

State of California  
Air Resources Board

Executive Order (G-09-072)

Relating to Essential Modifications Exemption under California Code of Regulations,  
title 13, section 2299.2(g) and title 17, section 93118.2(g)

**Capital Shipmanagement Corp.**

WHEREAS, pursuant to sections 39600, 39601, 41510, 41511, 43013, and 43018 of the Health and Safety Code, the California Air Resources Board (ARB) has established requirements for ocean-going vessels (OGV) to use marine gas oil (DMX or DMA grades) or marine diesel oil (DMB grades) at specified sulfur limits in the main engine, auxiliary engines, and auxiliary boilers within a 24 nautical mile zone of the California Coastline; these requirements are found at California Code of Regulations (CCR), title 13, section 2299.2 and title 17, section 93118.2 (OGV Fuel Regulation);

WHEREAS, subdivision (g) of the OGV Fuel Regulation authorizes the Executive Officer to provide an exemption in whole or part from using the specified fuels provided that a person submits an Essential Modification Report that: (1) includes information demonstrating it is not feasible to use the specified fuels unless essential modifications to the OGV are made; and (2) identifies the maximum extent with respect to trip distance or regulated equipment type to which the vessel can use the fuels without essential modifications where feasible and safe for each of the auxiliary engines, main engines, and auxiliary boilers;

WHEREAS, Capital Shipmanagement Corporation submitted Essential Modification Reports dated August 31, 2009 and September 4, 2009, and additional supporting materials dated August 31, 2009 through September 14, 2009 requesting essential modification exemptions for the following vessels and equipment listed in Table 1;

**Table 1. Vessel and Auxiliary Boiler Information**

<b>Owner/Operator</b>	<b>Ship Name</b>	<b>IMO</b>	<b>Auxiliary Boiler Make and Model</b>	<b>Quantity</b>
Capital Shipmanagement Corp.	Alterego II	9247376	Aalborg Mission OL 35000	2
Capital Shipmanagement Corp.	Amore Mio II	9226968	Aalborg Mission OL 35000	2
Capital Shipmanagement Corp.	Miltiadis M II	9311610	Aalborg Mission OL 40000	2

WHEREAS, the Essential Modification Reports state that the aforementioned vessels could not use the fuels specified in the OGV Fuel Regulation in the auxiliary boilers as listed in Table 1 without essential modifications;

WHEREAS, Capital Shipmanagement Corporation stated it is planning on making the modifications to the vessels listed in Table 1 to enable the vessels to use the required fuels in the auxiliary boilers;

WHEREAS, ARB has reviewed the Essential Modification Reports and additional supporting materials provided by Capital Shipmanagement Corporation, and determined that the submissions satisfactorily demonstrate that essential modifications are necessary for the auxiliary boilers on the vessels listed in Table 1 to fully comply with the fuel use requirements in the OGV Fuel Regulation;

WHEREAS, based on the determinations described above, the vessels listed in Table 1 qualify for an essential modification exemption for the auxiliary boilers;

NOW, THEREFORE, IT IS ORDERED, Capital Shipmanagement Corporation, is granted an exemption from the fuel use specifications set forth in subdivision (e)(1) and from the recordkeeping, reporting and monitoring requirements in subdivision (e)(2) of the OGV Fuel Regulation for the auxiliary boilers on the vessels listed in Table 1, subject to the limitations and conditions in this order and the OGV Fuel Regulation;

BE IT FURTHER ORDERED, the vessels listed in Table 1 shall comply with the fuel specifications set forth in subdivision (e)(1) and the recordkeeping, reporting and monitoring requirements in subdivision (e)(2) of the OGV Fuel Regulation for the main engines and auxiliary engines in the vessels listed in Table 1;

BE IT FURTHER ORDERED, that if the OGV Fuel Regulation is amended to modify any provisions relating to the essential modification exemption, the Executive Officer may revoke or modify this essential modification exemption as necessary to bring it into conformance with the revised regulation;

BE IT FURTHER ORDERED, if the Executive Officer issues written findings that federal requirements are in place that will achieve equivalent emissions reductions within the Regulated California Waters pursuant to subdivision (j) of the OGV Fuel Regulation, the Executive Officer shall revoke this exemption upon notice to Capital Shipmanagement Corporation;

BE IT FURTHER ORDERED, if the Executive Officer determines that the essential modification exemption is no longer warranted, the Executive Officer may modify or revoke this exemption after providing 30 days written notice to Capital Shipmanagement Corporation of its intent to modify or revoke the exemption;

BE IT FURTHER ORDERED, if the essential modifications that are the basis for this exemption are made voluntarily, or due to other regulatory requirements, or for other reasons, then this exemption terminates and the auxiliary boilers on the vessels listed in Table 1 must use the required fuels while in Regulated California Waters, and Capital Shipmanagement Corporation must provide ARB with immediate written notification that modifications have been made;

BE IT FURTHER ORDERED, the Executive Officer encourages Capital Shipmanagement Corporation to voluntarily make the essential modifications noted above to the vessels listed in Table 1 and to use the specified fuels in the OGV Fuel Regulation while in California Regulated Waters to benefit the health and welfare of California's citizens.

Executed at Sacramento, California this 30 day of September, 2009

James N. Goldstene  
Executive Officer

by



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