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June 30, 2022

Mr. Jonathan Foster
Marine Strategies Section
Freight Activity Branch
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: At-Berth Regulation Innovative Concept for Matson Navigation Company, Inc.,
Docket *AtBerth-ICApp-06*

Dear Mr. Foster:

Thank you for the opportunity to comment on the preliminary Innovative Concept application submitted by the Matson Navigation Company, Inc. (Matson). Innovative Concept projects are a potential compliance option under the At Berth Regulation and must provide equivalent or greater emissions reductions in and around a port compared to reducing emissions from vessels while at berth. Matson vessels are a significant part of the operations at and emissions occurring from the Port of Oakland.

Matson proposes to "... contin[ue] all vessel controls under the existing fleet averaging concepts provided by the current Air Resources Board regulations and then to enter into an agreement with the Board to provide additional emissions reductions through financial contributions to effective emissions reductions programs." Emissions from Matson vessels would be controlled by using shore power or "... through preferential use of a barge-based emissions control system that Matson invested in." Additionally, Matson proposes to enter into an enforceable agreement with CARB to purchase additional emission reductions through a voluntary financial contribution to CARB's incentive programs, thereby shifting the burden of providing health-protecting emission reductions to other parties.

In adopting the amendments to the At Berth regulation, CARB determined that a fleet-based approach provides insufficient emissions reductions to protect local health. Recognizing that vessels are added to or rotated through service to California ports and may not always be equipped to utilize an approved control strategy, CARB amended the At Berth regulation to include a remediation fund into which non-compliant vessel owners would pay penalties. The penalty money would then be used by CARB, the Air District and local residents to control emissions from other sources within Port communities. Given CARB's decision to set aside the fleet-based compliance method and to include a means for penalty funds to be used for needed local emissions reductions, it seems that Matson's goals can be met by directly complying with the At Berth regulation.

To assist us and local community members in better understanding the advantages of the proposed Innovative Concept, we encourage Matson to:

- Identify the specific Ports (Oakland, Los Angeles, Long Beach) that Matson proposes to use the barge-based emissions control system and the Ports proposed for mitigation;
- Identify the vessels that will be considered its “Fleet” for the purpose of continuing the fleet -based compliance;
- Identify the vessels that will likely not reduce emissions at berth and explain why emissions from these vessels cannot be controlled using shore power or a barge-based emissions control system;
- Demonstrate and document how the proposed Innovative Concept will achieve equal or greater emissions reductions compared to shore power, with particular focus on emissions reductions in impacted communities;
- Clarify how emissions reductions achieved via the proposed Innovative Concept will be calculated and commit to making all emissions and reductions achieved via the proposed Innovative Concept publicly available and easily accessible;
- Add a process for Matson to identify other sources near the Port of Oakland that can provide additional emissions reductions, and for Matson to directly fund the clean-up of these sources rather than relying on CARB or Air District incentive programs;
- Identify appropriate administrative funds for the implementing agency if incentive funds are paid into an existing incentive program;
- As the cost-effectiveness limit on incentive programs can change, clarify the proposed methodology for calculating emissions and payment amount. Payment determination should reflect the cleanest available technologies.

Add a description of the advantages and risks of the proposed Innovative Concept compliance approach compared to directly meeting the requirements of the amended At Berth regulation. Thank you again for the opportunity to provide comments. We look forward to reviewing the revised, final application later this summer. Please contact Michael Murphy at mmurphy@baaqmd.gov or (415) 749-4644 if you have any questions regarding our comments.

Sincerely,

for Greg Nudd

Greg Nudd
Deputy Air Pollution Control Officer

cc: Robert Hawke, Matson Shipping
Richard Sinkoff, Port of Oakland
Ms. Margaret Gordon, West Oakland Environmental Indicators Project
Brian Beveridge, West Oakland Environmental Indicators Project
Michelle Ghafar, EarthJustice