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April 5, 2021

VIA EMAIL (ANKIT.JAIN@CPUC.CA.GOV; COSTENBANC@CPUC.CA.GOV)

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: City of Long Beach's Comments on the Draft "Utility Costs and Affordability of the Grid of the Future" White Paper (issued February 16, 2021)

The City of Long Beach, California, a municipal corporation, acting by and through its Board of Harbor Commissioners ("Port of Long Beach" or "Port") hereby files its Comments on the Draft "Utility Costs and Affordability of the Grid of the Future" (issued February 16, 2021).

I. Introduction

The City of Long Beach is a California charter city that includes the Harbor Department, more commonly known as the Port of Long Beach. Pursuant to the City Charter, exclusive control and management of the Harbor Department is vested in the Board of Harbor Commissioners that, among other things, has the exclusive power and duty for and on behalf of the City of Long Beach to bring proceedings pertaining to any matters within its jurisdiction.

The Port of Long Beach is the second busiest port in the United States and a leading gateway for trade between the United States and Asia. The Port accounts for one-third of all cargo moving through all California ports, and nearly one-fifth of containers moving through all U.S. ports. The Port of Long Beach is also a major source of jobs and economic activity in the region and nation. The Port supports about 575,000 jobs in the five county Southern California region which is about one out of 20 jobs in the region.

The Port of Long Beach has a distinguished history as a leader in environmental and community stewardship including numerous awards for its programs. Under the direction of its landmark Green Port Policy and its Clean Air Action Plan, the Port is successfully addressing operational impacts to air, water, habitat and human health. The Port's commitment to using the best available technologies to avoid or reduce negative environmental impacts and promote



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sustainability has resulted in a thriving community and a model to seaports around the world. Part of its program includes the goal of achieving zero-emissions cargo handling equipment and vehicles at numerous terminals by the year 2030 and zero-emissions drayage trucks visiting the Port by the year 2035. Thus, the Port is closely aligned with State and Commission objectives and policies.

As part of its programs, the Port has, for a number of years, implemented an expensive but successful “cold ironing” program, which substitutes electricity from the shore for on-board diesel electric generation for vessels at berth. The Port also supports the objective of widespread Transportation Electrification (TE) far beyond vessels. As the Commission observed in Decision (D.) 18-01-024, at page 64: “The Port of Long Beach’s Clean Air Action Plan sets aggressive goals to accelerate TE technology development.”

As part of its commitment to TE, the Port was an early adopter of TE plans. In fact, two of the five Priority Review Projects proposed by SCE in A. 17-01-021 were at the Port. The Commission observed that the two Priority Review Projects at the Port of Long Beach “are a perfect example of the collaboration occurring among technology developers, state agencies, fleet owners and operators, and the ports, to advance transportation electrification.” D. 18-01-024, page 62.

II. Specific Comments on White Paper

The Port of Long Beach wishes to express its thanks to Commission Staff for an extremely valuable White Paper which will be an ongoing resource for the Commission and other parties in evaluating critical policy decisions. The Port’s Comments are to suggest areas for inclusion in the evaluation of those policy decisions to enhance the decision-making process, based on the Port’s experience with goods movement. Goods movement involves a diverse mix of vehicles such as medium-duty and heavy-duty vehicles, rail, vessels at berth, and off-road vehicles such as forklifts, top-loaders, tugs, and mobile gantry cranes.

Goods movement is often overlooked in the public’s discussion of transportation electrification. This is both understandable and unfortunate.

Understandable both because light-duty vehicles are much more common and the goods movement industry has delivered products so smoothly that it is taken for granted.

Unfortunate because goods movement represents a tremendous opportunity for electrification and because the challenges—technological, financial and institutional – are formidable. The Commission recognized these realities by authorizing significant investments in

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TE projects at ports and warehouses in SCE's territory¹ in D. 18-05-040 (See, Ordering Paragraph 32).

The White Paper provides an admirable discussion of light-duty vehicles and residential rates. However, it should be supplemented by a focus on medium- and heavy-duty vehicles and off-road vehicles. Specifically, the White Paper should add focus on rates charged to commercial customers operating those types of vehicles. That analysis should include an analysis of demand charges during peak hours, capacity charges, and the potential impacts on fleet customers. That analysis should take into account the large capital investments required to achieve the targets established by Executive Order N-79-20 (September 23, 2020), while maintaining the competitiveness of California businesses.

The White Paper should also include an analysis of actions which the Commission can take to support compliance with State regulatory TE requirements such as:

- Advanced Clean Trucks Regulation, approved by the Office of Administrative Law (OAL) on March 15, 2021, Executive Order R-20-004, Sections 1963, 1963.1, 1963.2, 1963.3, 1963.4, and 1963.5, title 13, California Code of Regulations. Additionally, 2012, 2012.1, and 2012.2, title 13, California Code of Regulations codified under new article 3.1.
- At Berth Regulation, approved by OAL on January 1, 2021, Section 2299.3, Section 931118.3, and Section 93130

As State regulations change over time, those changes should also be taken into account in developing Commission strategies to support compliance with TE in the goods movement sector.

Notwithstanding the fact that TE electric load is currently relatively small, growth in TE electric load may far exceed customary rates of growth in the otherwise mature electric utility industry. The Commission should establish a process whereby projections of electric load can promptly and accurately include rapid, probably exponential, growth in electrified medium- and heavy-duty and off-road vehicles. Moreover, the Commission should adopt policies, including rate design and rates, to remove regulatory barriers and encourage the development of electrified vehicles in the goods movement sector. In aid of such efforts, the Commission should require electrical corporations to specifically and explicitly include medium- and heavy-duty vehicles, vessels, rail and off-road vehicles in load projections and a process (of which the White Paper is a useful first step) for input from the goods movement sector.

¹ Goods movement in California is heavily weighted to southern California, largely within SCE's service territory.
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The Port of Long Beach appreciates this opportunity to provide comments on the Commission's White Paper and looks forward to working with the Commission and other parties to achieve widespread electrification of transportation in the State of California.

Respectfully yours,

Howard V. Golub
for BEST BEST & KRIEGER LLP

cc: Service Lists – R.18-07-006, R.18-12-006, R.19-01-011, A.19-09-014, R.12-06-013, R.20-01-007, R.20-07-013, R.18-07-005, R.19-03-009, R.19-01-006, R.17-06-026, R.19-10-005, A.18-12-009, A.19-08-013, A.17-10-007, A.18-12-001, A18-04-002, A.17-05-004, A.19-03-002, A.19-11-019, A.20-10-012, A.20-07-004, A.20-07-002, A.20-04-014, A.19-07-007, A.18-08-002, A.20-02-003, R.19-07-017, A.19-07-020, A.19-11-003, A.20-03-014, R.20-08-020, R.14-07-002, R.20-08-022, A.20-09-019, A.20-06-012, R.21-02-014