

April 29, 2024

Timothy Hayes, Region Manager
Tesoro Logistics Operations LLC, Long Beach
1300 Pier B Street, Long Beach, CA 90813
twhayes@marathonpetroleum.com

Dear Timothy Hayes,

Thank you for submitting the revised Terminal Plan (Plan) on behalf of Tesoro Logistics Operations LLC for the Terminal 1, Terminal 2, and Long Beach Terminal to the California Air Resources Board (CARB) as required by the Control Measure for Ocean-Going Vessels At Berth ("Regulation").

CARB Requests a Revised Plan

CARB staff has reviewed your Plan submittal against the requirements set forth in section 93130.14(a) of the Regulation, and have identified the Plan is missing information required by the following provision:

- Section 93130.14(a)(3)(H) of the Regulation requires a terminal operator claiming that a physical and/or operational constraint will delay its ability to implement its preferred CARB approved control strategy to achieve emission reductions from vessels at berth according to the requirements of section 93130 et seq., 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.

Tesoro's updated Plan identified physical and operational constraints for its chosen control strategies, shore power, barge-based capture and control, and innovative concept, requiring a feasibility study to evaluate if other control options could be implemented more quickly at the Tesoro terminals. While the DNV Study was referenced, it does not provide a site-specific evaluation, nor does it offer a comprehensive compliance strategy tailored to your terminal needs. Therefore, CARB does not consider the DNV study as sufficient for purposes of claiming physical or operational constraints as noted in Tesoro's terminal Plan. Although Section 2.4 of Tesoro's terminal Plan mentions a feasibility study conducted by Tesoro Logistics Operations to assess land-based capture and control, this study was not included in the updated Plan.

If an updated Plan contains claims of any "physical and/or operational constraints," it must attach a technical feasibility study for CARB to deem the Plan complete. CARB requests that a corrected Plan with a copy of the feasibility study attached be re-submitted as an updated Plan to shorepower@arb.ca.gov within 90 days of receipt of this letter. If Tesoro believes that any of the information it may provide is a trade secret or otherwise exempt from disclosure under any provision of law, additional information for submitting confidential information in

a terminal plan may be found here:

<https://ww2.arb.ca.gov/sites/default/files/2021-11/FAB21-131%20-%20Port%20%26%20Terminal%20Plan%20Confidentiality%20Disclaimer.pdf>

Once CARB receives the updated Plan, staff will have 90 calendar days to review the corrected Plan and confirm completeness.

Physical or operational constraints identified in an approved terminal plan are one of the specific, limited circumstances eligible to utilize the Remediation Fund option. However, if no technical feasibility study has been provided with the approved plan, the terminal will not be eligible to utilize the Remediation Fund option 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, etc.). The Remediation Fund can only be used as an option to comply with the Regulation in specific, limited circumstances provided under section 93130.15 where vessel operators, terminal operators, CARB Approved Emission Control Strategy (CAECS) operators, and/or ports have already made enforceable commitments to controlling emissions at berth but were unable to do so due to qualifying circumstances during the visit. Additional information on the remediation fund option can be found on CARB's website at: <https://ww2.arb.ca.gov/our-work/programs/ocean-going-vessels-berth-regulation/remediation-fund>.

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.

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. 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.

Timothy Hayes

Date

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If any significant changes occur to any elements of your terminal Plans, you may resubmit an updated Plan to CARB (shorepower@arb.ca.gov) at any time. 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

Lyneea Giordani, HES Professional, Tesoro Logistics Operations - Long Beach
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