

June 24, 2022

California Air Resources Board 1001 | Street Sacramento, California 95814

Submitted electronically to https://ww2.arb.ca.gov/applications/public-comments

Subject: PMSA Comments on Draft 2022 Scoping Plan Update

The Pacific Merchant Shipping Association (PMSA) appreciates the opportunity to submit comments on the California Air Resources Board's Draft 2022 Scoping Plan Update. PMSA represents terminal operators and ocean carriers operating in California. Over the past two decades, our members have aggressively reduced emissions from maritime operations in California ports. Going forward PMSA member companies are focused on reducing the carbon intensity of operations in addition to our ongoing commitments to reduce local air toxics and criteria pollutants and we hope to work with California to develop programs that are based on technological and operational feasibility and the deployment of cost-effective solutions in both the short- and long-term.

PMSA would like to focus our comments on two specific areas of the Draft Scoping Plan: ocean going vessels (OGVs) and cargo-handling equipment (CHE).

Ocean-Going Vessels

The Draft Scoping Plan identifies two areas of action concerning OGVs. The first is the pending implementation of the amended At Berth Rule. While concerns remain regarding the rule structure and the impact of the pandemic on the supply chain that directly compromise the ability to receive equipment necessary to ensure compliance, PMSA continues to work with CARB regulatory staff on identifying and addressing these issues regarding implementation going forward. PMSA also supports At Berth Rule compliance through alternative compliance pathways. PMSA does not recommend any changes to this area of action of the Draft Scoping Plan.

The second action area the Draft Scoping Plan Update identifies is that "25% of OGVs utilize hydrogen fuel cell electric technology by 2045." No other information is provided regarding this action area. Given the international aspect of global trade, it is important that carbon reduction efforts by CARB are consistent with and being coordinated with efforts already underway at the global level. CARB's efforts would see the greatest chance for success if the proposed actions in the final Scoping Plan are pointing in the same direction as the global effort. To the degree that the Draft Scoping Plan Update advocates for different technological outcomes than the global effort, the Draft Scoping Plan Update is more likely to hinder rather than facilitate the decarbonization of OGVs.

In this context, it is necessary to consider that the amount of energy required for transpacific voyages, and the need for safe, reliable, and energy dense fuels are paramount. Technology outcomes are still uncertain. Moreover, today, hydrogen fuel cell technology does not appear to be likely pathway to decarbonization for OGVs. Much of the current research and test deployments are focused on green ammonia, green methanol, and renewable diesel fuels.

As a result, the Draft Scoping Plan Update should not specify a specific technology pathway. PMSA requests that as CARB staff revises the proposed Draft Scoping Plan and that it directly engage with maritime industry stakeholders, including PMSA, in order to identify meaningful and achievable goals that are consistent with the maritime industry's global effort to reduce carbon emissions and that the Final Scoping Plan Update reflect such consistent outcomes.

Moreover, in order to provide meaningful comments, PMSA reached out to CARB staff repeatedly since the day the Draft Scoping Plan Update was released. As of this letter, no reply was ever received from CARB Scoping staff. Depending on the scope of the concept, different comments may be appropriate. For example, it is unclear if this is regarding main engines, auxiliary engines, or boiler engines, and no information is provided regarding as to whether transit, maneuvering, or hoteling activities are implicated in the action item, and further still 25% of what baseline and regarding which emissions.

In the absence of clarification or a commitment to work directly with maritime industry stakeholders, PMSA requests that the action be removed from the plan.

Cargo-handling Equipment

The Draft Scoping Plan Update points to Executive Order N-79-20 for its action item on CHE, identifying a goal of 100% of CHE be zero-emissions by 2037. PMSA asks that CARB note that the Executive Order explicitly states that "the State Air Resources Board shall act consistently with technological feasibility and cost-effectiveness" and that these components of the Executive Order be included in the Scoping Plan Update along with the 2037 date goal.

This condition is critical. As the feasibility study on zero-emissions CHE released this year from the ports of Long Beach and Los Angeles states, no zero-emissions CHE capable of replacing diesel equipment has been successfully demonstrated¹. While technological progress continues to be made, critical shortcomings related to operational feasibility, range, operational feasibility, infrastructure availability, commercial availability, and economic workability remain. The Draft Scoping Plan Update should be revised to acknowledge these challenges and the need to address them as a condition of meeting the goals laid out in the Scoping Plan and the Governor's Executive Order.

¹ https://cleanairactionplan.org/download/239/cargo-handling-equipment/5151/2021-cargo-handling-equipment-report-v21-final-master-draft 3-01-22.pdf

PMSA looks forward to working with CARB staff on addressing these issues. Please feel free to reach me by phone at (562) 432-4043 or by email at <u>tjelenic@pmsaship.com</u>.

Sincerely,

Thomas Jelenić Vice President