



# Air Resources Board



**Matthew Rodriguez**  
Secretary for  
Environmental Protection

**Mary D. Nichols, Chairman**  
1001 I Street • P.O. Box 2815  
Sacramento, California 95812 • [www.arb.ca.gov](http://www.arb.ca.gov)

**Edmund G. Brown Jr.**  
Governor

April 29, 2013

Mr. Charlie Bills  
Corporate Vice President  
Marine Operations and Engineering  
Pier 3, Hornblower Landing  
San Francisco, California 94111

Dear Mr. Bills:

Thank you for submitting an Alternative Control of Emissions (ACE) plan for Hornblower Cruise and Events (Hornblower) to comply with the in-use engine requirements of the Air Resources Board (ARB) Commercial Harbor Craft Regulation (CHC Regulation or Regulation) as set forth in title 17, California Code of Regulations, section 93118.5, subsection (f). The ACE plan is for 19 main engines and 9 auxiliary engines operating on 10 different vessels in the Bay Area Air Quality Management District (BAAQMD).

Upon reviewing the ACE plan and the comments received during the first 30-day public comment period and the second 15-day public period, ARB staff has determined that they cannot approve the ACE plan.

The ACE plan proposes using emission reductions achieved by the repower of 4 engines on the vessel California Hornblower 5 to 6 years before the CHC Regulation's compliance dates to offset a delay in compliance for engines on certain other vessels. However, the BAAQMD provided the Carl Moyer Program (CMP) funding to Hornblower for the repower of the 4 engines to receive the early compliance. The CMP Grant Agreement between the BAAQMD and Hornblower, section III (20)<sup>1</sup> addresses that emission reductions from CMP projects cannot be used to generate credits to offset any

---

<sup>1</sup> Section III (20) "Emission Reductions: The Air District retains the exclusive right to claim any emission reduction credits under state or federal law that might result from emissions reduced by the Project implemented pursuant to this Agreement. The emissions reduced by the Project may not be used by Grantee to comply with any local, state, or federal air pollution regulation or law, or used to fulfill Grantee's obligations arising out of any order, settlement contract, memorandum of understanding, or other binding legal document."

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

Mr. Charlie Bills  
April 29, 2013  
Page 2

emission reduction obligation. In addition, Section III (23)<sup>2</sup> of the Grant Agreement for this project requires the project to maintain compliance with the CMP guidelines. ARB CMP guidelines prohibit emission reductions from funded projects from being used to offset any emission reduction to generate credits for other vessels' compliance requirement. Therefore, ARB cannot approve the ACE plan requested by Hornblower.

If you have any questions regarding this notification or with compliance with the CHC regulation, please contact Ms. Cherie Rainforth, Manager, Control Strategies Section at (916) 327-7213 or by email at [crainfor@arb.ca.gov](mailto:crainfor@arb.ca.gov). If you have questions regarding enforcement of the CHC Regulation, please contact Mr. Tim Gergen, Air Pollution Specialist, Railroad and Marine Enforcement Section at (916) 445-0292 or by email at [tgergen@arb.ca.gov](mailto:tgergen@arb.ca.gov).

Sincerely,



Daniel E. Donohue, Chief  
Emissions Assessment Branch  
Stationary Source Division

cc: Cherie Rainforth, Manager  
Control Strategies Section

Tim Gergen, Air Pollution Specialist  
Enforcement Division

---

<sup>2</sup> Section III (23) "Compliance with Carl Moyer Program Guidelines: The Grantee agrees to implement the project in accordance with all requirements of the applicable CARB Carl Moyer Program Guidelines. Any questions or disputes the Parties may have regarding the implementation of this Agreement shall be resolved in accordance with the applicable CARB Guidelines."