

Agenda Date: August 16, 2012
Agenda Placement: Regular
Estimated Time: 15 minutes
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Dave Van Mullem, Air Pollution Control Officer

SUBJECT: An Incentive-based Strategy to Reduce Ship Speeds for Pollution Reduction, Whale Protection, and Additional Benefits

RECOMMENDATION:

Receive report and give policy direction regarding a recent initiative to incentivize reduction of ship speeds off the California Coast.

DISCUSSION:

As part of our ongoing efforts to tackle marine shipping emissions, the District recently submitted a comment letter suggesting an incentive-based strategy to reduce ship speeds off the California coast.

Benefits include:

- Climate protection benefits derived from the reduction of greenhouse gas (GHG) emissions;
- Public health benefits from significant emission reductions of pollutants including air toxics, particulates, and smog-forming pollutants such as nitrogen oxides (NOx);
- Environmental benefits from protection of marine life, including endangered whale species;
- Economic benefits through helping coastal communities such as ours meet state and federal air quality standards using a non-regulatory approach, and through support of the continued economic health of the state's ports.

Background

The California Air Resources Board (CARB) recently solicited comments on the use of auction revenue funds from the AB 32 Cap-and-Trade program. The revenue over the next eight years is expected to be substantial, with the potential to fund several different types of projects. CARB has set a priority for funding measures that reduce GHG emissions and that result in additional environmental and economic benefits.

The District submitted a comment letter suggesting some portion of the funds be designated to establish a program to incentivize reduction of ship speeds along the California coast. Reducing ship speeds down to 12 knots from the current speeds of approximately 20 knots would do the following.

- Reduce GHG emissions by approximately 1.4 million metric tons statewide. This represents about a 50% reduction from current GHG levels. We estimate reductions from our envisioned program would amount to nearly half of the entire reductions expected from Cap-and-Trade on a yearly basis.
- We estimate the program would also provide Santa Barbara County with significant NOx reductions, enhancing our ability to attain ozone standards.

Successful speed reduction incentives in place at the Ports of Los Angeles and Long Beach provide a model for a program such as the one proposed.

Summary

Key advantages of this approach include the following:

- Opportunity for large GHG reductions, the major priority for the use of these funds;
- Mechanisms already in place to ensure reductions are verifiable;
- A clear path to implementation building upon the successful incentive-based vessel speed reduction program currently in place at the Ports of LA and Long Beach.
- Significant public health benefits in reductions of NOx, ozone, particulate, and air toxics;
- Significant economic benefits through support of the ports and the improved business climate resulting from attaining air quality standards;
- Protection of endangered whales and other marine mammals off our coast without the need to resort to regulations that could negatively impact the ports.

Attached are the District's comment letter and comment letters submitted by four other agencies and organizations supporting this initiative.