

November 14, 2022

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Dear Michael Marlowe and Richard Shih:

Thank you for submitting a response letter to CARB regarding the deficiencies CARB identified in your initial terminal plan (Plan) on March 2, 2022, for the Martinez Refining Company (MRC) terminal. The deficiencies that CARB identified in your original terminal plan include:

- Not identifying a schedule to installing equipment; and
- Not including a technical feasibility study evaluating if there are any other control options that could be implemented more quickly at your terminal.
  - A site-specific feasibility study was requested since MRC indicated that the design and construction of a control system would take 6 to 13 years after equipment is commercially available.

CARB staff reviewed your response and appreciate the clarifications on the efforts that MRC has been focusing on to evaluate emissions control technologies to comply with the At Berth Regulation. However, the terminal plan is still considered incomplete as discussed further below. CARB reminds MRC that a delay in planning for the appropriate control technology at your terminal, or an incomplete terminal plan submittal, does not excuse a terminal from their compliance obligation which requires tanker vessels visiting ports in Southern California to comply with the At Berth Regulation by January 1, 2025.

Section 93130.14(a)(3)(H) of the Regulation requires that any terminal that is claiming a physical and/or operational constraint in their terminal plan must also conduct a feasibility study to determine if there are any other technologies available that could be implemented more quickly at the terminal. In response to this requirement, MRC submitted the Det Norske Veritas (DNV) Study<sup>1</sup> as their feasibility study. While this study describes issues that tanker terminals may experience with control technologies and compliance timelines, this study is not -site-specific to MRC. The response letter does not otherwise provide a compliance strategy for your terminal. To better understand the technologies that would be best suited

<sup>&</sup>lt;sup>1</sup>DNV, California Air Resources Board's (CARB) Ocean-Going Vessels at Berth Regulation Emissions Control Technology Assessment for Tankers, November 30, 2021.

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for your terminal, as required in section 93130.14 of the Regulation, CARB requires MRC to submit a terminal specific feasibility study to explore control technologies that could be implemented at your terminal. Additionally, updated plans for tanker terminals must be submitted the year before the compliance date reflecting any changes to the terminal operator's strategy. CARB encourages MRC to continue to work to expedite the development, installation, and deployment of shore power or another CARB approved emission control strategy (CAECS) that is appropriate for your specific terminal.

Section 93130.15 of the Regulation provides an additional compliance option to remediate uncontrolled emissions at berth through an hourly fee based on the cost of securing equivalent emissions reductions. 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, CAECS operators, and/or ports have already made enforceable commitments to controlling emissions at berth. A terminal plan must be deemed acceptable under section 93130.15(b)(5) to be eligible as a basis to use the remediation fund to comply with the Regulation. CARB wants to remind MRC of this and encourages your terminal to work with CAECS providers and third-party engineering and consulting firms early on to evaluate the feasibility and timelines to installing the appropriate CAECS for your specific terminal. Failure to comply with the Regulation may result in enforcement action.

Additional information on Port and Terminal Plans can be found on *CARB's At Berth Regulation Implementation* website. If you have any questions about the specific concerns identified by CARB, please contact Elizabeth Melgoza, Air Pollution Specialist, Marine Strategies Section, by email at *Elizabeth.Melgoza@arb.ca.gov*.

Sincerely,

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Heather Arias, Chief, Transportation and Toxics Division

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Heather Quiros, Assistant Chief, Enforcement Division

cc: Elizabeth Melgoza, Air Pollution Specialist, Marine Strategies Section