

Amendments to the California Regulation on Fuel Sulphur

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The California Air Resources Board published Amendments to the California Regulation on Fuel Sulphur.

The California Air Resources Board published [Marine Notice 2011-1](#) with Amendments to the California Regulation on Fuel Sulphur for Ocean-Going Vessels within California Waters and 24 Nautical Miles of the California Baseline.

The purpose of these Amendments is to:

- Expand the regulatory boundary in Southern California.
- Delay implementation of the "Phase II" 0.1% sulphur fuel until January 1, 2014.
- Limit marine gas oil to 1% sulphur starting on August 1, 2012 (to align the date and sulphur limit to the start of the North American ECA).
- Make minor amendments to Noncompliance Fee Provision.
- Update the definitions of compliant distillate fuels and the California Baseline.

The amendments are expected to become legally effective by the end of 2011.

Contact

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California Air Resources Board Marine Notice 2011-1



September 1, 2011
Advisory to Owners or Operators of Ocean-Going Vessels
Visiting California Ports

Amendments to the California Regulation on Fuel Sulfur and Other Operational Requirements for Ocean-Going Vessels within California Waters and 24 Nautical Miles of the California Baseline (“OGV Fuel Regulation” or “regulation”)

The purpose of this advisory is to notify owners and operators of ocean-going vessels (OGVs) of amendments to the OGV Fuel Regulation. Amendments to the regulation were endorsed by the California Air Resources Board on June 23, 2011. These amendments were made available for a 45-day public comment period beginning on May 9, 2011. In addition, changes to the originally proposed modifications (“15-day changes”) were presented at the Board Hearing and made available for a 15-day public comment period from July 25, 2011 to August 9, 2011.

The amendments to the regulation are summarized below. ***This advisory is only a summary of the amendments, and does not contain all the information that may be needed to comply with the regulation. If you might be affected by the regulation, it is essential you carefully review the regulation before taking steps to comply with it.*** To view the amendments, please visit the ARB’s website at the following location: <http://www.arb.ca.gov/regact/2011/ogv11/ogv11attach1.pdf>, or contact the ARB staff listed at the end of this advisory for a copy.

For more information on the amendments and the rationale for making them, please see the staff report here: <http://www.arb.ca.gov/regact/2011/ogv11/ogv11isor.pdf>. For more information on the “15-day changes,” please see the “Notice of Public Availability of Modified Text” here: <http://www.arb.ca.gov/regact/2011/ogv11/ogv1115daynot.pdf>.

What changes were endorsed?

The amendments endorsed by the Board would:

- Expand the regulatory boundary in Southern California.
- Delay implementation of the “Phase II” 0.1% sulfur fuel until January 1, 2014.
- Limit marine gas oil to 1% sulfur starting on August 1, 2012.
- Make minor amendments to Noncompliance Fee Provision.
- Update the definitions of compliant distillate fuels and the California Baseline.

Additional information on each of these changes is provided below.

When will the changes become legally effective?

The amendments are expected to become legally effective by the end of 2011 subject to review and approval by the California Office of Administrative Law. Due to the

administrative process, we cannot provide an exact date. However, interested parties can check ARB's website for updates here:

<http://www.arb.ca.gov/ports/marinevess/ogv.htm>, or sign up with the following "list-serve" to receive an email notification when the regulation becomes legally effective: http://www.arb.ca.gov/listserv/listserv_ind.php?listname=maritime.

How does the regulatory boundary change?

The regulatory boundary is expanded in Southern California to be consistent with the Contiguous Zone, which is 24 nautical miles from the California "Baseline." This new boundary includes the region 24 nautical miles from the California shoreline, including 24 nautical miles from the shoreline of each of the Channel Islands off California's coastline.

There is also a small region within the 24 nautical mile boundary that is exempt from the regulatory requirements to encourage vessels transiting to and from the Ports of Los Angeles or Long Beach to use the established shipping lanes in the Santa Barbara Channel. The map (Figures 1a – 1c) at the end of this Marine Notice shows the amended regulatory boundary, including the exempt region.

What are the revised fuel requirements?

The revised fuel requirements are summarized in Table 1 below.

Table 1: New Fuel Requirements for Ocean-Going Vessels

Fuel Requirement	Effective Date	Percent Sulfur Content Limit
Phase I	July 1, 2009 ¹	Marine gas oil (DMA) at or below 1.5% sulfur; or Marine diesel oil (DMB) at or below 0.5% sulfur
	August 1, 2012 ²	Marine gas oil (DMA) at or below 1.0% sulfur; or Marine diesel oil (DMB) at or below 0.5% sulfur
Phase II	January 1, 2014 ³	Marine gas oil (DMA) or marine diesel oil (DMB) at or below 0.1% sulfur

1 No change from the existing requirements.

2 Marine gas oil sulfur limit reduced from 1.5% to 1%. No change in marine diesel oil limit.

3 Implementation delayed from 2012 to 2014.

As shown in Table 1, under the endorsed amendments, the January 1 implementation of the "Phase II" 0.1% fuel sulfur limit is delayed from 2012 to 2014. In addition, the sulfur content limit for marine gas oil is reduced from 1.5% to 1% beginning on August 1, 2012. This aligns with the date that the 1% fuel sulfur requirement in the North American Emission Control Area begins.

What changes to the Noncompliance Fee Provision were endorsed?

The Noncompliance Fee Provision provides the option to pay a fee in lieu of direct compliance with the regulation (using the compliant fuels) under certain limited

situations specified in the regulation. Under the proposed amendments, this provision is revised as follows:

- The noncompliance fee is halved for vessels that purchase compliant fuel during their port visit and use the fuel in port and on departure from port while in regulated waters.
- Offshore anchorages made in conjunction with a port visit are not counted as a second port visit when calculating noncompliance fees.
- The fee schedule is revised as shown in Table 2.

Table 2: Noncompliance Fee Schedule, Per Vessel

California Port Visits	Amended Per-Port Visit Fee*	Fee Prior to Amendments
1st Port Visited	\$45,500	\$45,500
2nd Port Visited	\$45,500	\$91,000
3rd Port Visited	\$91,000	\$136,500
4th Port Visited	\$136,500	\$182,000
5 th or more Visits	\$182,000	\$227,500

* Fee halved for vessels that purchase and use compliant fuel during port visit.

What other changes to the regulation were endorsed?

The definitions of “marine gas oil” (MGO) and “marine diesel oil” (MDO) were revised to reflect new international standards. Specifically, MGO and MDO are defined in the amended regulation as fuels meeting all the specifications for DMA and DMB grades of fuel, respectively, under Table 1 of International Standard ISO 8217, using either the older 2005 ISO 8217 specifications, or the new 2010 specifications. Fuels meeting either the older 2005 or newer 2010 specifications are allowed under the amended regulation because, in many cases, fuel suppliers are not offering fuels meeting the new 2010 specifications.

The definition of the “California Baseline” was also revised to reflect updates to the National Oceanic and Atmospheric Administration (NOAA) charts that define the California Baseline (shoreline). NOAA periodically updates the charts defining the Baseline because it changes over time. The new definition reflects an update from the April, 2005 version of the chart for the coastal region from San Diego to Santa Rosa Island to a March 2007 version.

Other minor miscellaneous clarifications and conforming changes were made to the regulation.

What should I do now?

We expect the amendments to the regulation discussed above to be legally effective by the end of 2011. Vessel operators should prepare to use the complying fuels within the revised zone shown on the map below when the amendments become effective.

Vessel operators can check on the status of these amendments by visiting ARB's website here: <http://www.arb.ca.gov/ports/marinevess/ogv.htm>, or sign up with the following "list-serve" to receive an email notification when the regulation becomes legally effective: http://www.arb.ca.gov/listserv/listserv_ind.php?listname=maritime.

Vessel operators also need to be aware that a North American Emission Control Area (ECA) has been adopted and includes fuel requirements that will be implemented on August 1, 2012. Information on the ECA requirements can be found on the United States Environmental Protection Agency's website at: <http://www.epa.gov/otaq/oceanvessels.htm#north-american>.

How can I get more information?*

Name	Title	Phone	Email
Bonnie Soriano	Staff Air Pollution Specialist	(916) 327-6888	bsoriano@arb.ca.gov
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Peggy Taricco	Supervisor, Technical Analysis Section	(916) 323-4882	ptaricco@arb.ca.gov

* Additional information can also be found at <http://www.arb.ca.gov/marine>

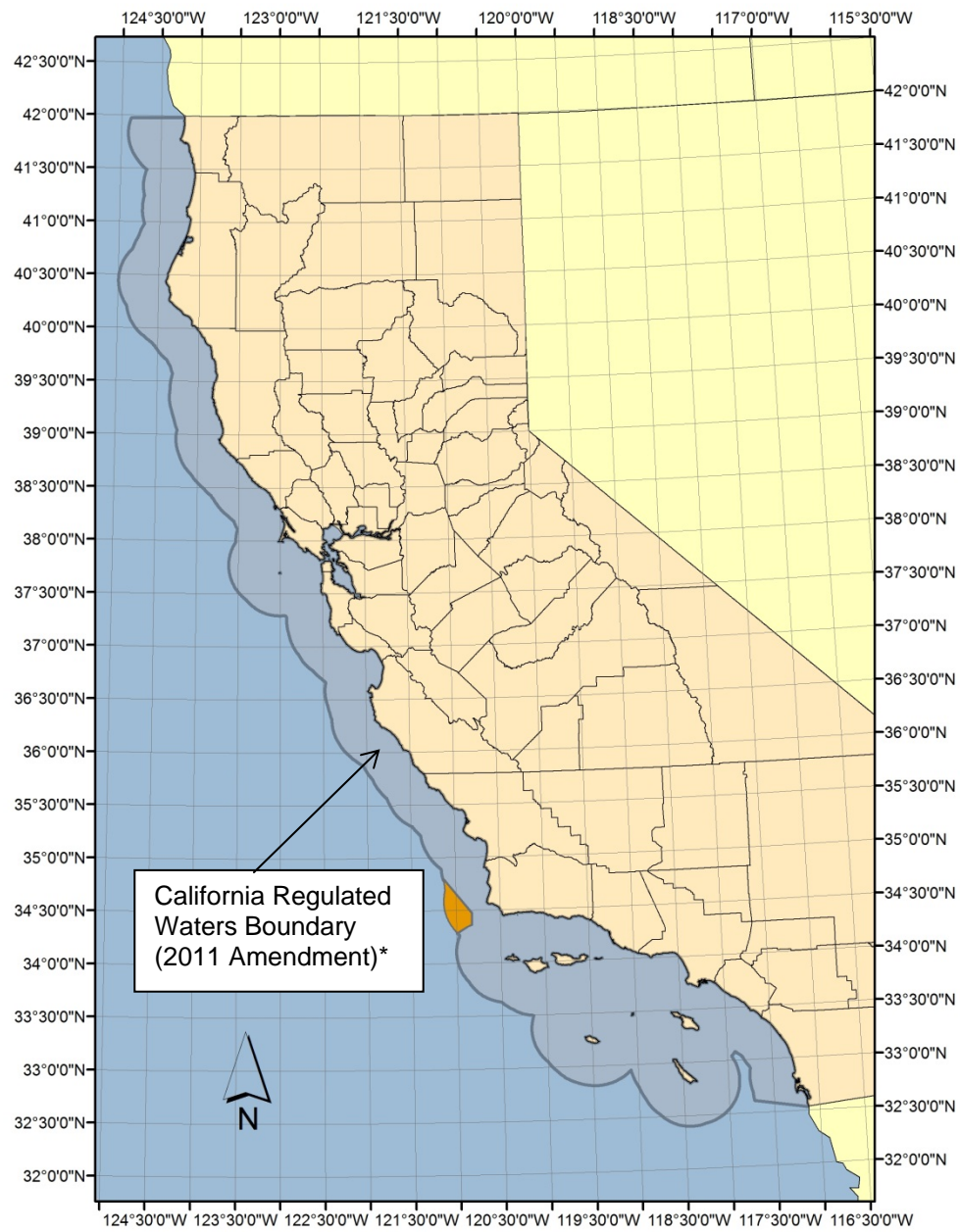


Figure 1a. Regulated California Waters



Figure 1b. Bay Area Detail

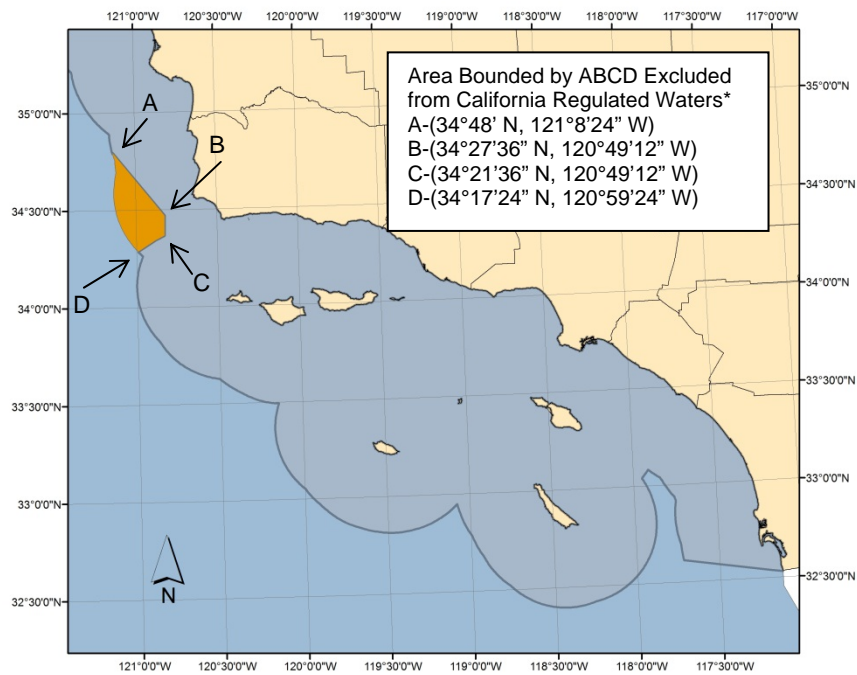


Figure 1c. Southern California Detail

*California Regulated Waters are consistent with the Contiguous Zone except for region bounded by ABCD in Figure 1c.