



San Diego County Air Pollution Control District

December 19, 2022

Nora Vargas, Chair
*San Diego County Board of
Supervisors Representative*

Esther Sanchez, Vice Chair
*District 5 Representative
Mayor, City of Oceanside*

Terra Lawson-Remer
*San Diego County Board of
Supervisors Representative*

Todd Gloria
*City of San Diego At Large Member
Mayor, City of San Diego*

Marcus Bush
*District 1 Representative
Councilmember, City of National City*

Jack Shu
*District 2 Representative
Councilmember, City of La Mesa*

Consuelo Martinez
*District 3 Representative
Councilmember, City of Escondido*

Sean Elo-Rivera
*District 4 Representative
Councilmember, City of San Diego*

Anne Marie Birkbeck-Garcia
*Public Member
Physician/Public Health*

Georgette Gomez
*Public Member
Environmental Justice*

Enrique Medina
*Public Member
Scientific/Technical*

The Honorable Michael Regan
Administrator, U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator Regan,

Thank you for the opportunity to provide feedback on how to build the Clean Ports IRA funding program. This comment letter is in response to Request for Information – Transportation Programs (Docket 2: Transportation Programs – 60101 & 60102); Docket ID No. EPA-HQ-OAR-2022-0874. The Inflation Reduction Act of 2022 (IRA) provided the U.S. Environmental Protection Agency (EPA) with \$3 billion to fund zero-emission port equipment and technology and to help develop climate action plans to reduce air pollutants and Greenhouse Gas (GHG) emissions at U.S. ports. This new funding program will build on U.S. EPA's Ports Initiative that the Agency established to ensure that our nation's ports, a critical part of our infrastructure and supply chain, help address public health and environmental impacts on surrounding communities.

The San Diego County Air Pollution Control District (SDAPCD) would like to commend the considerable effort of the U.S. EPA to appropriately prioritize allocation of this funding. Together, SDAPCD and the U.S. EPA share common goals, which include improving air quality throughout San Diego County in an equitable manner, supporting the transition to a zero-emission Port and transportation system, and improving air quality in impacted communities located around Ports. SDAPCD believes that IRA funding, if awarded in San Diego County, will move the region in that direction, and result in San Diego County being a leader in improving air quality in under-resourced communities. At this time, San Diego is in a unique position, in that both the Portside Environmental Justice Community (designated under California's Community Air Protection Program, (CAPP) or AB617 program) and the Port of San Diego have developed complementary and community-focused plans to achieve these goals. San Diego County's International Border Community, home to two of the world's busiest land ports of entry, was also recently selected and recognized by the California Air Resources Board (CARB) as a priority area significantly impacted by air pollution under the CAPP program. SDAPCD is currently working with community stakeholders on the development of a Community Emissions Reduction Plan (CERP) for this area. What is now needed are the resources to make these plans a reality.

10124 Old Grove Rd. San Diego California 92131-1649
(858) 586-2600 Fax (858) 586-2601
www.sdapcd.org

In response to EPA's suggested categories for feedback, SDAPCD staff would like to offer the following comments for your consideration:

What types of zero-emission port technologies or related planning support do you see as most critical for delivering emissions reductions? (EPA Question #1) What do you see as the biggest hurdles to transitioning to zero-emission port equipment? (EPA Question #2)

The Port of San Diego's Maritime Clean Air Strategy (MCAS) highlights equipment such as zero-emission heavy-duty trucks, cargo handling equipment, tugboats, and enhanced shore power opportunities as being necessary to improving air quality in areas surrounding San Diego Bay. Finding readily available and sustained funding to support the transition to such technologies will be challenging, not only for marine port equipment, but for similar equipment at other port areas impacted by air pollution. To that end, language included in H.R. 5376 is not clear whether this funding opportunity extends to projects located at inland ports of entry, such as those located at Otay Mesa and San Ysidro in San Diego County. San Ysidro Land Port of Entry is the busiest land crossing in the Western Hemisphere, and Otay Mesa is the busiest heavy-duty truck crossing in California. The area was also recently selected and recognized by CARB as a priority area significantly impacted by air pollution under the CAPP program. To ensure projects located in these areas have equal opportunity and access to the available funding programs, **SDAPCD recommends inland port projects also be eligible to apply.**

How would you like to see funding for zero-emission port technology, related planning and permitting, and development of climate action plans work together? Should the funding opportunities be sequenced or combined? (EPA Question #4) How can we help ensure this program addresses concerns of near-port communities and advances environmental justice? (EPA Question #5)

It is vital that any funds awarded in this solicitation support the implementation of zero-emission technologies, local planning activities, and the requests of residents surrounding port communities. However, language included in H.R. 5376 does not clearly identify how the Port funding will be prioritized. SDAPCD appreciates \$750 million of this funding being prioritized only to nonattainment areas. Despite substantial air quality progress, San Diego County remains a nonattainment area for current national ozone standards. However, **SDAPCD recommends priority for funding be given to air pollution reduction projects in communities that have already adopted community-based environmental justice, climate, or Port-related air quality plans or that are in the process of developing such plans.** Doing so will ensure that funds are directed to projects that have been developed, discussed, and approved through a community-driven process and that support comprehensive clean air strategies. Such plans in San Diego County that have already incorporated strong community engagement and identified projects that will improve air quality include the Portside CERP, Port of San Diego's adopted MCAS, and a forthcoming adoption of the International Border Community CERP that is now in process.

How do you see this program complementing other available funding programs (e.g., at EPA, other federal or state programs) that can support efforts to reduce emissions at ports? (EPA Question #3)

SDAPCD already implements many incentive programs that offer funding for equipment replacement projects countywide and views the IRA funding opportunity as a vital supplement to these existing programs. Zero-emission projects often require multiple sources of funding, such as funding from CARB and/or other local resources, to make sure they are economically competitive with standard technology projects. We encourage EPA to include flexibility in the funding programs to allow innovative solutions, co-funding, and minimizing administrative burdens of the programs. CARB typically contracts with local air districts statewide to implement such equipment

replacement programs, which include the Carl Moyer and Proposition 1B Goods Movement Emission Reduction Programs. However, funneling awarded federal grant funding through an intermediary such as CARB, would divert critical funding from local equipment replacement projects statewide for the purposes of recouping administrative costs. To avoid this scenario, **SDAPCD recommends local air districts in California be able to contract directly the U.S. EPA for emission reduction projects**, should funding be awarded.

Furthermore, **SDAPCD strongly recommends EPA avoid overuse of a matching requirement, ensure that a sufficient level of administrative funds is included to awardees, and limit awardee administrative burdens.** State and local agencies are already fiscally strained, to the point in which mandating a requirement for additional matching funds could create barriers to accepting IRA funds. Additionally, implementation of similar incentive programs in California by local air districts has consistently demonstrated that administrative costs for implementing agencies normally exceed at least 10% of programmatic funds awarded in such programs. Much of this administrative funding is spent adhering to time-consuming and resource-intensive administrative requirements as part of awarded funds. This includes but is not limited to submittal of programmatic and fiscal reports to the EPA, often on a quarterly, semi-annual, or annual basis. Given the complexity of these advanced technology projects, the EPA should consider allowing up to 15% of awarded funds to be utilized in recouping local administrative costs and limit any administrative reporting requirements to a maximum of one per year.

Once again, we appreciate your partnership in ensuring that we all work collectively to improve the air quality in the region. Please do not hesitate to contact us if you need additional information.

Respectfully,



Nora Vargas, Chair of the Governing Board
San Diego County Air Pollution Control District

Paula Forbis, Air Pollution Control Officer
San Diego County Air Pollution Control District