CAAP Stakeholder Advisory Workshop 1.15.2020

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On January 15, the San Pedro Bay Ports of Los Angeles (POLA) and Long Beach (POLB) held the first Clean Air Action Plan (CAAP) Stakeholder Advisory Meeting of 2020. The workshop provided an update on the Technology Advancement Program (TAP) projects of the CAAP and solicited feedback on the implementation of the 2017 CAAP update, which includes transitioning to zero emission cargo handling equipment by 2030 and zero emission trucks by 2035.

The ports presented the various near-zero and zero emission projects being conducted at POLA and POLB, totaling five different ongoing project programs. Two of which include hydrogen fuel cells: a test of two hydrogen fuel cell terminal tractors (scheduled to be delivered in March) and one hydrogen fuel cell container top loader, both at POLA. The Sinotruk/CNHTC hydrogen fuel cell terminal tractor project at POLB was discontinued due to the physical terminal truck design not conforming to port terminal requirements. It was unable perform a maneuver due to placement of the fuel cell and hydrogen storage compartments. Three of the first five Toyota/Kenworth Class 8 fuel cell electric trucks (FCETs) have been delivered to POLA. The remaining trucks will arrive by next month and begin validation testing. The heavy-duty hydrogen Shell station is under construction in the port; the heavy-duty hydrogen station in Wilmington is in the permitting process.

To date, funding for projects from the TAP portion of the CAAP was done through a regularly scheduled solicitation. Going forward, there is now an open request for information for TAP projects. The two ports are able to evaluate concept papers, and if it's a project that's of interest to the ports, they will then invite the applicant to submit a full project proposal. Concept papers are required for the ports to consider a project; an RFI is available on the <u>CAAP TAP website</u> and TAP project concept papers can be submitted at any time.

The main reason most of the CAAP Stakeholders attended last Wednesday's meeting was to comment on the recently released Clean Truck Fund Rate. The rate will be implemented this fall to collect \$10 per loaded TEU (twenty-foot container unit) or \$20 per loaded FEU (forty-foot container unit) for any trucks not zero emission or near-zero emission (ultra low-nox NG engines). Near-zero emission exemption will extend until 2027. The Clean Truck Fund Rate will be proposed to the Board in 2020. A complete economic study was performed to determine the rate with sensitivity analysis on the different rate options, \$5-70/TEU. The vast majority of the CAAP Stakeholders in the room expressed that the \$10 rate (expected to yield \$90 million annually) is not enough to offset the higher cost of near and zero emission trucks to make the complete transition to zero emission trucks by 2035. CHBC commented that the rate needs to be high enough to enable the adoption of zero emission trucks by 2035, and that the main purpose of the rate remained focused on benefits to public health.

Written comments will be accepted until January 31st and can be submitted <u>here</u>. The agenda and presentation from the two ports from the January 15th meeting and links to the economic and feasibility studies can be found on the <u>CAAP website</u>.