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San Diego Unified Port District
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BPC Policy No. 750

SUBJECT: GUIDELINES FOR IMPLEMENTING GREENHOUSE GAS (GHG) REDUCTION MEASURES

PURPOSE: To establish a policy for the consistent, objective, and strategic implementation of measures to reduce GHG emissions pursuant to the San Diego Unified Port District's Climate Action Plan.

POLICY STATEMENT: The San Diego Unified Port District (District) is committed to being an environmental steward and economic engine, in accordance with the San Diego Unified Port District Act of 1962 and consistent with the California Coastal Act. The Board of Port Commissioners (Board) has adopted a Climate Action Plan that establishes GHG reduction goals, policies, and measures to address GHG emissions from operations on District tidelands. Implementation of the individual GHG reduction measures requires a strategic approach to achieve District goals while balancing available resources.

The District acknowledges that there are both opportunities and constraints with implementing GHG reduction measures within its jurisdiction, and these may change over time as new information becomes available.

It is the Policy of the District to provide guidelines for implementation of GHG reduction measures to ensure that implementation is conducted in a consistent, objective, and strategic manner. This policy will allow the District to create a work plan that prioritizes GHG reduction measures in a flexible, adaptive manner and streamlines the Climate Action Plan implementation process.

PROCEDURE: Through the development and adoption of the District's Climate Action Plan, the Board has set GHG reduction goals for its jurisdiction for 2020 and 2035. Through an internal and public process, a comprehensive list of initial GHG reduction measures was created to achieve District-established reduction goals. Measures are anticipated to change or be added over time as new technology and information becomes available.[1]

In order to implement measures in an efficient and effective way, guidelines for implementation have been established, as directed by the Board. These guidelines are as follows:

- GHG Reduction Measure Evaluation and Prioritization – Proposed GHG reduction measures will be assessed against a set of criteria and assigned an appropriate value for each evaluation criterion. The evaluation criteria will be applied as a

[1] Changes or additions to measures may require an amendment to the Climate Action Plan.

screening tool to evaluate GHG reduction measures. Accordingly, each measure will be assigned a total score based on the total value of the criteria. Measures listed in the Climate Action Plan and new, future proposed measures will be preliminarily evaluated and weighted by District staff. Based on the evaluation and total scores, measures will be ranked, resulting in a prioritized list. The evaluation process will be based on the information in Exhibit 1: Measure Evaluation Criteria, Definitions, and Score.

- Implementation – Using a prioritized list as a starting point, measures will be implemented through a phased approach, based on current needs and the availability of resources as determined by the Board on an annual basis. Generally, implementation of the highest priority measures should occur first. (Exhibit 2: Climate Action Plan – Phased Implementation)

- Tracking, Monitoring, and Strategic Updates – Tracking and monitoring of progress will occur routinely as illustrated in Exhibit 2 and detailed below:
    - Progress Report: An annual performance evaluation will be conducted on the status of the current measures, the availability of resources in preparation for the annual budgeting process, and the evaluation of new measures.
    - 3-Year Update: Every three years a more comprehensive evaluation will be conducted in addition to the annual progress report that will include an update to the GHG emissions inventory, an update to the implementation plan, and overall progress toward achieving the GHG reduction goals.

Results of these evaluations will be shared with the Board and public. The Board will approve all funds budgeted for implementation, as well as the implementation of the measures on an annual basis. This proposed process of evaluation, prioritization, implementation, tracking, monitoring, and strategic updates will allow the District's Climate Action Plan to remain current and effective. Once 2020 is reached, the District will revisit goals for 2035 and beyond. At that time, the Climate Action Plan and this policy can be updated, as appropriate. Additionally, this process will accommodate for modernization of measures in the future.

BPC Policy 750 – Exhibit 1:
Measure Evaluation Criteria, Definitions, and Score

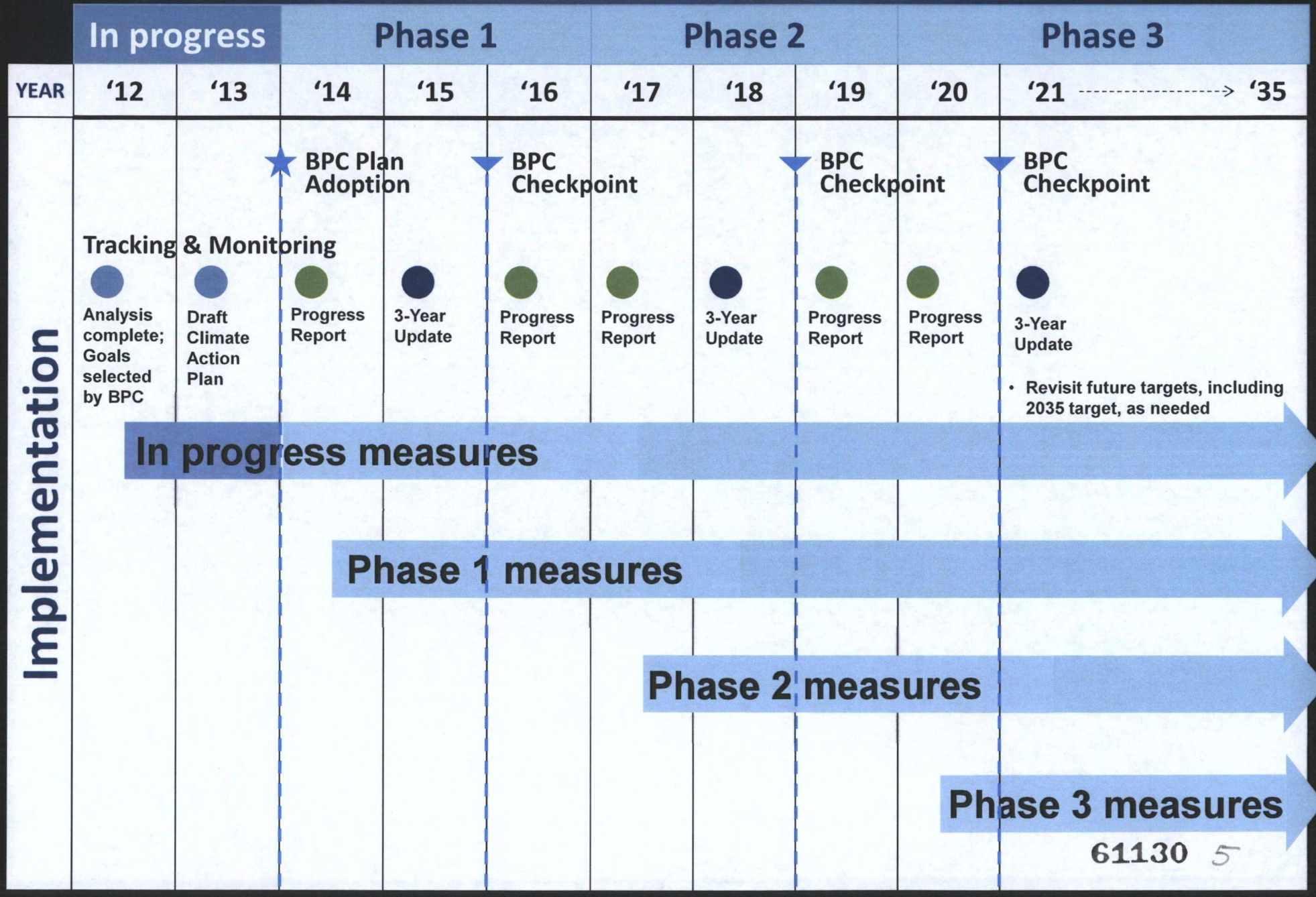
This document defines the evaluation criteria and establishes parameters for the relative, qualitative categorization of each greenhouse gas (GHG) measure. This document also outlines weighted scores for each criterion. This information will be used as a high-level screening tool to prioritize measures during implementation.

Measure Evaluation Criteria

CRITERION	DEFINITION	CATEGORIZATION PARAMETERS	WEIGHTED SCORE (Max. Weighted Score Possible: 50 points)
Authority	The ability of the Port as an entity to request, require and/or implement measures.	**Yes** **No**	This is a pass/fail criterion. Only measures, which the Port has authority over will be considered.
Cost effectiveness	Estimated cost per metric ton of emissions reductions. Cost effectiveness partly evaluated based on the "Global Greenhouse Gas Abatement Cost Curve" published by McKinsey & Company which prioritizes as follows: 1) Energy Efficiency, 2) Low Carbon Energy Supply, 3) Terrestrial Carbon, and 4) Behavior Change.	**High** - most cost-effective measures **Moderate** - moderately cost-effective measures **Low** - least cost-effective measures	**High** - 10 points **Moderate** - 5 points **Low** - 1 point
Cost	A qualitative indication of the relative expense of the measure. Includes consideration of potential costs and savings to the Port, its tenants and users. Considers up-front investment and activation costs as well as operations, maintenance and life-cycle costs.	**$** - low relative cost **$$** - moderate relative cost **$$$** - high relative cost	**$** - 8 points **$$** - 3 points **$$$** - 1 point
Potential funding	The overall availability of funding sources and financing strategies to offset costs to the Port and Port tenants and users.	**Currently funded** - funding strategies are well established **Potential** - potential for funding exists **Unknown** - funding support unlikely or unknown prior to 2020	**Currently funded** - 8 points **Potential** - 3 points **Unknown** - 0 points
Implementability	Is the measure compatible with current or planned Port systems, resources and operations? Also, does the measure satisfy or conflict with other laws, regulations, guidelines or recommendations?	**High** - already underway or implementable without requiring an adoption of new plans or policies. **Moderate** - possible or straightforward to implement **Low** - difficult to implement	**High** - 2 points **Moderate** - 1 point **Low** - 0 points **In progress** - 2 bonus points
Measurable results	The ability to measure the GHG reduction performance of each measure over time. This includes the availability of data, the ability to isolate the impact of each measure, the level and cost of effort to assess the impact, and the existence of established tools or cost effective methodologies to track performance.	**Yes** - Results are highly measurable **Possible** - Results are somewhat measurable **Difficult** - Results are difficult to measure	**Yes** - 4 points **Possible** - 2 points **Difficult** - 0 points
Key measure	Measures that target the largest emissions sources of the Port's inventory and/or have high reduction, penetration, and/or participation potential. Key measures must also be considered quick wins or require minimal planning.	✓ - identified as key to meeting 2020 goal	✓ - 3 points
Time frame	The year GHG reductions are counted toward the Port's quantified emissions reduction goal. The planning and implementation of the measures may already be underway or completed prior to the year the reductions are counted toward the goal.	**2020** - reductions are expected to occur by 2020 **2035** - reductions are expected to occur after 2020 and before 2035 **2050** - reductions may occur by 2050	**2020** - 3 points **2035** - 2 points **2050** - 1 point
Reduction potential	A relative, qualitative characterization of estimated annual emission reductions once measure is fully implemented. Reduction potential will take into account the relative size of the component of the Port's future GHG inventory that the measure would apply towards, relative to other measures.	**High** - highest relative GHG reduction impact **Moderate** - moderate relative GHG reduction impact **Low** - small relative GHG reduction impact **Supporting** - no or unknown reduction in itself, but would support another measure	**High** - 3 points **Moderate** - 2 points **Low** - 1 point **Supporting** - 0 points

Measure Evaluation Criteria			
CRITERION	**DEFINITION**	**CATEGORIZATION PARAMETERS**	**WEIGHTED SCORE (Max. Weighted Score Possible: 50 points)**
Technical feasibility	Assesses the availability and proven effectiveness of technology, processes or methods.	**High** - measure is highly feasible **Moderate** - measure is feasible **Low** - measure is least feasible	**High** - 3 points **Moderate** - 2 points **Low** - 1 point
Existing Contractual Agreement, State or Federal Law	Measures that support an existing regulation or contractual agreement.	**Yes** - supports regulation or commitment **No** - does not support regulation or commitment	**Yes** - 2 points **No** - 0 points
Co-benefits	Other important social, economic or environmental benefits that may be realized as a result of implementing a measure.	• Air quality improvements (AQ) • Adaptation strategy support (AD) • Economic and job benefits (EB) • Energy conservation or generation (EN) • Land use plan implementation (LU) • Natural habitat protection or restoration (NH) • Public health improvement (PH) • Resource conservation (RC) • Regional plan implementation (RP) • Transportation system improvement (TR) • Water quality improvement (WQ)	**3 or more co-benefits** - 2 points **2 co-benefits** - 1 point **No co-benefits** - 0 points

BPC Policy 750 – Exhibit 2: Climate Action Plan – Phased Implementation



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