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VIA Email

December 11, 2017

Mr. Andrew Panson
Air Pollution Specialist
California Air Resources Board
1001 I Street
Sacramento, CA 95812

RE: Fiscal Year 2017-18 Draft Funding Plan for Clean Transportation Incentives

Dear Mr. Panson:

On behalf of the California Association of Port Authorities (CAPA), which is comprised of the state's eleven publicly owned commercial ports, thank you for the opportunity to provide comments on the California Air Resources Board's (ARB) Fiscal Year 2017-18 Draft Funding Plan for Clean Transportation Incentives (Draft Plan).

On October 10, 2017, we submitted comments expressing our concerns with the Draft Plan. Those concerns were not addressed in revisions and we continue to have the same concerns as we did in October.

California ports are on the cutting edge of environmental stewardship, leading the nation, and indeed the World, in developing environmentally-friendly port operations. Our ports are proud of their role as environmental stewards and of the remarkable freight-related emissions reductions achieved over the last decade. We look forward to working with you, our local air quality management districts, and our industry partners, to continue reducing emissions and to accelerate the deployment of advanced clean technologies in the freight sector.

While we appreciate the freight-related funding opportunities envisioned in the Draft Plan and believe that state support and incentive funding is key to transitioning to a zero- and near zero-emissions freight system, we continue to have significant concerns with the proposal and suggest the following amendments to the Draft Plan.

Zero- and Near Zero-Emission Freight Facilities Project

- **Revise the requirement for 100% of spending in disadvantaged communities.** While we appreciate the need to continue advancing the health and economic vitality of California's disadvantaged communities, the ARB should avoid a strict geographically-defined spending requirement. Based on the definitions and maps we have reviewed, certain port facilities – and specific berths at some ports – would be precluded from even applying for funding, even though projects might provide great benefit to adjacent disadvantaged communities.
- **Lower the match requirement.** The proposed 50% match requirement is very likely to limit application. Advanced technologies are not only very expensive, but largely untested as well. In our collective effort to assure widespread deployment and commercialization as soon as possible, we should minimize participants' operational and financial risk, especially in this early stage of project development.
- **Include additional infrastructure investments as eligible match.** We appreciate the Draft Plan's recognition of the importance of supporting infrastructure and suggest expanding eligible infrastructure improvements to include investments necessary for electrification and fueling of equipment. These investments will be very significant and critical to the development, deployment, and commercialization of zero-emissions equipment.
- **Don't place limits on funding by facility type.** Certain facilities, such as ports, are "shovel ready" now, ready to advance clean technology projects in the near-term. The ARB should avoid setting firm caps that might artificially limit investment opportunities, especially as we seek to deploy advanced technologies and accelerate commercialization as soon as possible.

Zero-Emissions Off Road Freight Voucher Incentive Project

- **Include additional infrastructure investments as eligible program enhancements.** As indicated above, investment in significant and expanded supporting infrastructure for electrification and fueling of equipment is critical to deployment and commercialization.
- **Allow equipment conversions, not just replacement.** For some equipment, repowers will be more cost-effective for converting to zero emissions than strict replacement.

We appreciate the opportunity to provide comments on the Draft Plan for Clean Transportation Incentives and look forward to working with you to continue reducing emissions, increasing efficiencies, and improving the competitiveness of our freight system.

Sincerely,



Tim Schott
Executive Director