Consumption Trends and Implications for a Decarbonized Logistics System

Session 4. Sustainable Freight – Achieving California's ZEV Truck Transition Targets

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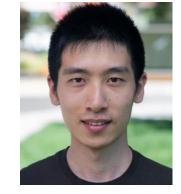
Students and Post-Docs











Carlos Otero

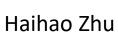


Anmol Pahwa

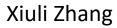
Elham

Pourrahmani

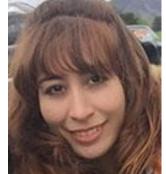
Runhua Xiao













Xiaodong Qian



Tri Dev Acharya



Are we on track to decarbonize freight?

...we are playing catch up, we can't act fast enough



Decarbonizing and Mitigating Local Impacts

Where we hope to get to...

The Good!



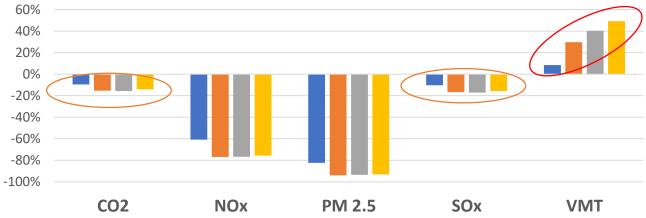
Environmental Impacts - Freight

- Availability & introduction of ZEVs
 - Battery electric
 - Fuel Cell
- Fuel & emission standards
- Incentives and programs

- Estimates for Southern California
 - CSTDM flows
 - EMFAC rates



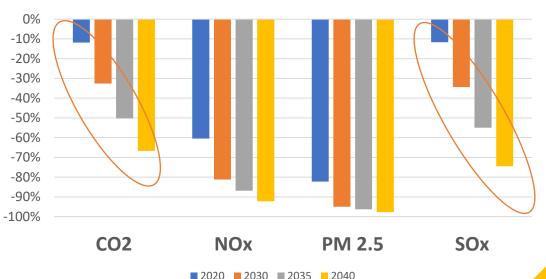
Previous Policies and Strategies (Pre-ACT) (Reductions from 2012)



■ 2020 **■** 2030 **■** 2035 **■** 2040

Decarbonization Scenario (Reductions from

2012)



ZEV Technology Readiness

Capital (vehicle+ESVE)

Diesel Exhaust Fluid

■Fuel

Maintenance and Repair

Parcel Deliveries

- TCO
 - Technical feasibility
 - Incentives (purchase & LCFS)

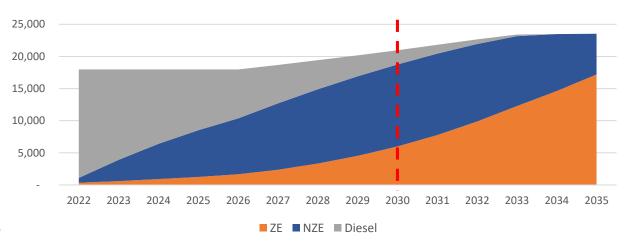


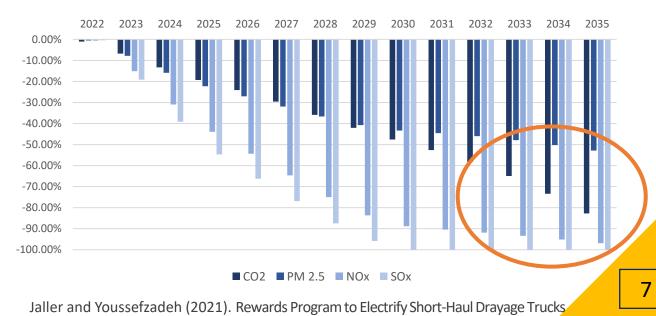


Jaller, Miguel, Leticia Pineda, Hanjiro Ambrose, and Alissa Kendall. "Empirical analysis of the role of incentives in zero-emission last-mile deliveries in California." *Journal of Cleaner Production* 317 (2021): 128353.

Potential Efforts at POLA/LB

- Transition 17,000+ trucks
 by 2035
- Incentives will be needed
- Emissions reduction:
 - 10.3 million metric tons CO2
 - ~50% PM
 - ~95% NOx & SOx







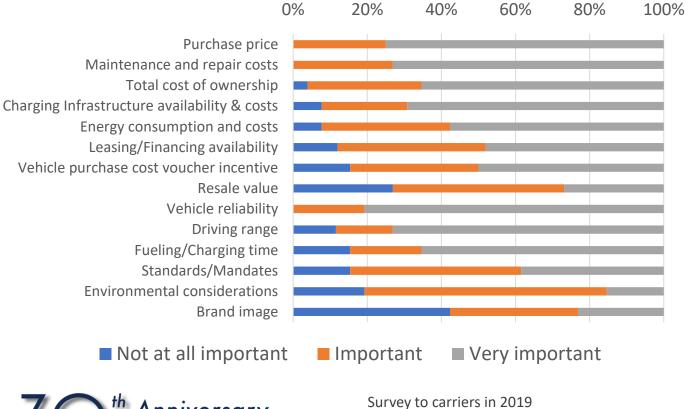
Where we are...

Reality Check

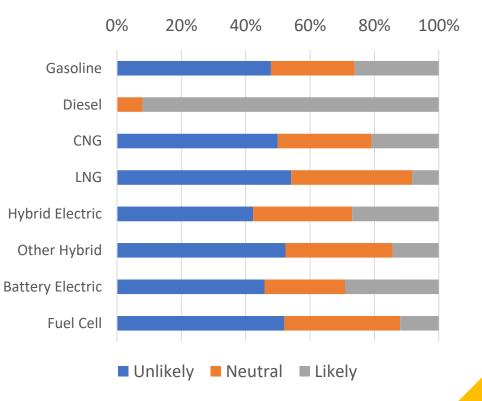


Diesel Dominate the Market

Determinant factors for vehicle purchase



Next purchase





Jaller et al. 2020. Fostering the Use of Zero and Near Zero Emission Vehicles in Freight Operations

Various Vocations & Requirements

- Classes 3 7
 - >90% travel less than 150 miles per day
- Class 8
 - <60% travel less than 150 miles per day
 - ~20% travel more than 500 miles per day

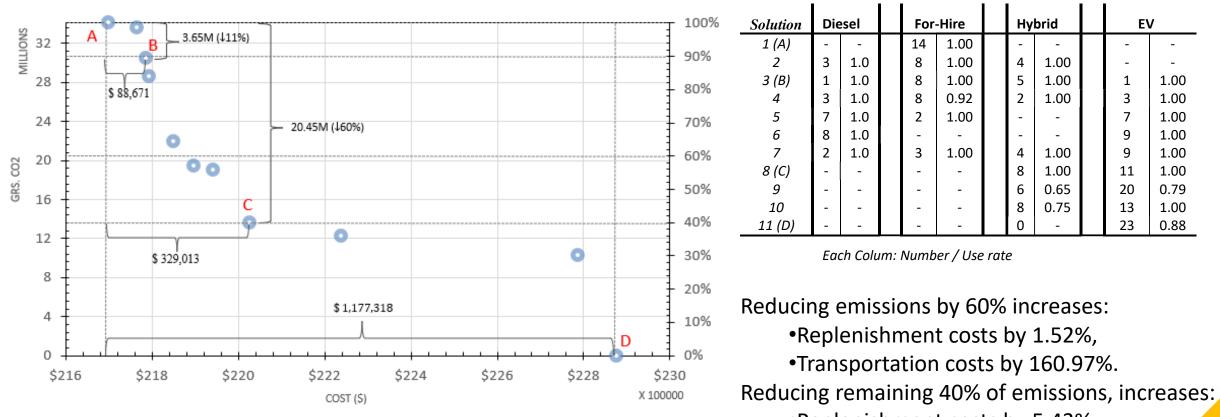


Source: Estimated by the team from CA-VIUS Data





Significant Emissions Reductions can be Costly and Non-efficient



•Replenishment costs by 5.43%

•Transportation by 232.71%.



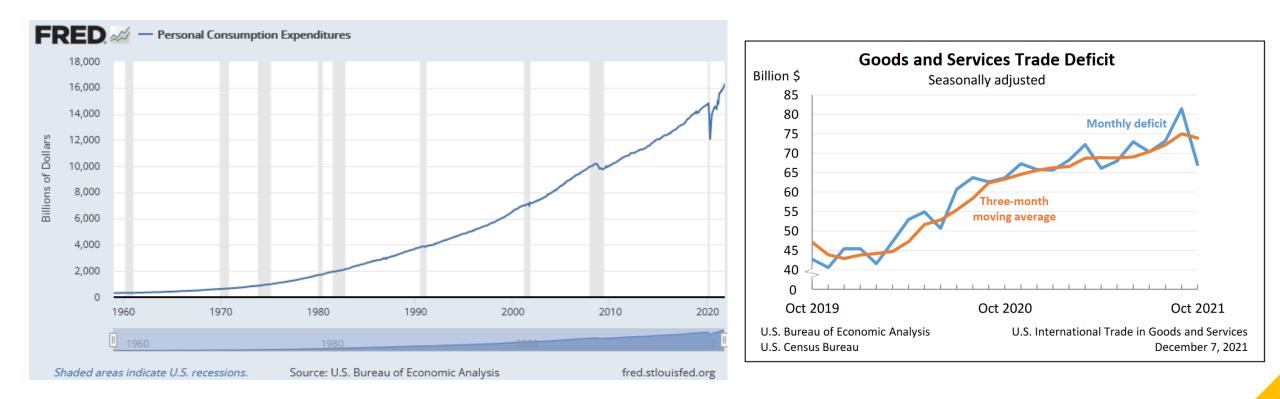
Jaller et al. 2020. Inventory and fleet purchase decisions under a sustainable regulatory environment. *Supply Chain Forum: An International Journal*. 21(1) 53-65.

Consumption Trends...

Threats!

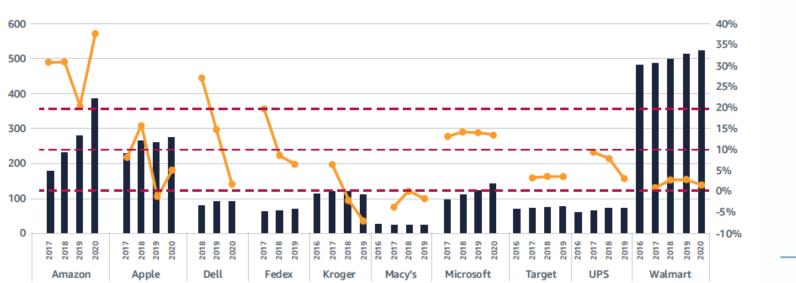


Consumption Trends

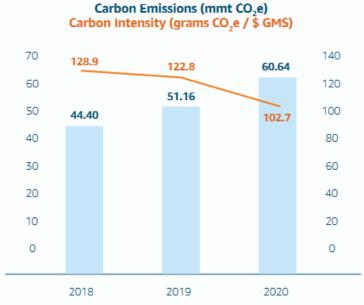




Hard to Keep Up



Revenue / Sales (\$billions) — YoY Revenue Change



Net carbon emissions+19%Carbon intensity-16%

Remarks!



Discussion

- We have a solid set of policies driving:
 - Innovation, adoption, and use (e.g., ACT, ACF)
- We will continue to need support (e.g., incentives) for:
 - Capital investments on vehicle technologies & infrastructure
- Hopefully, we have a fast ramp-up...we need it
 - Though, we are still waiting for the commercialization and market readiness of various technologies
- We need to start looking at the demand side of freight, the one that drives the system
 - We will always be playing catch up, if the measures are not able to reduce impacts faster than net emissions



Questions?

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