



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: FEBRUARY 4, 2025

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - APPROVE PERMANENT ORDER TO AMEND PORT OF LOS ANGELES TARIFF NO. 4 TO ESTABLISH SECTION 25 EMISSIONS CONTROL STRATEGY CHARGES, ITEM NOS. 2500 "DEFINITIONS" AND 2505 "EMISSIONS CONTROL STRATEGY CHARGES"

SUMMARY:

Staff requests approval of a Permanent Order to amend the Port of Los Angeles (Port) Tariff No. 4 (Tariff No. 4), establishing Section 25 - "Emissions Control Strategy Charges"; Item Nos. 2500 "Definitions" and 2505 "Emissions Control Strategy Charges" (Tariff Amendment). The proposed Tariff Amendment will authorize the City of Los Angeles Harbor Department (Harbor Department) to pass charges for ocean-going vessel (OGV) emission control services through to vessel operators or their designated agents plus a \$1,800 per call service charge.

To comply with the California Air Resources Board (CARB) At Berth Regulation requirements, the Harbor Department has contracted with a CARB approved emission control system (CAECS) service provider to treat emissions for OGVs while at berth. The Tariff Amendment will allow the Harbor Department to invoice the vessel operators or their agents who use the Harbor Department's contract for this service. The \$1,800 per-call service charge will be assessed to cover Harbor Department administrative costs and system upgrades for invoicing the new service.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Class 1(31) of the Los Angeles City CEQA Guidelines;
2. Approve the Amendment to the Port of Los Angeles Tariff No. 4 to establish Section 25 – "Emissions Control Strategy Charges"; Item Nos 2500 "Definitions" and 2505 "Emissions Control Strategy Charges," subject to the California Association of Port Authorities' review and approval, and authorize the Executive Director to work with the California Association of Port Authorities to secure this approval or proceed to

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take independent action in accordance with the California Association of Port Authorities’ procedure;

- 3. Adopt Permanent Order No. _____, effective upon implementation, to amend the Port of Los Angeles Tariff No. 4, to establish Section 25 – “Emissions Control Strategy Charges”; Item Nos 2500 “Definitions” and 2505 “Emissions Control Strategy Charges”;
- 4. Direct the Board Secretary to transmit to the City Council for approval of the Permanent Order and the Ordinance approving and authorizing the Amendments to the Port of Los Angeles Tariff No. 4 pursuant to City Charter Sections 652(e) and 653(a);
- 5. Direct the Board Secretary to transmit to the City Clerk a Notice of Public Hearing for publication in accordance with the provisions of California Government Code sections 66018 and 6062a;
- 6. After City Council approval of the Ordinance, transmit the Permanent Order and Ordinance to the Executive Director or their nominee for implementation and posting to the Port of Los Angeles Website; and
- 7. Adopt Resolution No. _____

DISCUSSION:

Background and Context – In 2020, CARB updated the At Berth Regulation¹ to include stricter emission control requirements for existing regulated vessel types, shared responsibilities between terminal/vessel operators and ports, and new regulated vessel types. Under the At Berth Regulation, regulated vessels must control vessel emissions while at berth with a very limited number of exceptions. Regulated vessels must start controlling emissions for the following types by the following dates:

Vessel Type	Date Emissions Must be Controlled
Container, Cruise, Reefer	January 1, 2023
Ro-Ro, Tanker, Auto Carrier	January 1, 2025

¹ <https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2019/ogvatberth2019/fro.pdf>

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In addition to the vessel’s operators, terminal operators and port authorities now too have responsibilities to ensure vessel emissions are controlled while at berth. Terminal/Port plans, which were submitted to CARB, delineated terminal vs. port responsibilities. Plans, developed between Harbor Department staff and the individual terminals, were submitted to CARB by December 1, 2021 and updated for Ro-Ro, tanker, and auto carrier terminals by February 1, 2024. A limited number of Terminal and Vessel Incident Exceptions are provided to terminal and vessel operators.

CARB has different compliance options for the At Berth Regulation, known as the CARB approved emissions control strategy. Examples of CAECS include shore power and barge-based capture and control technologies. The Harbor Department owns and maintains the existing shore power (Alternative Maritime Power or AMP) infrastructure at the Port’s cruise and container terminals. If the Harbor Department’s AMP infrastructure fails, then the emissions generated by the vessel while at berth would be the Harbor Department’s responsibility per the Port Plan submitted to CARB. In instances where AMP infrastructure fails and immediate repairs cannot be made (e.g. part delays, coordination needed to shut off power, etc.) or AMP has not been installed yet, an on-call OGV CAECS service could be utilized to control emissions to comply with CARB At Berth Requirements and reduce harmful emissions from vessels.

On-Call Service Agreement – On January 16, 2025, the Board approved an Agreement between the Harbor Department and STAX Engineering Inc. (Contractor) for on-call OGV emissions control services.

When any current or future AMP infrastructure is down for repair or construction, Harbor Department Construction and Maintenance staff will contact the Contractor to treat vessel emissions for any vessel(s) calling to the Port while repairs are being made at the berth. Costs incurred will be paid by the Harbor Department to the Contractor. This will ensure the Harbor Department continues to meet its port responsibilities as listed in the terminal/port plans and protect the health of the surrounding community.

In cases where AMP has not been installed at a terminal, the vessel operator or their agent has the option to utilize the Harbor Department’s Agreement for services or arrange their own emission control services. If the vessel operator or their agent uses the Harbor Department’s Agreement for services, then the Contractor will invoice the Harbor Department for payment. The Harbor Department will pay and seek reimbursement from the vessel operator or agent for the cost of the emission control service plus a \$1,800 per call service charge from the Harbor Department to cover reimbursement of administrative and information technology costs for processing invoices. Effective January 1, 2026, and annually thereafter, the service charge will be adjusted as of January 1 automatically without further notice to reflect the percentage increase of the greater of: (a) two percent (2%), or (b) the percentage increase (but not any decrease), if any, in the West Region

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Consumer Price Index, all Urban Consumers (“CPI”) as adopted by the California Association of Port Authorities (CAPA), or successor index selected by Executive Director in their sole reasonable discretion.

In the future, the Harbor Department may have more than one contracted agreement for these services to ensure availability of emissions treatment for all regulated vessel calls.

The Permanent Order does not prevent a vessel operator or their agent from using a different service provider or having their own separate contract with the Harbor Department’s current Contractor(s).

ENVIRONMENTAL ASSESSMENT:

The proposed action is a Tariff amendment, which is an administrative activity and an activity involving the establishment or modification of any rate, fee, or charge for the use of existing municipal facilities and services involving negligible or no expansion of use. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Class 1(31) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the Permanent Order will authorize the Harbor Department to pass through the costs of OGV emissions control services for scheduled vessel calls to vessel operators or their agents. In addition to recovering actual expenditures for the OGV emission control services, the Harbor Department will include a \$1,800 per call service charge. Effective January 1, 2026, and annually thereafter, the service charge will be adjusted as of January 1 automatically without further notice to reflect the percentage increase of the greater of: (a) two percent (2%), or (b) the percentage increase (but not any decrease), if any, in the West Region Consumer Price Index, all Urban Consumers (“CPI”) as adopted by the California Association of Port Authorities (CAPA), or successor index selected by Executive Director in their sole reasonable discretion. Services will be provided on an as-needed basis and billed to the vessel operator on a per-call basis.

CITY ATTORNEY:

The Office of the City Attorney has approved as to form and legality the Tariff, Permanent Order, and Ordinance.

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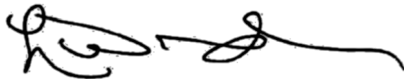
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TRANSMITTAL:

1. Tariff No. 4, Section 25
2. Permanent Order No. _____
3. Tariff Ordinance

FIS Approval: JS
CA Approval: SO



LISA WUNDER
Acting Director of Environmental Management

Michael DiBernardo

MICHAEL DIBERNARDO
Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

LW:JG
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File: Y:_ADMIN_BOARD REPORTS_AIR QUALITY\TARIFF NO. 4\2024 - ON CALL CAECS SERVICES\Permanent\Environmental_Permanent Tariff Order_CAECs Reimbursement Board Report - FINAL.docx
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