

April 24, 2024

Amber Coluso, Air Quality Environmental Specialist
Phillips 66, Port of Los Angeles
acoluso@portla.org

Dear Amber Coluso,

Thank you for submitting the revised Port/Terminal Plan (Plan) on behalf of Phillips 66 for the Port of Los Angeles Terminal (berths 148-151) to the California Air Resources Board (CARB) as required by the Control Measure for Ocean-Going Vessels At Berth ("Regulation"). CARB staff has reviewed your updated Plan submittal and has determined that the plan fulfills the requirements of the Regulation as set forth in sections 93130.14(a) and 93130.14(b). CARB considers the updated Plan complete, and no changes are necessary at this time.

Emission Reduction Requirements Begin January 1, 2025 for Ro-Ros and Tankers

There are upcoming compliance obligations that will become effective on January 1, 2025, for all ro-ro vessels visiting California and the ports and terminals at which they visit, and for those tanker vessels that visit the ports of Los Angeles or Long Beach and the ports and terminals at which they visit. We understand that implementing emission control strategies may encounter delays. **However, even when noted in an approved Plan, delays do not waive, exempt, or otherwise excuse compliance obligations;** regardless of delays, terminals must meet the Regulation requirements for reducing emissions at berth or utilize an alternative compliance option consistent with the compliance start dates set forth in the Regulation.

Alternative Compliance Options

Alternative compliance options include Vessel Incident Events (VIEs), Terminal Incident Events (TIEs), Innovative Concepts, and Remediation Fund. These options provide regulated entities a potential compliance pathway when emissions at berth are not reduced as required due to various circumstances, such as delays in installing emissions control equipment or an inability to connect to a CARB Approved Emission Control Strategy (CAECS). CARB reserves the right to exercise its enforcement discretion for any regulated vessel visit at a regulated port and terminal that does not meet compliance obligations.

The Remediation Fund option is designated for remediating uncontrolled emissions during vessel visits to regulated berths, provided the vessel operator, terminal operator, CAECS operator, and/or port has made an enforceable commitment towards utilizing a CAECS but was unable to do so due to qualifying circumstances during the visit. If your emission control strategy or strategies are not yet operational at your port or terminal by January 1, 2025, or not yet operational in sufficient quantity to service all vessel visits subject to emissions control requirements, you may be eligible to use the Remediation Fund option

as an alternative compliance option in the interim. **Regulated entities that have not made an enforceable commitment are not eligible to utilize the Remediation Fund option.** Additional information on the Remediation Fund option can be found in section 93130.15 of the At Berth Regulation or on CARB's website at: <https://ww2.arb.ca.gov/our-work/programs/ocean-going-vessels-berth-regulation/remediation-fund..>

Physical and/or Operational Constraints Require a Technical Feasibility Study

Per section 93130.14(a)(3)(H), terminals claiming that a "physical and/or operational constraint" will delay its ability to implement its preferred CAECS must also include with its terminal plan a technical feasibility study evaluating if there are any other emission control options that could be implemented more quickly at the terminal. If no technical feasibility study has been provided, the terminal will not be eligible for remediation under the qualifying circumstance described in section 93130.15(b)(5), though a different qualifying circumstance could apply (i.e., terminal or port equipment repairs, delays with operation of existing control strategy).

If any terminal at the Port that is currently designated as a low activity terminal (receiving fewer than 20 visits per calendar year from a vessel type) exceeds the annual visit threshold, the Port and terminal must update their respective Plans and submit to CARB by July 1 the following year after the exceedance occurs. The information in the updated plan must reflect the information specified in section 93130.14(a)(3) for Terminal Plans and section 93130.14(b)(3) for Port Plans. Terminals are no longer eligible for the low activity exception if the annual visit threshold is exceeded for a second consecutive year, and are required to reduce emissions starting January 1 of the following year.

Ports and terminals that plan to use barge-based capture-and-control systems as a compliance strategy have a responsibility to engage with barge providers and ensure that the system(s) will be available to satisfy their compliance obligations and any individual needs. This may include working with barge providers to perform necessary testing as part of the CARB approval process, or otherwise collaborating with barge providers who are working to scale up their operations. As noted above, delays in implementing an emission control strategy (including due to lack of availability of CARB-approved barges) do not waive, exempt, or otherwise excuse compliance obligations. Additionally, barges are not the only CAECS option. Other potential CAECS (subject to CARB review and approval) could include batteries, fuel cells, alternative fuels, etc. Shore power is considered the "gold standard" in reducing emissions from ocean-going vessels in California and does not require any additional CARB approval to use for compliance with the 2020 Regulation.

CARB staff have noted that your Plan submission included the following statement: "CARB has determined that shore power is not a reasonably foreseeable compliance option for tankers because of significant infrastructure changes needed to the vessel itself". The source

of this statement was not cited, and staff were unable to independently identify the source. CARB does not set electrical or operational standards for shore power. Please note that Oil Companies International Marine Forum (OCIMF) has released preliminary design recommendations for tankers and terminals using an onshore power supply, which can be found here: <https://www.ocimf.org/publications/information-papers/onshore-power-supply-systems>.

If any significant changes occur to any elements of your Terminal Plans, resubmit an updated Plan to CARB (shorepower@arb.ca.gov) at any time. As described above, if your updated Plan contains claims of any "physical and/or operational constraints", you must attach a technical feasibility study for CARB to deem the plan complete. Additional information on Terminal Plans can be found under section 93130.14 of the At Berth Regulation or on CARB's website at: <https://ww2.arb.ca.gov/our-work/programs/ocean-going-vessels-berth-regulation/terminal-and-port-plan-submissions>.

Sincerely,



Bonnie Soriano, Chief, Freight Activity Branch, Transportation and Toxics Division



Rachel Connors, Chief, Field Operations Branch, Enforcement Division

cc: Angela Csondes, Section Manager, Marine Strategies Section

Michael Di Bernardo, Deputy Executive Office, Port of Los Angeles
mdibernardo@portla.org

Mike Preston, Operations Manager, Phillips 66 Los Angeles Refinery