

State of California  
Air Resources Board

Executive Order (G-09-022)

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

**Teekay Marine Services**

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, Teekay Marine Services submitted Essential Modification Reports dated June 23, 2009, July 13, 2009, July 14, 2009, July 16, 2009, July 17, 2009, July 20, 2009 and July 21, 2009 and additional materials provided between June 23, 2009 and July 21, 2009, requesting essential modification exemptions for the following vessels and equipment listed in Table 1;

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

Owner / Operator	Ship Name	IMO	Auxiliary Boiler Make and Model	Quantity
Teekay Marine Services	SPT Navigator	9313498	Aalborg Mission OM20	2
Teekay Marine Services	Kiowa Spirit	9171826	Mitsubishi Heavy Industry MAC-25B	2
Teekay Marine Services	Everest Spirit	9281009	Mitsubishi Heavy Industry MAC-30B	2
Teekay Marine Services	Iskmati Spirit	9236353	Aalborg Mission OL3500	2
Teekay Marine Services	Ashkini Spirit	9239484	Aalborg Mission OL3500	2
Teekay Marine Services	Ganges Spirit	9230517	Aalborg Mission OL3500	2
Teekay Marine Services	Yamuna Spirit	9230505	Aalborg Mission OL3500	2
Teekay Marine Services	Orkney Spirit	9038737	Mitsubishi MAC-25B	2
Teekay Marine Services	Godavari Spirit	9286229	Hyundai HMT-35	2
Teekay Marine Services	Kaveri Spirit	9286281	Hyundai HMT-35	2
Teekay Marine Services	Narmada Spirit	9269075	Hyundai HMT-35	2
Teekay Marine Services	Tianlong Spirit	9378369	Aalborg Mission TM-D-35	2
Teekay Marine Services	Fuji Spirit	9268112	Mitsubishi Heavy Industry MAC-25B	2
Teekay Marine Services	Kilimanjaro Spirit	9281011	Mitsubishi Heavy Industry MAC-30B	2
Teekay Marine Services	Zenith Spirit	9404845	Mitsubishi Heavy Industry MAC-35B	2
Teekay Marine Services	Pinnacle Spirit	9385192	Mitsubishi Heavy Industry MAC-35B	2
Teekay Marine Services	Esther Spirit	9282053	Mitsubishi Heavy Industry MAC-30B	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, Teekay Marine Services 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 Teekay Marine Services, 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, Teekay Marine Services, 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 Teekay Marine Services;

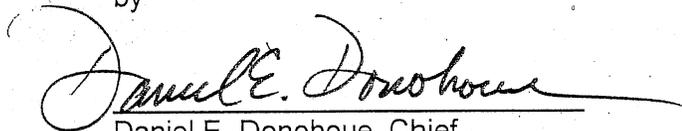
BE IT FURTHER ORDERED, if the Executive Officer determines that the essential modification exemption is no longer warranted, the Executive Officer may modify or revoke this exemption after providing 30 days written notice to Teekay Marine Services of its intent to modify or revoke the exemption;

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 Teekay Marine Services must provide ARB with immediate written notification that modifications have been made;

Executed at Sacramento, California this 23 day of July, 2009

James Goldstene  
Executive Officer

by



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