

March 27, 2026

Sandor Halvax
BAE Systems Maritime Solutions San Diego Inc.
2205 East Belt Street
San Diego, California 92113

Dear Mr. Halvax,

This letter is in response to the application submitted by BAE Systems Maritime Solutions San Diego Inc. (BAE Systems) to the California Air Resources Board (CARB) on June 30, 2023, requesting approval of a proposed Alternative Control of Emissions (ACE) plan under the Commercial Harbor Craft Regulation (CHC Regulation) as set forth in California Code of Regulations, title 17, section 93118.5. As provided in subsection (f)(1)(A) of the CHC Regulation, CARB's Executive Officer (E.O.) may approve an applicant's alternative emission control strategy (AECS) that achieves equivalent or greater emissions reductions than if the applicant were to directly comply with subsections (e)(10), (e)(12), and (e)(13) of the CHC Regulation, for the time period of January 1, 2023, through December 31, 2034.

Public Process and Proposed Action

BAE Systems' ACE plan proposal was posted on the CHC program website on February 5, 2026, beginning the first 30-day public comment period. The public was notified of the posting of BAE Systems' ACE plan proposal and public comment period via *GovDelivery*, through which a notification was sent to all subscribers of the "Harbor Craft (Commercial Harbor Craft Regulatory Activities)" list. This comment period served to allow any interested parties to comment on any element of the ACE application and whether the E.O. should approve or disapprove the ACE application based on the contents and merits of the application. The first public comment period ended on March 7, 2026. One comment was submitted to the docket during the first public comment period. The commenter is supportive of CARB approving the application.

As required by subsection (f)(2)(E), this letter serves as a notification of the CARB E.O.'s proposed action and identifies the start and end dates for the 15-day second public comment period. This letter will be posted on the *CHC program ACE plan webpage* to be viewable by all interested parties. Additionally, a GovDelivery notification will be sent to GovDelivery subscribers of the "*Harbor Craft (Commercial Harbor Craft Regulatory Activities)*" list upon posting of this letter.

Proposed Action: CARB staff has reviewed BAE Systems' ACE plan proposal and the public comments received, and the E.O. has preliminarily determined that the proposed ACE plan meets the criteria in California Code of Regulations, title 17, section 93118.5 (f)(1), and accordingly proposes to approve BAE Systems' ACE plan.

The second 15-day public comment period will begin April 6, 2026 and end on April 21, 2026. During the comment period, interested parties may comment on the E.O.'s proposed approval of the ACE application and any element of the application on the second public comment docket that is posted on the [CHC program ACE webpage](#). Within 30 days after the second public comment period ends, the E.O. shall take final action to either approve or deny BAE Systems' ACE application. In addition, the E.O. shall consider and address any relevant comments received during the first and second public comment periods and provide responses to each comment in the Final Action. These responses will also be posted on the [CHC program ACE webpage](#).

Summary of ACE Plan Proposal

BAE Systems' ACE Plan proposes to utilize the following AECS:

- Shore-side power
- Fleet averaging
- Any other measures that sufficiently reduce emissions.

BAE Systems' ACE plan includes one vessel within their existing fleet, a floating dry-dock called the Pride of San Diego. BAE Systems proposes to electrify their dry-dock's propulsion with a shore power system in lieu of replacing the current main engines with Tier 4 engines and a diesel particulate filter (DPF). Additionally, BAE Systems proposes to replace the current Tier 2 crane engine with a Tier 4 Final engine.

Table 1 below summarizes the emissions calculations for the nominal compliance baseline and ACE Plan proposal. Emissions calculated from an applicant's direct compliance with subsections (e)(10), (e)(12), and (e)(13) for the period of January 1, 2023, through December 31, 2034, are defined as the nominal compliance baseline. The emissions calculations followed the methodology provided in [Appendix H](#) of the Initial Statement of Reasons for the CHC Regulation amendments. As shown in Table 1, BAE Systems' ACE plan proposal demonstrates equivalent or greater emissions reductions than BAE Systems' nominal compliance baseline.

Table 1 - BAE Systems Alternative Control of Emissions (ACE) Plan Summary Table

Scenario	NOx Emissions (lbs)	PM Emissions (lbs)
Nominal Compliance Baseline	35,805.42	1,004.83
ACE Plan	28,587.20	977.57
Reduction	7,218.22	27.26

Scenario	NOx Emissions (lbs)	PM Emissions (lbs)
Percentage Reduction	20.16%	2.71%

Detailed vessel information, engine information, and emissions calculations can be found in BAE Systems' ACE plan proposal, which is posted on the [CHC program ACE webpage](#).

As required in subsection (f)(1)(B) and (f)(1)(C), the vessel included in BAE Systems' ACE plan is directly under their control and are not included in more than one ACE plan. Pursuant to subsection (f)(1)(F)5., BAE Systems provided the homebase, proposed homebase, primary areas of operation in Regulated California Waters (RCW), and annual operating hours for the proposed ACE harbor craft vessel in order to demonstrate that the ACE plan will not result in a higher emissions burden to DACs relative to other communities impacted by the emissions from their vessel operations. In addition, BAE Systems' ACE plan proposal does not include emissions reductions attributed to equipment acquired by funds or grants that prohibit use of funds to comply with State regulations, laws, or mandates, nor include reductions that are otherwise required by any local, State, or federal rule, regulation, or statute.

Proposed Conditions of Approval

If the ACE plan proposal is approved in the E.O.'s Final Action following the second public comment period, BAE Systems must meet the following conditions and requirements:

- Maintain operating records including all the reporting and recordkeeping requirements specified in subsection (m) and (o), on and after January 1, 2023; maintenance procedures; and emissions test results, as specified in subsection (f)(1)(H) of the CHC Regulation.
- Provide CARB with annual hours of operation for the maintenance and testing for the emergency engines in their ACE plan. This annual update shall be submitted with the annual CHC vessel report that is due every March 31.
- **Notify the E.O. in writing within 30 days upon learning of any information that would alter the emissions estimates upon which this approval is based. If the E.O. has reason to believe that an approved ACE no longer meets the criteria for an ACE, the E.O. may, pursuant to subsection (f)(3) of the CHC Regulation, modify or revoke the ACE as necessary to assure that the applicant and subject vessel(s) meet the emission reduction requirements in this section.**

The E.O. also may revoke or modify, as needed, an approved ACE in accordance with subsection (f)(3).

For more information about the CHC Regulation, please visit: <https://ww2.arb.ca.gov/our-work/programs/commercial-harbor-craft>. If you have any questions, please contact the Commercial Harbor Craft team at harborcraft@arb.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bonnie Soriano".

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

cc: Babak Pazokifard, Manager, Freight Technology Section

Emiliano Beas, Air Resources Engineer, Freight Technology Section