Update on the Status of the Proposed Control Measure for Ocean-Going Vessels At Berth

June 25, 2020
Building On An Effective Regulation

- Existing At-Berth Regulation was approved in 2007
- Ground-breaking Regulation
  - Successful joint effort between industry, ports, and the State
  - Emissions reduced from over 13,000 visits since 2014
  - Achieved an 80% reduction in emissions from cruise, container, and reefer vessels
  - Shore power installed at 65 berths and on >500 vessels
  - 3 capture and control systems built
  - Global model to combat port emissions
Need For Proposed Regulation

- Port communities heavily impacted by freight
  - Increased risk of premature death, hospitalizations, and cancer risk
- Need further reductions and public health benefits
- Address implementation challenges with existing regulation
Key Objectives of At Berth Proposal

• Provides transition time (several years) to make the needed investments in clean technology
• Reduces emissions from auxiliary engines and some tanker boilers
• Contains safeguards to address situations where emissions reductions may be uncertain
• Would result in emissions reductions from an additional ~2,300 vessel visits per year
Rulemaking Process

• Proposed Regulation available for public comment between October 15 - December 9, 2019
• CARB Board heard initial proposal on December 5, 2019 and directed staff to consider changes
• Webinar to discuss proposed changes was held on January 30, 2020
• “15-day” changes were available for public comment March 26 - May 1, 2020
Summary of 15-Day Changes

• Accelerated implementation dates for tankers and ro-ros
• Development of Innovative Concept compliance option
  o Achieves equivalent or greater emissions reductions at lower costs
  o Renewable every three years as long as reductions are met
• Interim evaluation strengthened and expanded
• Key regulation language clarifications and updates
Proposed Regulation Achieves Significant Emissions Reductions*

46% Reduction

52% Reduction

*Projected Statewide Emissions (Tons Per Year)
Proposed Regulation Provides Significant Reduction in Potential Cancer Risk

* Richmond does not receive container, reefer, or cruise visits*
Provides Additional Health Benefits

• Reduced mortality, hospitalizations, and emergency room visits
• Reduction in exposure to toxic diesel PM
  o For example, reduced exposure to 3.7 million residents in South Coast
• Additional benefits not monetized, such as:
  o Elevated vulnerability and impacts in disadvantaged communities, brain and lung health, cancer risk and birth outcomes
Summary of Stakeholder Comments

- Implementation dates too soon/not soon enough
- Innovative concepts provision is useful/uncertain
- Delay/don’t delay rulemaking due to pandemic/recession
Container, Reefer, & Cruise Vessels

- Vessels regulated since 2014
- Pandemic impacting both container and cruise industry (mostly cruise)
- Stakeholder requests to keep existing regulation for container/reefer/cruise
  - Requests will not adversely impact emission reductions until 2023
- Discuss adjusting implementation date from 2021 to 2023

*Feb-May 2019 vs. 2020 impacts to container volumes and cruise visits

-10%* Container Vessels

-70%* Cruise Vessels
Ro-Ro Vessels

• ~50-75% reduction in visits (Feb-May 2019 vs. 2020)
• New car purchases tend to recover slowly (anticipated to take years)
• Discuss adjusting implementation date from 2024 to 2025
  o Will not significantly impact emission reductions
Tanker Vessels

- Crude oil imports down ~15% (Feb-May 2019 vs. 2020)
- Crude oil imports already showing increases in May/June
- Implementation dates are 4-6 years away
- Discuss maintaining 2025 and 2027 implementation dates
Discuss adjusting Innovative Concepts approval period from three years up to five years

*Will vary depending on project specifics

Replace four* Tier 1 line haul locomotives operating within impacted communities with cleanest Tier 4

At Berth controls one tanker terminal with about 70 visits per year
Next Steps

• Based on public comments and Board discussion, staff proposes to:
  o Follow-up with stakeholders on adjustments
  o Prepare second 15-day changes for public review/comment by early July
  o Return within next 2 months (August) for final board action
• Must submit to Office of Administrative Law (OAL) by December 2020