

May 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.

CARB staff has reviewed BAE Systems' ACE plan proposal and the public comments received. The E.O. has determined that the proposed ACE plan meets the criteria in California Code of Regulations, title 17, section 93118.5 (f)(1), and approves BAE Systems' ACE plan. This approval is the final action of the ACE application public process.

Public Process

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 the start and end dates of both public comment periods via [GovDelivery](#), through which a notification was sent to all subscribers of the "Harbor Craft (Commercial Harbor Craft Regulatory Activities)" list. The two comment periods 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.

Two comments were received that were relevant to the ACE application. The first comment was submitted in the 30-day public comment period by Joshua Kehoe on February 6, 2026. This comment is supportive of BAE's ACE Plan. The second comment was submitted in the 15-day public comment period by Reema Bzeih with Pacific Environment on April 21, 2026. Pacific Environment submitted two documents, one letter addressed to CARB and the other a document listing various ZEAT projects. The letter expresses concern about the margin of PM reduction in BAE Systems' ACE Plan proposal across the compliance period. The

comment did not state whether Pacific Environment is requesting CARB to approve or disapprove the BAE Systems ACE Plan and does not provide information that would require CARB to reconsider or change the Proposed Action. CARB would like to emphasize the emission reductions in the ACE Plan are in comparison to the nominal compliance baseline. BAE Systems' ACE Plan reduces NOx by 20.16% and PM by 2.7% compared to the nominal compliance baseline. Thus, BAE has demonstrated a "greater or equivalent" reduction in emissions as required by subsection (f)(1)(A) of the CHC Regulation for an approvable ACE Plan.

As required by subsection (f)(2)(F), this letter serves as a notification of the CARB E.O.'s final action. 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 upon posting of this letter.

Summary of ACE Plan Proposal

BAE Systems' ACE Plan uses the following AECS:

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

The nominal compliance baseline is the emissions calculated based on applicant's direct compliance with subsections (e)(10), (e)(12), and (e)(13) for the period of January 1, 2023, through December 31, 2034. 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](#). A detailed summary is provided in the Proposed Action, also found on the CHC program ACE webpage.

As required in subsection (f)(1)(B) and (f)(1)(C), all vessels included in BAE Systems' ACE plan are 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 all proposed ACE harbor craft vessels 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 does it include reductions that are otherwise required by any local, State, or federal rule, regulation, or statute.

Conditions of E.O. Approval

With this approval, 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.**

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,



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