

December 26, 2024

Jessica Hoffman
Mormon Island Terminal Manager
Equilon Enterprises dba Shell Oil Products US
200 Falcon Street
Wilmington, California 90744
jessica.neil@shell.com

Dear Jessica Hoffman:

In "Shell Request for Prospective Eligibility to Remediate" (Shell's Request) dated December 2, 2024, submitted via email, Equilon Enterprises doing business as Shell Oil Products US (Shell) requested prospective eligibility to use the remediation fund for visits to Shell's Mormon Island Terminal, Berths 167-169 (Shell's Terminal) at the Port of Los Angeles to comply with the 2020 At Berth Regulation (Regulation), title 17 Cal. Code Regs. Sections 93130 *et seq.* The remediation fund compliance option is an hourly payment to remediate the uncontrolled emissions during a visit. The requested eligibility period is three months, from January 1, 2025, through March 31, 2025.

Enforceable Commitment

The use of the remediation fund is a compliance option where regulated entities have made certain enforceable commitments to controlling emissions at berth, per Section 93130.15 of the Regulation. CARB finds that Shell's Request demonstrates certain enforceable commitments and thus satisfies this requirement. Shell is requesting prospective eligibility to use the remediation fund compliance option due to risk of delayed delivery of a CARB Approved Emission Control Strategy (CAECS) which will be provided at Shell's Terminal as a contractual service by third-party CAECS operator STAX Engineering (STAX). Shell's Request stated that Shell will plan to utilize the CAECS as soon as it is available and is working actively to support the delivery and approval of the CAECS. We recognize Shell's service agreement with STAX as an enforceable commitment to comply with the 2020 At Berth Regulation. STAX has Executive Order (EO) approval from CARB to operate a capture-and-control barge system to treat emissions from container and auto carrier vessels, and is subject to the 2020 At Berth Regulation as a CAECS operator. STAX has a CARB approved Test Plan to test their system on tanker vessels.¹

² There is a different hourly rate for different vessel types per Section 93130.15(f). The hourly rates for 2025-2026 are posted to CARB's remediation fund webpage at: <https://ww2.arb.ca.gov/our-work/programs/ocean-going-vessels-berth-regulation/remediation-fund>

Qualifying Circumstance

Shell's prospective eligibility request to utilize the remediation fund qualifies for remediation through the criteria specified in Section 93130.15(b)(1), terminal equipment repairs. Because this qualifying circumstance will span across multiple visits, we agree that it is appropriate for Shell to utilize Section 93130.15(h), whereby regulated entities may seek a prospective eligibility determination from CARB to use the remediation fund option for multiple vessel visits over an extended time period.

Process for Confirming Use of Remediation Fund

Having received eligibility from CARB to use the remediation fund during the requested time period, Shell shall report data on each vessel visit within the required 30 calendar days, and shall make payments at least monthly to the remediation fund administrator per Section 93130.15(h).

When submitting visit reports to CARB during the requested eligibility period, include a summary statement in the email submission with 1) number of hours to remediate for tanker vessels with electric pumps and 2) number of hours to remediate for tanker vessels with steam-driven pumps, based on the visits claiming the remediation fund compliance option in the submitted visit report.²³

After CARB staff confirm the payment amount with the fund administrator, Shell shall transfer that amount to the fund administrator. This confirmation process is standard across all remediation fund approvals to ensure that fund administrators only receive eligible payments.

Conditions for Remediation Eligibility

Under the qualifying circumstance described above, properly reported and documented visits to Shell's Terminal may be compliant through remediation during the requested eligibility period.

Shell is responsible for accurately calculating the correct number of remediation hours for visits using the remediation fund compliance option as documented in the visit report. Insufficient remediation payments that fail to address all uncontrolled hours during visits

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³ To remediate the entire duration of a vessel visit, the appropriate start time is two (2) hours after the vessel is declared "Ready to Work", and the appropriate end time is one (1) hour before pilot on-board in preparation for departure. These start and end times are specified in Sections 93130.7(e)(3), 93130.9(d)(4), and 93130.12(b)(2) which describe the emission control requirements for regulated visits. Each partial hour counts as a full hour for the purpose of calculating remediation payments per Section 93130.15(e).

claiming the remediation fund compliance option may result in visit(s) considered noncompliant with the Regulation and referral to CARB's Enforcement Division.

If at any point the previously provided commitment(s) to controlling emissions at berth are materially altered or terminated, or if the approved qualifying circumstance changes or no longer applies before the end of the approved eligibility period, Shell may risk losing this remediation fund compliance option pathway at that time. Failure to notify CARB of such an alteration or termination may result in visits made after the fact being deemed non-compliant and referral to CARB's Enforcement Division.

Other Compliance Options and Seeking Additional Remediation Eligibility

Please note that visits do not need to comply using the remediation fund if they are otherwise compliant through, for example, Vessel Incident Events or Terminal Incident Events as specified in Section 93130.11, or the research exception as specified in Section 93130.8(d) of the Regulation for visits that participate in testing specified in a CARB approved test plan.

If CAECS service is not yet available for any/all visits to Shell's Terminal by March 31, 2025, the end date of the requested eligibility period, Shell may reapply to receive another prospective eligibility determination for an additional period. Shell also has the option to request the remediation fund compliance option on a per-visit basis within 30 days of vessel departure, as specified in Section 93130.15(c).

Please reach out to Angela Csondes, Manager, Marine Strategies Section at angela.csondes@arb.ca.gov if there are any outstanding questions.

Sincerely,



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

cc: Angela Csondes, Manager, Marine Strategies Section

Courtney Adams, Business Coordinator, West Coast Distribution Operations, Shell Trading and Supply Americas