



WEST COAST COLLABORATIVE

Public-private partnership to reduce diesel emissions

West Coast Collaborative Marine Vessels and Ports Workgroup

November 22, 2005 Meeting Notes

On November 22, 2005, the West Coast Collaborative Marine Vessels and Ports Workgroup met by teleconference. The call followed the Workgroup's face-to-face meeting on October 5, 2005 in San Francisco. The intent of the conversation will be to report on and solicit input to initiatives started at the face-to-face meeting. The call also included general updates on Collaborative related activities.

Clearinghouse Report

Alicia Blancarte, Port of Vancouver championed an effort to enhance the Marine Clearinghouse on the Collaborative website. At the October meeting, a sub-group volunteered to refine and propose a clearinghouse concept to the full Workgroup. The sub-group has met twice by phone to develop the clearinghouse ideas.

There appear to be two, complementary visions of the clearinghouse. One is a collection of a broad range of pertinent documents, links, and other information to be located in one place. The second is a more narrow, demonstration project report database. This would focus on specific details of pilot projects designed to help accelerate the diffusion of promising technologies. The intended audience would be ports, agencies, terminal operators and anyone interested in project implementation

The group suggested that both visions of the clearinghouse could be addressed. The first range of documents appears to be an expansion of the existing clearinghouse on the West Coast Collaborative website. The second, narrow vision requires some additional, specific work. The group drafted a form and mocked-up a website to test the idea with the full Workgroup. A key component of the form and any presentation on the web would be a searchable function (by application area, for instance). Unsuccessful projects will be revealed through information on the forms (such as cost effectiveness). The contact person for each project would be available to field more detailed inquiries as people raise them.

After further review of other options, it was suggested that the West Coast Collaborative website would best meet the clearinghouse needs. Ports and air agencies that have sponsored projects will be the first responsible parties to populate the database. These groups will have a deadline and if at that time the level of effort to create the technical information sheets is beyond expectations, the sub-group will reconvene to determine a path forward which could include soliciting consultant help. While there is no geographic limitation to this clearinghouse, it will focus on the West Coast by virtue of the fact that we are connected through the West Coast Collaborative. The clearinghouse is specifically designed to scale up and accommodate additional projects should other areas of the country/world wish to participate.

The response from the Workgroup was a positive one supporting the sub-groups recommendations.

Next Steps

- Alicia Blancarte, with support from Ross & Associates, will initiate the database population effort through West Coast ports and air agencies.

Executive Dialogue Report

At the October meeting, a sub-group volunteered to consider the *content and process* to initiate executive level conversations. The Workgroup felt there was value in formally coordinating to explore a deeper dialogue at the executive level between air regulators, ports, and shipping/carrier companies. The dialogue would address both the industry questions with respect to cost, certainty, and timing while industry could be asked to suggest incentives for a path forward.

The sub-group has met by teleconference and refined the focus and needs to initiate a dialogue. The group identified four main buckets of content. In some cases there was the beginning of a process identified within the content.

Bucket #1 - Ship Design Dialogue

The notion of success in this area would be a conversation with carrier companies' executives in charge of ordering and specifying ship designs. The Collaborative could help facilitate decision-making around emission reduction options by bringing solutions to the companies who are aware of the challenges. There are three areas that will contribute to the success of this effort – all of which require planning before entering into a dialogue:

- Technology options: A number of potential emission reduction options exist that could be beneficial to install in the design phase.
- Ships in Queue: Much of the discussion centered around the possible window of opportunity in the ship building cycle; the group felt it was critical to know what quantity of ships can be influenced and who has these ships on order.
- Incentives: A third piece of the puzzle revolves around incentives for change.

Bucket #2 - Cold Ironing Standards

The standardization of shorepower equipment and plugs could create economies of scale that could encourage more widespread adoption. There was some sense that the standardization process will evolve naturally (and is already underway, such as in Long Beach and LA), but there may be value in the Collaborative helping to foster buy-in without slowing down others' efforts.

Bucket #3 - Government Role in Testing

There is interest in attempting to reduce the large cost in testing and approving technologies that can prohibit diffusion of successful technologies. In particular this was mentioned for biodiesel and ship scrubbing technologies testing and cost-effective measures. Government testing is a key component of providing certainty to industry that can help support action. The conversation moved to consider how to help streamline/coordinate processes between EPA and CARB.

Bucket #4 - Clean Fuels Infrastructure

Following the on-road model to create the infrastructure to supply alternative clean fuels, the sub-group considered the possibility to expand this model to the maritime industry. This issue has direct connection to EPA's new diesel fuel standards that will come into effect in late 2006.

The report out covered only the first of several anticipated calls for the sub-group to progress. Additional work remains and the Workgroup was supportive of the initial direction.

Next Steps

- The group will have a follow-up call in mid-December and will likely continue on a monthly basis

General Updates

EPA RFIP

EPA will be issuing the Collaborative Request for Initial Proposal (RFIP) in mid-December. It is anticipated that the RFIP will total approximately \$3 million. Of that, approximately \$500,000 is likely to go toward the marine sector. In addition, the RFIP will likely target \$500,000 in clean fuel efforts that could apply to the marine sector. The goal is to fund projects in the range of \$250,000 - \$500,000, although smaller project proposals are welcomed. The deadline for proposals will be in mid-February with finalist selection in May/June. Awards will be made before September 30, 2006.

Federal Budget News

There has been significant activity supporting the proposed \$200 million Diesel Emission Reduction Act (DERA) on a national scale. Many West Coast Collaborative members have been strong supporters. If successful, the West Coast Collaborative could get up to \$40 million. Recent developments have shown positive support within congressional offices, however, there is a significant challenge in funding new programs in this deficit year.

Bunkerworld Conference Report

TL Garret, PMSA, was the chairman of the recent Bunkerworld Conference and shared some of the highlights coming out of the October 5-7 meeting in San Francisco. TL suggested that conference participants identified three ways in which marine diesel emissions could be addressed:

1. Produce cleaner fuels at the refinery (e.g., re-processing bunker fuels to a higher quality). While there are some native sources of low sulfur crude oils, it is unlikely that the refining industry would follow this path.
2. Shoreside blending. In order to reduce sulfur levels in the fuel, users (or distributors) can blend bunker fuel with a higher quality distillate fuels. This is the most likely scenario to directly impact fuel quality.
3. Retrofit. In lieu of improving the fuel quality, some operators may find it more economical to install technologies, particularly such as stack scrubbers, that remove pollutants from the exhaust.

As TL reported, no one direction emerged at the conference and it is most likely that a mix of strategies will be employed. One especially impressive presentation from the Shipping Emissions Abatement and Trading (SEAA)T in Europe specifically addressed the need to build in flexibility to comply with limits such as SECAs. Conference attendees and call participants were intrigued by the possibility of a pilot trading program on the West Coast in anticipation of a North American SECA. Particularly in light of the Latham & Watkins effort in Southern California, there was interest in better understanding the potential for a trading program across a larger geographic area. EPA offered to assemble research to inform the Workgroup and help frame the complex issue.

Save the Date

Faster Freight Cleaner Air (FFCA) conference will be in Long Beach from January 30 – February 2, 2006. See www.ffca2006.com for more details.

National Clean Diesel Campaign Policy Leaders Summit will be on December 7-8, 2005 in Washington D.C. See <http://www.epa.gov/cleandiesel/newsroom.htm#conference1205> for more details.

Attendees

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