Prospect of Emission Reduction Standard for Sustainable Port Equipment Electrification

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**Paper Info**

**Abstract**

Despite efficient carbon monitoring system and the commercialization of battery technology for intra-port transportation, port management are found not deploying environmental equipments mainly due to high cost. Port authority who regulates environmental policies lacks leverage to impose tangible reduction standards on emission through concession. This model integrates sustainability into port equipment expansion theory by quantifying viable equipment electrification profile while still observing three constraints of operation, cost and environment. A benchmark emission reduction standard (ERS) is surveyed by Delphi method as environmental demand indicator that simulates for the electrification of port equipments. The results from Port of Tanjung Pelepas case study suggest an ERS implemented lower than 4% reduction a year is viable to retrofit and replace all electric rubber-tired gantries and prime movers. The simulation model allows informed decision for all port agents to establish viable environmental policies for sustainable port operations.


**Nomenclature**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>( w_{std} )</td>
<td>standardized ship waiting time</td>
</tr>
<tr>
<td>( n_b )</td>
<td>number of required berth unit</td>
</tr>
<tr>
<td>( cf )</td>
<td>congestion factor</td>
</tr>
<tr>
<td>( ets )</td>
<td>estimated ship service rate</td>
</tr>
<tr>
<td>( n_i )</td>
<td>units of equipments type ( i )</td>
</tr>
<tr>
<td>( Q_{mon} )</td>
<td>monthly TEU throughput</td>
</tr>
<tr>
<td>( f )</td>
<td>TEU factor</td>
</tr>
<tr>
<td>( MPH_i )</td>
<td>move per hour of equipment type ( i )</td>
</tr>
<tr>
<td>( r_i )</td>
<td>handling ratio coefficient</td>
</tr>
<tr>
<td>( t_s )</td>
<td>time of operation service</td>
</tr>
<tr>
<td>( n_{ne} )</td>
<td>units of new electrical equipment</td>
</tr>
<tr>
<td>( CO2 )</td>
<td>weight of CO(_2) emitted</td>
</tr>
<tr>
<td>( pr_i )</td>
<td>equipment power rating</td>
</tr>
<tr>
<td>( If_i )</td>
<td>load factor of equipments</td>
</tr>
<tr>
<td>( \tau_{op} )</td>
<td>time of operation (hr)</td>
</tr>
<tr>
<td>( cef )</td>
<td>carbon emission factor (CO(_2) kg/L)</td>
</tr>
<tr>
<td>( L_i )</td>
<td>average distance (m)</td>
</tr>
<tr>
<td>( f_{oc_i} )</td>
<td>fuel oil consumption (kg CO(_2)/L)</td>
</tr>
<tr>
<td>( NPV_f, NPV_{ZEB}, NPV_{CA} )</td>
<td>types of net present value</td>
</tr>
<tr>
<td>( C_0 )</td>
<td>initial investment</td>
</tr>
<tr>
<td>( R_t )</td>
<td>port revenue</td>
</tr>
<tr>
<td>( E_t )</td>
<td>port expenditure</td>
</tr>
<tr>
<td>( ir )</td>
<td>discounted rate</td>
</tr>
<tr>
<td>( p_t )</td>
<td>planning time horizon</td>
</tr>
</tbody>
</table>

**Greek Symbols**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \rho_{std} )</td>
<td>standardized berth utilization rate</td>
</tr>
<tr>
<td>( \lambda_{ship} )</td>
<td>mean ship arrival rate</td>
</tr>
<tr>
<td>( \mu_{ship} )</td>
<td>average service rate of ships</td>
</tr>
</tbody>
</table>

**1. Introduction**

In greening container terminal operationally, attention goes to introducing electrification of cargo handling equipment. It is estimated to have energy savings at about 30\% [1]. Although clean truck protocol such as Euro 1, 2, 3, 4, 5 & 6 aims to phase out old diesel trucks replacing cleaner engines, these new engines still emit minimal environmental pollutants [2]. Electric truck or prime mover (PM) promises not only higher energy efficiency but also zero-emission with lower operation cost. Pilot testing phase has already commenced in Port
of Los Angeles (POLA) and Port of Rotterdam (POR) since 2004.

Huge success in port electrification is the retrofitting of ERTGs was reported to yield energy savings of 86.6% was reported, equivalent to 67.79% CO₂ reduction, and 2.2 payback years without compromising operation performance [3]. As for PM, in 2007, POLA launched the MX30 model electric prime mover (EPM) that currently travels at 40 mph for 60 miles on a full charging time of only 6 hours [4]. Electrification by zero-emission equipment is widely studied on its feasibility of deployment. Systematic deployment for zero-emission truck enables optimum zero-emission truck procurement while satisfying the demand throughout and economic performance [5]. Yet some argued that electrification setup and operation of electrical vehicles emits more harmful pollutants in its' life-cycle analysis [6] and does not eliminate the emission but rather merely shifting it indirectly upstream to its power generator. Nevertheless, port authority and operators should adopt port sustainability of any form under its own authority, jurisdiction and not beyond. CALSTART [7], a strategic consultant of electric truck, has laid out key milestones for electric truck rollout in US starting from pilot test to commercialization and marketing, along with the breakdown of its subsidy and funding.

Last but not the least, technical zero-emission equipment transformation cannot succeed without a successful stakeholder management, where strategies for involvement of all relevant parties in the policy-making and execution are properly carried out. Lam and Notteboom [8], who highlighted various green port management keystones, found that Port of Los Angeles (POLA) and Port of Rotterdam (POR) both adopt similar tangible emission reduction standards under California’s Carbon Warming Solution Act and Rotterdam Climate Initiative. Each port respectively cutting greenhouse gases at 80% to pre-1990 levels by 2050 and 50% to 1990 levels by 2025. However, these environmental commitments are voluntary and are not in form of legal sanction or standardised operating procedures.

We created a model to simulate zero-emission equipment expansion that not only meet operation and financial performance but also integrates prospective emission restriction. This proposed model adopts a tangible ERS from port survey and simulates the long term zero-emission equipment expansion. This research background assumes the imminent establishment of emission reduction standard, probably by local port authorities under national policy. The simulation foresight will influence the long-term master port plan moving forward to consider electrification as port plans for expansion.

2. METHODOLOGY

2.1. Primary Port Equipment Expansion

This model simulates the zero-emission equipment expansion along a long-term planning time horizon with the sustainable constraints of (1) operation performance, (2) net present value (NPV) performance and (3) emission reduction standard (ERS).

Priority of port operation constraint starts where the standard of berthing utilization rate ($\rho_{std}$) and standardized ship waiting time (wtstd) is observed. These standards are normally instituted at port concession between port authority and port operator agreement [9]. Berth expansion requirement has to meet the aforementioned two operation key performance index which will in turn simulate for the primary equipment expansion requirement of quay cranes units and the supporting units of RTGs and PMs.

The basic calculation of berth utilization rate to check against standardized berthing utilization rate, $\rho_{std}$, is checked against performing berth utilization, $\rho$, where $\rho$ is expressed in Equation (1). The equation is in function of the mean ship arrival rate $\lambda_{ship}$ (ship call/day) and the average service rate of ships, $\mu_{ship}$ (ship/day):

$$\rho = \frac{\lambda_{ship}}{\mu_{ship} \cdot n_{b}}, \text{ where } \rho_{std} > \rho \tag{1}$$

where $n_{b}$ is number of required berth unit. Then, the calculation of waiting time constraint for wtstd = wt, can be expressed as Equation (2):

$$wt = cf \cdot \frac{1}{\mu_{ship}} = cf \cdot ets, \text{ where } wt_{std} > wt \tag{2}$$

where $cf$ is the congestion factor according to queue type of E/ES/h of Erlang 2, generally used for transshipment port type [10] and ets is the estimated ship service rate (ship/h). One berth is added when the waiting time for ship exceeds the standard time, until $n_{b}$ and wtstd > wt are satisfied.

Here, berth productivity after expansion is sustained by the supply of horizontal transport equipments, $n_{i}$ where $i$ represents equipment of quay crane (QC), rubber-tired gantry (RTG), prime-mover (PM). The unit requirement of equipments can be calculated by Equation (3):

$$n_{i} = \frac{Q_{month}}{f \cdot n_{b} \cdot MPH_{i} \cdot r_{i} \cdot t_{e}} \tag{3}$$

where, $f$ is the TEU factor; $n_{b}$ is the number of berth (unit), $n_{i}$ is the units of equipments type $i$ (unit), $MPH_{i}$ is the move per hour of equipment type $i$ (move/h), (QC = 32 MPH, RTG = 10 MPH, PM = 6 MPH), $t_{e}$ is the time of operation service (hours = 24 × 30 days) in monthly interval, $r_{i}$ is the handling rate coefficient of equipment, type $i$. 

2.2. Equipment Expansion

The equipment expansion requirement of quay cranes units and the supporting units of RTGs and PMs.

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These will be the primary equipment expansion upon which the model simulates for a systematic electrification of existing port equipments. Rubber-tired gantries (RTG) and prime movers (EPM) are phased-out and replaced with electric models according to the electrification axiom flow chart is described in Figure 1.

2. Port Equipment Electrification Model

RTGs will be the primary choice and first to be electrified as it has conclusive economic benefit. Then, the next key interest is to phase-out conventional diesel PM that contributes the bulk of ports emission and replace them with full EPM. The MX30 electric model is the study subject [4], instead of PM with cleaner engine. The life-cycle of PM and scrap or trade-in value is disregarded in this modelling. Also, the operation disruption of electric bus-bars, recharging station and necessary installation is considered a non-factor. This study concerns only with the relationship of a viable equipment electrification pattern to the change in ERS percentage. Optimization of equipment electrification amount is modelled only within the operation standard constraint.

The electrification is projected on the basis of meeting the estimated emission restriction level at every planning phase of 5 years (monthly interval) as with common port master plan phase. CO$_2$ constraint by ERS is calculated to determine the amount of emission to be mitigated, $\Delta$CO$_2$. Then, the required number of equipment electrification, $n_{ei}$ ($e_i = QC, ERTG$ and EPM) is simulated by Equation (4).

$$n_i - n_{ei} = \frac{\Delta CO_2}{p_r \cdot I_f \cdot t_{op} \cdot cef}$$  \hspace{1cm} (4)

where $n_i$ is the total number of equipment type i, $n_{ei}$ is the sum of the new electrical equipment of primary expansion and the electrification of old equipment, $p_r$ is the equipment power rating, $I_f$ is the load factor of equipments, $t_{op}$ is the time of operation (hr), $cef$ represents the carbon emission factor (CO$_2$ kg/L).

Activity-based method [11] of estimating emission is adopted to estimate emission. Emission can be expressed as a function of number of equipment, $n_i$. The electricity consumption of the electrified equipments can be simulated to account for operation cost. Geerling formula [11] by distance approach can also provide mathematical verification to the emission calculation by activity approach as expressed in Equation (5): $CO_2(t) = \sum_{i=1}^{3} Q_t (\bar{X}_{ij} \times f_{oc} \times cef)$  \hspace{1cm} (5)

where $Q_t$ is the total throughput handled by diesel equipments, at year $t$, $CO_2(t)$ is the weight of CO$_2$ emitted by total port equipment fleet (kg CO$_2$), $\bar{X}_{ij}$ is the average distance (m) for equipment $i = QC, RTG, PM$, route $j$ (calculated by first order Minkowski Distance metric of designated ports’ route), $f_{oc}$ is the fuel oil consumption per km (or interchangeably with electricity consumption, $ecc_i$), $cef$ is the carbon emission factor in kilogrammes of CO$_2$-emission per lit diesel ($= 2.65$ kg CO$_2$/L). Since literature on carbon emission reduction by quantified percentage is absent, a built scenario of ERS is surveyed. While voluntary commitment of emission reduction by POLA and POR stands at 2.3% and 5% carbon reduction a year, this study takes a simple Delphi survey as case study to assume the emission reduction standard (ERS). The results yield an average ERS of 6% annual CO$_2$ reduction, where 20 experts from various Malaysian ports’ health, safety and environment offices were involved in a two-stage Delphi survey. The first stage solicits a ERS percentage suggestion based on the disclosure of POLA and POR commitment and APM’s carbon reduction success cases [12]. Then, the second stage feedbacks the preliminary findings to the participants to reach the consensus of 6% ERS.

![Figure 1. Electrification Axiom for Sustainable Equipment Expansion](image-url)
After the model simulates the zero-emission equipment profile within the environmental constraint of the surveyed 6% ERS, the model goes on to simulate the financial feasibility of the intended electrification profile. The electrification will be capped at a positive NPV performance constraint described by $NPV_{ZEE} > NPV_{CA}$, where NPV of zero-emission expansion (ZEE) must exceed NPV of conventional approach (CA). Conventional approach refers to the equipment expansion planning by using diesel equipments. Simulation reiterates for a lesser electrification profile of electrification should NPV of intended electrification profile be lesser than the conventional equipment expansion choice.

Project NPV calculation at phase $t$, $NPV_t$, applied in the costing constraint can be expressed in Equation (6):

$$NPV_t = -C_0 + \int_0^T [R_t - E_t] \exp(-r \cdot t) dt,$$

where $C_0$ is the initial investment, $R_t$ is the port revenue from ship docking charges and container lifting works, as decreed in port concession, while $E_t$ is the port expenditure from labour cost, overhead cost and operation cost that comprises fuel, electricity and also maintenance cost. The cash flow, $CF_t = R(t) - E(t)$, is discounted at rate of 8% along the planning time horizon, $pth$, usually at 20 years which is the life-span assumed for port equipment.

The two main differences in calculating $NPV_{ZEE}$ and $NPV_{CA}$ is in the varying initial cost for the equipment type, where (1) electric vehicles are more expensive than conventional diesel equipment; and (2) the offsetting of operation cost savings in electricity consumption over fuel consumption. Essentially, sufficient savings from using electricity in the long term must offset the high initial investment on electric equipment to fulfil $NPV_{ZEE} > NPV_{CA}$. Nevertheless, in practice port managers may see other obstacles that come along with electrification and opt not to execute electrification, regardless of the positive NPV performance. The rate of electricity tariff and fuel oil price are taken from local energy commission.

Other aspects of recurring do not affect the comparative NPV performance. However, for clarity, labour cost and overhead cost adopt the methodology from Nam et al. [13]. They assumed a two shift labour of two drivers, two signal persons, and one clerk per quay crane, and 1.5 persons for other equipment and a foreman. Overhead cost includes port administration cost, port due to local port authority (for leased land), utilities, maintenance cost per TEU for all equipments and other supporting services. For lack of some confidential data, back-estimation for overhead cost is done from available data of total revenue, labour cost and operation cost for the simulation forecast.

2. 3. Sensitivity Analysis of Emission Reduction Standard

Since the interest of this paper is to evaluate the impact of prospective ERS on sustainable equipment expansion, the electrification sensitivity to ERS is analysed. The ERS established by Delphi method yields preliminary consensus of 6% and a sensitivity deviation of ±2%. So, one standard deviation of ERS of 4% and 8% analysed.

Understanding that not all ports are institutionally ready for the deployment of zero-emission equipment, this study runs the simulation under the assumption of port making sustainability a priority and has transitioned along the sustainability path. This green transition, also termed as regulative port institution by Notteboom [14], is state of port governance imposing punitive measures such as retracting operating license of ports who fails to observe environment restrictions. Though some argued that it is unrealistic for underdeveloped or developing countries to adopt sustainability without the leadership of global superpowers, literatures are centred on methodologies that justifies environmental policies implementation for even developing countries [15-17].

3. RESULTS AND DISCUSSION

3. 1. Simulated PTP Case Study Result

The model is simulated with Port of Tanjung Pelepas (PTP) as the case study subject. PTP is the world’s top 10 and fastest growing transshipment hub situated in Johor, South of Malaysia (Diagram 1).

Diagram 1: Location of PTP

Confidential data of operation and environmental collected that will not be disclosed here and results are also discreetly displayed. Coefficients of operation follows the practice of Johor Port Authority; emission data for verification are solicited from PTP; while financial data are adapted from various sources and are all cited in Table 1.

A prior throughput forecast by univariate method, a simple forecasting of throughput history without considering external and economical factor, is done to determine the equipment demand.
TABLE 1. Specification of Expansion Input Data for Port Equipment Electrification

<table>
<thead>
<tr>
<th>Parameter</th>
<th>QC</th>
<th>RTG (ERTG)</th>
<th>PM (EPM)</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Handling Capacity (MPH)</td>
<td>30 move/h</td>
<td>11 move/h</td>
<td>4 move/h</td>
<td>[18]</td>
</tr>
<tr>
<td>Capacity (MPH)</td>
<td></td>
<td>(11 move/h)</td>
<td>(6 move/h)</td>
<td></td>
</tr>
<tr>
<td>Diesel Usage (f_o)</td>
<td>N/A</td>
<td>2.0 L/move (N/A)</td>
<td>1.7 L/move* (N/A)</td>
<td>[20]</td>
</tr>
<tr>
<td>6 [kWh/move]</td>
<td></td>
<td>(0.25 L/move)</td>
<td>(N/A)</td>
<td></td>
</tr>
<tr>
<td>Electricity usage (ecc)</td>
<td>6 [kWh/move]</td>
<td>(N/A)</td>
<td>(N/A)</td>
<td></td>
</tr>
<tr>
<td>Power Rating (pr)</td>
<td>750 kW</td>
<td>450kW</td>
<td>75 kw</td>
<td>[21]</td>
</tr>
<tr>
<td>450kW</td>
<td></td>
<td>(80 kw)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Load factor (lf)</td>
<td>-</td>
<td>0.2</td>
<td>0.51</td>
<td></td>
</tr>
<tr>
<td>Equipment Cost**</td>
<td>RM 27 Million</td>
<td>RM 4.8 Million</td>
<td>RM 300,000</td>
<td>[4]</td>
</tr>
<tr>
<td>Diesel Fuel Price</td>
<td>RM 2/L</td>
<td><strong>[22]</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric Tariff</td>
<td>RM 0.336 / kW</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emission Factor (cef)</td>
<td>1.64 kg CO₂/L</td>
<td></td>
<td></td>
<td>[11]</td>
</tr>
<tr>
<td>Standardised Utilization Rate (ρ)</td>
<td>0.7</td>
<td></td>
<td>PTP</td>
<td></td>
</tr>
<tr>
<td>Standardized Waiting Time (Wstd)</td>
<td>2 hours</td>
<td></td>
<td>PTP</td>
<td></td>
</tr>
<tr>
<td>Congestion Factor (cf)</td>
<td>0.003355</td>
<td></td>
<td></td>
<td>[10]</td>
</tr>
</tbody>
</table>

* estimated distance for PTP from GIS by first order Minikowski distance metrics
** converted from USD to RM, at an approximate exchange rate 1:3.88 (Note: RM = Ringgit Malaysia)

For PTP, a projection of an average 3% yearly increment was simulated along a planning time horizon of 40 years from 2014 throughout 2053. The model totals up a lump sum 5-year-expansion requirement over 8 phases. In 2013, PTP has all diesel-powered equipment count of QC = 44, RTG = 148 and PM = 277, where electrification of RTG and PM have yet to be executed. The results omit quay crane expansion because quay cranes are generally electric-powered but its’ costing calculation are still included in the NPV evaluation.

This model is encoded in NETLOGO for this discrete-event simulation. The results that show the zero-emission expansion of each the electrical equipment for 4%, 6% and 8% ERS implementation are as in Figures 2 and 3. As this is a simulation of future electrification, the results do not necessarily reflect the actual expansion planning set by PTP itself. The model simulates PTP with similar retrofitting pattern for its’ RTGs within the first 5 years (phase 1) in all ERS cases (Figures 2, 3 and 4).

Similarly in actual practice, PTP has completed its ERTG electrification in 2016. PTP is a member of APM terminal, a global terminal hub, that has directive to execute ERTG electrification [12].

This white paper is an extensive calls for sustainable port practice with Malaysia southern region ports [24]. Then, RTGs are retrofitted into ERTG (Hybrid ERTGs) that uses bus bar for electric energy but still relies on diesel driving across container blocks. Hence, the residual emission in phases 5, 6, 7 and 8 in Figure 5 attributes to these retrofitted ERTGs. The model simulates not the scraping of equipment but in reality those will have been replaced by new fully electric ERTGs at equipment end-of-life after 4 phase period (20 years). The simulated results for new EPM expansion starts only at secondphase after the electrification of all RTGs.

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This model is encoded in NETLOGO for this discrete-event simulation. The results that show the zero-emission expansion of each the electrical equipment for 4%, 6% and 8% ERS implementation are as in Figures 2 and 3. As this is a simulation of future electrification, the results do not necessarily reflect the actual expansion planning set by PTP itself. The model simulates PTP with similar retrofitting pattern for its’ RTGs within the first 5 years (phase 1) in all ERS cases (Figures 2, 3 and 4).

Similarly in actual practice, PTP has completed its ERTG electrification in 2016. PTP is a member of APM terminal, a global terminal hub, that has directive to execute ERTG electrification [12].

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Figures 2, 3 and 4 all show again similar pattern of diesel PM being phased out and replaced by new EPM throughout all phases 2, 3, 4 and 5. For cases of 6% ERS (Figure 3) and 8% ERS (Figure 4) which set higher emission limit, by cumulative 30 and 40% reduction over one phase. Therefore, this leads to the fall short of meeting the emission performance at 6 and 8% ERS as seen in Figure 5. Viable electrification can only meet the 4% ERS.

Even though the overall cost of retrofitting RTGs is higher, it yields higher difference in NPV performance from high saving benefits. Soon, as EPM commercializes, EPM will yield lesser savings due to the relatively expensive purchase. Consequently, all Figures 2, 3 and 4 simulates NPV_{ZEE} having small positive margin over NPV_{CA} during the phasing out of diesel-powered PM. After port fully functions on E-PM, it then can reap the benefit of increased NPV value in future. So, only during the phasing out of existing PM the model simulates no improvement in NPV performance. The best option for port authorities is to enter a regulative institution by enforced sustainability without delay for an early recovery of NPV performance, which requires a span of 20 years for PTP case study.

As for emission performance, Figure 5 shows the reduction pattern that flats out and remains constant from phase 5 onwards. This is due to the retrofitting all hybrid ERTGs and EPM. Figure 5 also shows the futility of imposing high and unrealistic ERS, where electrification progress can only meet the 4% ERS standard requirement. For 6 and 8% ERS execution, extra electrification could not be simulated for phase 2 and beyond to reduce emission limited by the positive NPV performance constraint.

Inference drawn on viable zero-emission equipment expansion is the prospect of ERS implementation at lower than 4%. This validates and proof viable the voluntary commitment of POLA and POR to reduce emission at 2 to 5% annually. Although, lower ERS implementation may delay the realization of zero-emission port but environmental policies should be sensible to encourage port operators to collaborate on sustainability to reach a win-win scenario. Furthermore, negotiations for such environmental policy must account the interest of all port agents in respect to ERS suitability. Availability of technology and development of green market, the punitive system should ERS be reasonable. Even with ports getting larger and more competitive, demanding higher efficiency and to be more economical, such environmental policies are certainly still ingrained with port fundamentals which is now an inevitable trend.

Nevertheless, any tools to enhance the decision-making of ERS must be consolidated tomake more informed policies that promises success. Nevertheless, risk of high ERS execution may burden port managers to sustain port revenue and competency. It risks a backfire when port managers find the ERS impossible to achieve and abandon such environment conserving endeavour. Even hard tax on exceeding CO₂ emission performance may not be the solution to electrification. "Green paradox", a term coined by Edenhofer [25] suggesting that an increased energy tax will only inflate the commodity, thus, worsening global warming and the economy instead.
Therefore, it will be more appropriate to first introduce the energy-efficient measure and then disseminate the know-how before implementing any punitive measures [26].

As is the case of Australia and state of Maryland, USA, which are examples of repealed carbon tax for being unsustainable to business [27]. Carbon tax aims to motivate carbon emitters to pay for externalities of their manufacturing or industrial service. However it requires bilateral adjustment of the policy-makers and industrial players to reach an equilibrium that satisfy the company’s profit while absorbing the externality cost. Further incorporation and analysis of various technique such as pareto optimization [28], game theory and neural network with swarm particle optimization [29, 30] are needed to enable managers option adjustment base on their own parametric preference.

3. 2. Discussion of Model Limitation One of some limitations of the model is the assumption of port sustainability transition, in which PTP and its affiliated port agents are ready for green port execution. Ottoboom explains that port governance takes three institutional forms in ‘cultural cognitive’, ‘normative’ and ‘regulative’ where in the latter port governance has evolved to be compliant to environmental rules [14]. Socio-technical changes in a group of actors can be modelled computationally to understand port sustainability transition [31]. As a result, such modelling of discrete-event system will become an agent-based system that simulates equipment electrification based on higher tier decision-making from port agents’ interaction. It will be interesting to simulate how smaller and conventional ports with different sustainability transition fare in deciding for its equipment electrification.

Without the juxtaposition of risk assessment, this model is not complete without accounting economical factor such as the stability of fuel price that greatly affects the outcome of equipment electrification. Since electricity is the energy source for electrical equipment, comparative NPV_ZEE to NPV_CA is based on the savings of fuel price over electricity tariff, a crash in fuel price will tip the decision to refrain electrification for a more economical operation by fuel. Though electricity tariff deflation is possible from the depreciation of oil commodity, the interest of port operators should be guaranteed under environmental policies made through port concession.

4. CONCLUSION

We have developed a sustainable model that integrates prospective ERS into port equipment expansion planning without compromising operation and financial performance. Not only does the model simulates for zero-emission equipment instead of cleaner engines, it also re-evaluates feasible ERS percentage execution to spearhead electrification without burdening port managers. The long term equipment expansion simulation with sustainable approach gives insight to electrification requirement with comparative NPV performance. The simulation results from PTP case study infers a viable ERS implementation at 4% (a year) or lower to reduce emission without violating the emission standard and avoid legal consequences. ERTGs and EPMs can be in full deployment after 5 phases (25 years) of short-term planning under standardized expansion parameters. In short, higher expansion NPV can be achieved after all equipments are electrified. Realistic equipment expansion should also include the simulation of port sustainability transition that affects the timing of electrification implementation. Further risk assessment is also necessary to ensure the success of ERS implementation by port master plan, now that electrification of port equipments is imminent.

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6. REFERENCES


Prospect of Emission Reduction Standard for Sustainable Port Equipment Electrification

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