

December 10, 2015

California Air Resources Board  
1001 I Street, PO Box 2815  
Sacramento, CA 95812

Re: Comments on Cap-and-Trade Auction Proceeds Second Investment Plan

Dear California Air Resources Board:

The Santa Barbara County Air Pollution Control District recommends the Plan incorporate language to support reduction of speeds of large ships that travel along the California coast.

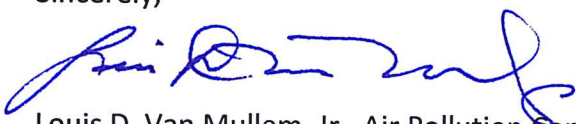
Reducing ship speeds would produce a significant reduction of greenhouse gases (GHG). A vessel speed reduction (VSR) program would also achieve reductions of particulate matter, air toxics, and nitrogen oxides (NOx), an ozone precursor. The NOx reductions are a particularly significant co-benefit, as areas of the state struggle to meet ozone standards. International rules coming into effect will not achieve significant NOx reductions from ships in the near term. As stated in the state's *Mobile Source Strategy* Discussion Draft (October 2015): "Ocean going vessels, locomotives, and aircraft are sources that are primarily regulated by the federal government and international organizations... In contrast to the significant NOx emissions reductions in the on-road mobile sector, emission sources in this category are only forecasted to decrease by about 20 percent by 2031."

The 2014 VSR Trial incentive program, a partnership effort by Santa Barbara County Air Pollution Control District, Channel Islands National Marine Sanctuary, Environmental Defense Center, National Marine Sanctuary Foundation, and the Ventura County Air Pollution Control District, was modeled after the successful VSR programs at the Ports of Los Angeles and Long Beach. Seven global shipping companies participated, slowing speeds of 27 transits through the Santa Barbara Channel. Reductions in GHG and NOx were documented, and are shown in the factsheet attached here and in the full report at <http://www.ourair.org/air-pollution-marine-shipping/>.

We urge California Air Resources Board to add "ship speed reduction" to the section on freight transport efficiency. Specifically, on page 35 of the Plan under system efficiencies we recommend an addition as follows: Support demonstration and implementation of passenger and freight efficiency measures to reduce the carbon footprint while increasing capacity and competitiveness (e.g., connected vehicles, information technology, collaborative logistics, **ship speed reduction**, etc.)

Thank you for your consideration.

Sincerely,



Louis D. Van Mullem, Jr., Air Pollution Control Officer  
Santa Barbara County Air Pollution Control District



John Calambokidis – Cascadia Research

## Protecting Blue Whales and Blue Skies

Report on the 2014 Vessel Speed Reduction Incentive Trial in the Santa Barbara Channel

In 2014, the Channel Islands National Marine Sanctuary, the Santa Barbara County Air Pollution Control District, and the Environmental Defense Center launched a trial incentive program to slow ships down in the Santa Barbara Channel to reduce air pollution and protect endangered whales. The trial was successfully completed November 30, 2014.

### Highlights

- Seven global shipping companies participated
- Slowed 27 cargo ship transits to 12 knots or less from July through November for \$2500 per trip incentive
- 50 percent reduction from baseline emissions for participating vessels:
  - 16 tons of ozone-forming nitrogen oxides (NOx)
  - 500 metric tons of regional greenhouse gases
- Ship strike on a whale up to 50 percent less likely to be fatal at speeds below 12 knots
- Most transits occurred July-October; benefits during peak ozone season and peak whale season
- Unique application of speed reduction in a non-port program



## Issue

Each year, thousands of large container ships going to and from the Ports of Los Angeles and Long Beach travel in designated shipping lanes through the Santa Barbara Channel.

### **Air emissions**

In Ventura and Santa Barbara counties, these vessels are a significant source of:

- ozone-forming nitrogen oxides
- sulfur dioxide
- greenhouse gases
- diesel particulate matter
- other toxic air pollutants hazardous to human health

### **Fatal Ship Strikes**

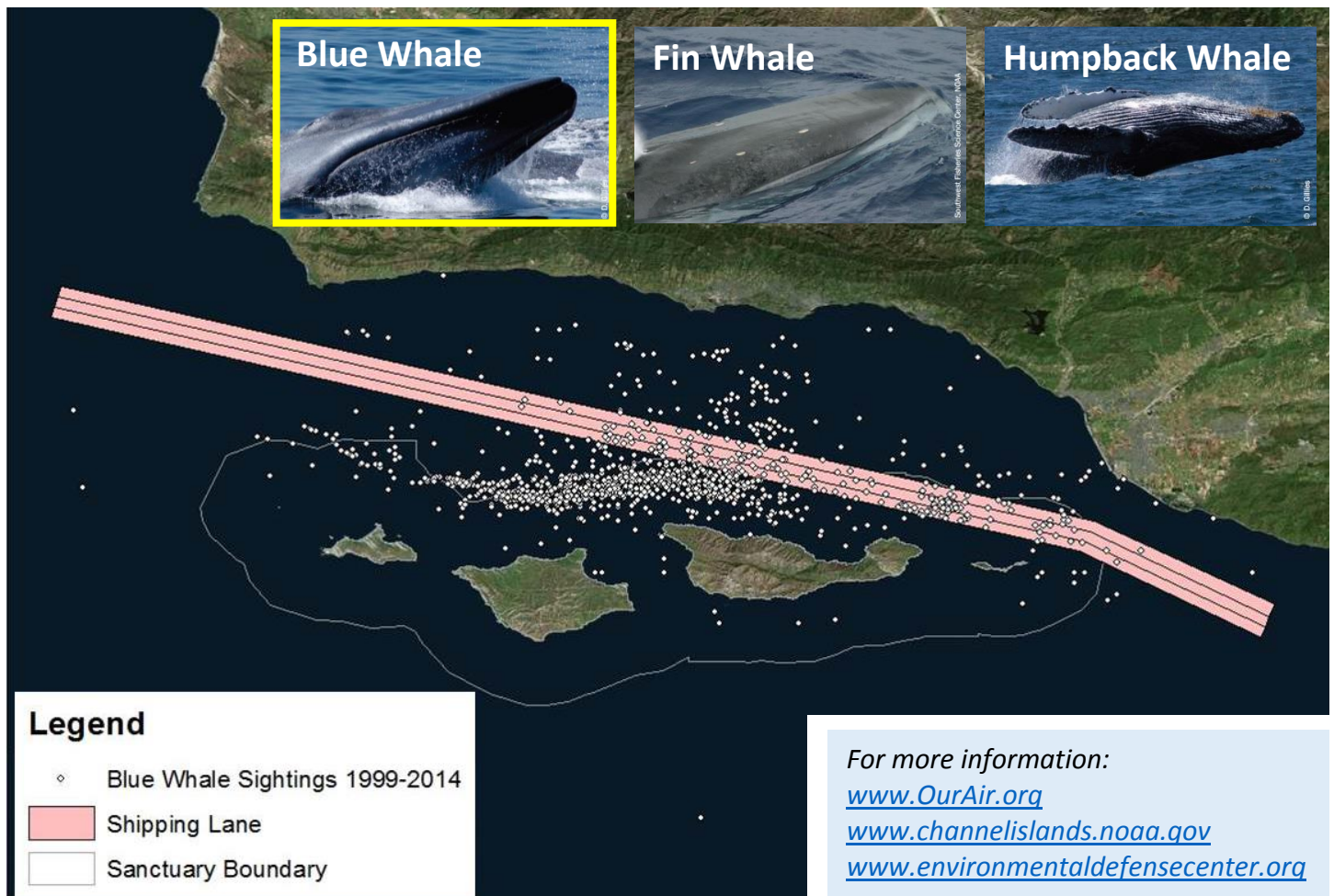
Endangered whale species feed and travel in and around the shipping lanes seasonally:

- Blues
- Fins
- Humpbacks



### **Increased Future Vessel Traffic**

Within the Channel, pollution and endangered whale concerns from ship traffic may become more pronounced as the number of annual transits increases. There may also be changes in Channel traffic related to North American Emissions Control Area fuel requirements that took effect January 1, 2015.





## Goals for the Vessel Speed Reduction (VSR) Trial

- Assess potential air quality and whale protection benefits from a voluntary speed reduction program in the Santa Barbara Channel
- Test the shipping industry's willingness to participate in this kind of a program
- Refine data collection and tracking mechanisms
- Lay the foundation for establishing a larger-scale program in the future

## Criteria for VSR Trial

- Vessel must have a documented speed of 14 knots or higher in previous trips through the Santa Barbara Channel
  - Ensures Trial achieves at least a 2 knot speed reduction
  - Previous baseline speeds ranged from 14 knots to 18.67 knots
- Vessels must be participating in one of the VSR programs at the Ports of Los Angeles/Long Beach
  - Prevents Trial from competing with Ports programs
  - Ensures a continuous slow-speed zone from Ports through Channel

## Seven global shipping companies participated:

- |         |               |          |               |                                |
|---------|---------------|----------|---------------|--------------------------------|
| ▪ COSCO | ▪ Hapag-Lloyd | ▪ K-Line | ▪ Maersk Line | ▪ Mitsui O.S.K. Lines          |
|         |               |          | ▪ Matson      | ▪ United Arab Shipping Company |

## Trial Implementation

The VSR Trial was developed and implemented by staff from the partner agencies and organizations:

- The National Marine Sanctuary Foundation served as a fiscal agent for receiving funds and making incentive payments.
- Funding was provided by:
  - Santa Barbara Foundation
  - Santa Barbara County Air Pollution Control District
  - Ventura County Air Pollution Control District



*Speakers and Participants in a 9/10/14 forum on the Trial Program.*

- More applications for eligible transits (40) than could be incentivized
- In total, 35 transits enrolled in the VSR Trial and 27 of these qualified for an incentive payment
- Ship speeds through the Channel were verified by using Automatic Identification System (receives vessel speed and location data from transponders on all ships)
- Total incentive payout amount of \$67,500
- 5.1-knot average reduction from baseline speeds for the 27 eligible transits

## Next Steps

The VSR Trial's design, enrollment process, and data collection/processing mechanisms were refined throughout, and a solid foundation is in place for establishing a larger-scale program.

### Benefits of a Large-Scale Program in the Santa Barbara Channel

(Estimated 2,500-5,000 transits per year)

- 1,500-3,000 tons of NOx emissions reductions per year
- 47,500 -95,000 metric tons of regional GHG emissions reductions (expressed as carbon dioxide equivalent, or CO<sub>2</sub>e)
- Assuming similar incentive, cost approx. \$6-12 million/year
- Immediate emission-reduction and whale-protection benefits
- Potential for a statewide program: benefits could be expanded along the California coastline

### Urgency

- Proposed stricter federal ozone standard could put our region out of attainment; more important to reduce NOx emissions
- Projected increase in annual transits through the Channel to the Ports
- Possible changes in Channel traffic related to North American Emissions Control Area fuel requirements that took effect on January 1, 2015
- Ship strikes are one of the leading causes of whale mortality and may be affecting recovery

