

December 19, 2017

Brett Rude, Environmental Specialist
Mike Boyer, Environmental Specialist
Air Quality Program
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600

Dear Mr. Rude and Mr. Boyer,

On behalf of The Northwest Seaport Alliance (NWSA), I would like to share our thoughts on the State of Washington Proposed Volkswagen Beneficiary Mitigation Plan.

The NWSA is a partnership between the ports of Tacoma and Seattle for the management of marine cargo operations. Cargo moving through our combined facilities supports an estimated 48,100 jobs and generates an estimated \$379 million in state and local tax revenue every year.

The reduction of air emissions is a central tenet of the NWSA's environmental stewardship agenda, dating back to 2007 when the ports of Tacoma, Seattle and Vancouver, BC, came together to form the Northwest Ports Clean Air Strategy. Through the use of public and private funds, the alliance and its customers have made significant strides in reducing air emissions associated with our operations.

The NWSA fully supports the overall principles for mitigation funding: improve air quality for communities that have historically borne a disproportionate share of the air pollution burden in Washington, maximize air quality co-benefits beyond nitrogen oxide reductions, maximize public health benefits and the allocations in the draft plan.

The NWSA would appreciate further clarity on the following points.

1. It is unclear if and/or how the priorities for the mitigation plan reflect the data provided in section on the development of the plan. The priority to "achieve substantial additional emission reductions —beyond what would already occur, absent trust funding" needs further clarity. Would organizations engaged in future planning for fleet management, for example, but have yet to identify financing to fully implement all aspects of that plan, be deemed ineligible for funding? If so, this would be counterproductive to penalize this type of proactive behavior. It also seems counter to the priority to "accelerate fleet turnover and adoption of electric vehicles, equipment, and vessels". We believe planned projects that could be implemented sooner than originally planned, expanded further, or

increase their efficacy (such as increase the proportion of vehicles being modernized) as a result of funding should be given equal weighting.

2. We support public engagement; given the small number of responses to the survey for how to prioritize projects, we would support additional outreach and engagement.
3. Appendix A in the mitigation plan summarizes the content in Appendix D2 of the consent decree. We think it is important to stay aligned with the consent decree and recommend referencing it in whole, thereby confirming the different levels of funding eligibility per project category and public versus private projects.

Recommendations:

1. Include shore power as a key opportunity. Given that Ecology expects to fund projects that reduce lifetime NOx emissions by at least 3,000 tons, shore power for ocean going vessels is one of the few projects capable of removing high amounts of NOx emissions on a long-term basis through a limited number of projects and should be considered a key opportunity. From the EPA report, *Shore Power Technology Assessment at U.S. Ports*, "Emissions from vessels running auxiliary diesel engines at berth can be significant contributors to air pollution... Under the right circumstances, overall pollutant emissions can be reduced by up to 98% when utilizing power from the regional electricity grid" by using shore power and can remove up to one hundred tons of NOx emissions per shore power station. We commend the Department of Ecology for continuing to support shore power projects through the allocation of up to 45% of the funding to Marine Vessels. Shore power infrastructure has the potential for multiple co-benefits, such as increased electrical capacity for refrigerated containers, thus removing the need for back-up diesel generators, additional electrical cargo handling equipment and charging infrastructure.
2. There are a limited number of projects that would be eligible for DERA and ineligible for VW mitigation. We suggest lowering the amount of funds for DERA projects and increasing other sectors. For example, non-road equipment like cargo handling equipment operates throughout the day in some of the areas identified as high priority areas and there are cleaner versions of the equipment commercially available.

We appreciate the opportunity to share our thoughts with you and look forward to the opportunity to partner with you to improve the air quality of Washington State.

Sincerely,

John Wolfe
Chief Executive Officer, Northwest Seaport Alliance