could include formal approval of the project, project funding, project entitlements, and objectives of similar scale as new construction phases begin.

Regardless of the current economic crisis, CAPA's members, which include all eleven publicly owned commercial seaports in the State, remain committed to the existing regulatory requirements and working with CARB on reducing emissions. While it will take time to determine if shipping practices are forever altered, or if this is a short-term adjustment, CAPA appreciates changes made during this process and urges CARB to adopt the changes outlined above.

If you have any questions or need additional information, please do not hesitate to reach out to me.

Sincerely,



Martha Miller
Executive Director
California Association of Port Authorities