

July 27, 2026

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

Dear Timothy W. Hayes:

California Air Resources Board (CARB) is approving Tesoro Logistics Operations, LLC (TLO) for prospective eligibility to use the remediation fund during **July 1, 2026, to December 31, 2026**, for visits to their terminals.

TLO operates three terminals at Port of Long Beach that receive tanker vessels: Terminal 1 (Berth 121), Terminal 2 (Berth 77 and 78), and Long Beach Terminal (Berth 84a and 86). This approval is in response to TLO's requests submitted on May 27, 2026.

TLO's terminals are subject to emission control requirements under the Control Measure for Ocean-Going Vessels At Berth (Regulation), Cal. Code Regs., title 17, sections 93130 *et seq.* The remediation fund compliance option is an hourly payment to remediate uncontrolled emissions during a vessel visit.

Enforceable Commitment

To use the remediation fund, regulated entities must have made certain enforceable commitments to controlling emissions at berth, per Section 93130.15 of the Regulation.

- Shore power is a CARB Approved Emission Control Strategy (CAECS), per Section 93130.5(c). CARB recognizes TLO's progress toward installing shore power at Terminal 1 and Terminal 2 as enforceable commitments.
- CARB also recognizes TLO's contract with Clean Air Engineering - Maritime (CAEM) as an enforceable commitment. CAEM has Executive Order approval from CARB to operate a capture-and-control barge system to treat emissions from tanker vessels and is subject to the Regulation as a CAECS operator.

Qualifying Circumstance

TLO's requests for Terminal 1 and Terminal 2 qualify through the criteria specified in Section 93130.15(b)(5), a physical and/or operational constraint that is delaying the implementation of a CARB approved emission control strategy at the terminal. Per Section 93130.14(a)(3)(H), a terminal operator claiming such a constraint 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. TLO met this requirement by

submitting a technical feasibility study to CARB on May 24, 2024, and have provided information to CARB that the constraint is ongoing during the prospective eligibility period.

TLO notified CARB on March 31, 2026, that the enforceable commitment to shore power at Long Beach Terminal had been terminated. This represents a change in the appropriate qualifying circumstance for remediation fund eligibility at Long Beach Terminal. CARB understands that TLO's enforceable commitment with CAEM is unchanged. CAEM is not yet able to provide CAECS service for all tanker vessels visiting Long Beach Terminal. As a result, it is appropriate for visits to Long Beach Terminal to be eligible for remediation fund use during July 1, 2026 - December 31, 2026, under a different qualifying circumstance: Section 93130.15(b)(1) "terminal equipment repairs", where new or replacement equipment has been ordered in a timely manner but has not been received.

Because these qualifying circumstances will span across multiple visits, CARB agrees that it is appropriate for TLO to seek a prospective eligibility determination from CARB to use the remediation fund option for multiple vessel visits over an extended time period, per Section 93130.15(h).

Conditions for Remediation Fund Eligibility

Visits must be properly reported and documented for CARB staff to confirm remediation fund payments. Tanker vessels visiting TLO terminals may be able to achieve emissions reductions through TLO's enforceable commitment with CAEM. As part of this approval for prospective eligibility, TLO must explain its efforts to use the CAEM barge(s) and explain why emissions reductions were not achievable for each remediation fund visit in the remediation fund submission. CARB may request additional information or supporting documentation. TLO is responsible for accurately reporting the correct number of remediation fund hours and providing relevant vessel and engine information on time. Insufficient remediation fund payments may result in visit(s) considered noncompliant with the Regulation and referral to CARB's Enforcement Division.

TLO may lose this remediation fund compliance option pathway at that time for the applicable terminal(s) if at any point:

- TLO's enforceable commitment(s) supporting the approval are materially altered or terminated,
- emission reductions are achievable, or
- the approved qualifying circumstance changes or no longer applies before the end of the approved eligibility period.

Failure to notify CARB of such an alteration or termination may result in visits made after the fact being deemed non-compliant and referred to CARB's Enforcement Division.

Other Compliance Options and Seeking Additional Remediation Fund Eligibility

The remediation fund is an alternative compliance option which is only available when emissions reductions are not achievable during a vessel's visit at berth. TLO must continue to use the existing shore power system at Terminal 1 Berth 121 with compatible vessels, and use the contracted CAEM barge(s) with compatible vessels.

Terminals using barges as a compliance strategy have a responsibility to engage with barge providers and ensure that the system(s) will satisfy their compliance obligations and any individual needs. Research exceptions are available for visits that participate in CARB-approved testing. CAEM currently has an approved test plan to expand their operating conditions on tanker vessels. Other compliance options include Vessel and Terminal Incident Events.

If a CAECS is not yet available for some visits to TLO's terminals by December 31, 2026, TLO may request an additional eligibility period. CARB reserves its right to request updated information to ensure TLO continues to qualify for remediation fund eligibility. TLO 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 at angela.csondes@arb.ca.gov if there are any outstanding questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Tracy Haynes", with a stylized, flowing script.

Tracy Haynes, Chief, Freight Activity Branch, Transportation and Toxics Division

cc: Angela Csondes, Manager, Marine Strategies Section

Allison Biancone, Reliability Engineer, Marathon Petroleum

Brian McElhaney, Operations Engineer, Marathon Petroleum