THE PORT AUTHORITY OF NY & NJ

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Transportation & Climate Initiative
Framework for a Draft Regional Policy Proposal
Comments from the Port Authority of New York and New Jersey

The Port Authority of New York & New Jersey (Port Authority) respectfully submits the following comments on the Framework for a Draft Regional Policy Proposal for the Transportation Climate Initiative.

The Port Authority builds, operates and maintains infrastructure critical to the New York/New Jersey region's trade and transportation network. These facilities include the country's busiest airport system, marine terminals and ports, the PATH rail transit system, six tunnels and bridges between New York and New Jersey, the Port Authority Bus Terminal in Manhattan, and the World Trade Center site. For more than eight decades, the Port Authority has worked to improve the quality of life for the more than 18 million people who live and work in the New York and New Jersey Metropolitan Region – a region that supports 9.2 million jobs.

In October 2018, the Port Authority embraced the Paris Climate Agreement, making it the first US transportation agency to do so. The Port Authority is committed to reducing emissions associated with our facilities and improving air quality for neighboring communities. This includes a variety of innovative programs and initiatives to conserve energy, increase our use of renewable energy, and transition vehicles and equipment from fossil-fuel to zero-emissions models. Transportation is an area that presents both great opportunity and great challenge as we work to achieve our sustainability targets, and we are encouraged that the Transportation Climate Initiative can help overcome some of these advance our collective environmental objectives.

Applicability

The proposed program would cap emissions of carbon dioxide from the fossil component of gasoline and on-road diesel fuel. The TCI jurisdictions should be aware that this may unequally impact equipment types and owners within the same category. For example, the Port Authority's inventory of ground support equipment (GSE) at the airports shows that approximately half of the internal combustion engine GSE are fueled by gasoline and half is fueled by off-road diesel. The proposed policy would thus impact only a portion of GSE and may inadvertently incentivize diesel-fueled equipment. While the Port Authority is working on a policy which would eventually transition all GSE at its airports to zero-emissions, the timeline for this would be phased, and only apply to equipment types that are commercially available in zero-emissions. Currently, not all types of GSE are available in electric or zero-emissions models. For this reason, we believe that both diesel and gasoline emissions should be capped to equally treat fuels that have significant on and off-road utilization.

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Investment of Proceeds

The Port Authority believes that proceeds from the cap-and-invest program should be invested in areas of the transportation sector that face the greatest challenges to decarbonization while simultaneously presenting significant air quality benefits.

In our efforts to reduce transportation-related emissions associated with our facilities and improve air quality for neighboring communities, the Port Authority has been aggressively pursuing multiple strategies. This includes electrification of airport shuttle buses and our own fleet vehicles, and installation of EV charging stations for employees and the public.

We face the greatest challenges in reducing emissions from sources that do not have a readily available zero-emissions technology option. This includes most of our largest sources of emissions: aircraft, international marine vessels, ground support equipment (GSE) that serve aircraft at gates (e.g. baggage tugs, belt loaders), cargo handling equipment (CHE) that operate landside at the sea ports (e.g. terminal tractors and straddle carriers that move semi-trailers and containers around a marine terminal), and Class 8 drayage trucks that go to and from the ports daily. While advancements have been made in the development of electric GSE, currently there are only a few types that are readily available in zero-emissions models. At the seaports, electric cargo handling equipment and Class 8 trucks are in the earlier stages of development, with a few types in the testing stage or very early adoption stage. Other than small ferries and extremely short-haul flights, battery technology for aircraft and marine vessels are still nascent.

Even where zero-emissions technology is available, the barriers to conversion are higher than they are for passenger EVs or even buses. For example, electric yard tractors (a type of CHE operating at the Ports) are in the early development and pilot testing phase. However, due to the highly specialized nature of this equipment (pulling a wide range of loads, often operating 24/7) an electric yard tractor may be feasible for one terminal but not another. This means that it will likely take longer for the technology to meet various operational constraints and be more expensive.

Given the significant emissions attributed to these sources, the fact that they operate in environmental justice areas, and the slow-to-decarbonize nature of the technology, we believe that investments made to support these sectors would be very impactful. These investments should include:

1. Incentive funding to overcome prohibitive capital costs for zero-emissions equipment at the seaports and airports, and for Class 8 drayage trucks, and associated charging infrastructure. The upfront costs are particularly burdensome for the many individual truck owners and small family businesses that own and operate drayage trucks.
2. Funding to enable demonstrations or pilot projects of zero-emissions equipment where the technology is still relatively new. The ability to demonstrate new equipment is essential to enabling adoption by equipment owners, particularly for highly specialized operations such

as at the marine ports. In California, the California Air Resources Board has provided significant funding for the demonstration of electric equipment at the Ports of Long Beach and Los Angeles.

3. Support for innovative energy storage solutions. Economically feasible energy storage solutions could support a range of purposes at Port Authority facilities, including shore power for marine terminals and EV charging in dense spaces, like the Port Authority Bus Terminal. Energy storage solutions are also critical to address concerns about resilience as organizations consider adopting electric vehicles and equipment at scale or in mission critical environments, like airports.
4. Support for alternative liquid fuels. For several major sources of emissions, sustainable liquid fuels are the only way to achieve any near-term emissions reductions. Also, with sufficient policy support they are likely to be more cost effective in the near-term for certain heavy-duty equipment in comparison to electric models. Use of renewable diesel and sustainable aviation fuel could provide significant emissions benefits, however all supplies of these fuels in U.S. are currently being directed toward the West Coast due to incentives associated with California's Low Carbon Fuel Standard.
5. Targeted support for conversion to electric for-hire vehicles, which have higher levels of utilization than most passenger vehicles. These vehicles are among the biggest sources of emissions at Port Authority facilities – second only to aircraft at our airports. Independent drivers are more likely to convert their vehicles to electric if they have financial support to cover the higher up-front cost of EVs, and strategic investment in fast-charging infrastructure to support these fleets – for example at airports – would achieve meaningful GHG reductions and improve air quality and reduce noise in surrounding communities, many of which are environmental justice communities.

Despite the challenges associated with decarbonizing these sources, including the fact that they are not under the Port Authority's direct operational control, we are actively working on initiatives and/or strategies to address them. Given the cross-jurisdictional nature of TCI and emissions from air and marine people and goods movement, it makes sense for TCI proceeds to be used to accelerate decarbonization in these sectors of the economy.

The Port Authority commends New York State for its stakeholder engagement on TCI, and strongly encourages the State to participate in the cap-and-invest program. We look forward to continued collaboration to make this program as effective as possible in catalyzing the transition to a low-carbon economy.

Sincerely,

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The Port Authority of New York and New Jersey