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Title: PRESENTATION AND RESOLUTION APPROVING THE SAN DIEGO UNIFIED PORT DISTRICT'S VOLUNTARY VESSEL SPEED REDUCTION PROGRAM DATED NOVEMBER 2021, IN ALIGNMENT WITH THE MARITIME CLEAN AIR STRATEGY

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Date	Ver.	Action By	Action	Result
11/9/2021	1	Board of Port Commissioners	adopted	Pass

DATE: November 9, 2021

SUBJECT:

PRESENTATION AND RESOLUTION APPROVING THE SAN DIEGO UNIFIED PORT DISTRICT'S VOLUNTARY VESSEL SPEED REDUCTION PROGRAM DATED NOVEMBER 2021, IN ALIGNMENT WITH THE MARITIME CLEAN AIR STRATEGY

EXECUTIVE SUMMARY:

The Vessel Speed Reduction (VSR) program is a voluntary emission reduction strategy led by the District and available to ocean carriers to reduce air pollution and greenhouse gas (GHG) emissions in the San Diego Air Basin from ocean-going vessels. An update to the District's program is an identified objective in the District's recently adopted Maritime Clean Air Strategy (MCAS) and this agenda item recommends adopting the updated VSR program.

The District's existing VSR program targets 80% participation and identifies a 12 nautical mile per hour speed limit for cargo ships, and a 15 nautical mile per hour speed limit for cruise ships, through a zone extending 20 nautical miles seaward from the end of Point Loma. The proposed VSR program seeks to expand the zone from 20 nautical miles to 40 nautical miles, it will increase the annual participation goal from 80 percent to 90 percent, and it will employ a weighted average speed method of calculation to determine levels of participation in the program.

Preliminary estimates suggest that if 90 percent participation is reached within the 40 nautical mile VSR zone, the proposed VSR Program Update would reduce annual emission for diesel particulate matter (DPM) by 4.3 tons, nitrogen oxides (NOx) by 225.5 tons, and GHG by 9,791 tons.

RECOMMENDATION:

Adopt a Resolution approving the San Diego Unified Port District's voluntary vessel speed reduction program dated November 2021, in alignment with the Maritime Clean Air Strategy.

FISCAL IMPACT:

This item has no fiscal impact.

COMPASS STRATEGIC GOALS:

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A Port with a healthy and sustainable bay and its environment.
- A financially sustainable Port that drives job creation and regional economic vitality.

DISCUSSION:

As state-designated trustee of San Diego Bay and its tidelands, the District is continuously pursuing multiple paths to achieve its mission which includes championing the environment and promoting commerce, navigation, fisheries, and recreation for the people of the State of California.

For more than a decade the District has been deploying clean air investments and new technologies, as originally envisioned in companion plans like the Clean Air Plan (2007), Climate Action Plan (2013), the TAMT Redevelopment Plan (2016), and most recently, the MCAS, which was adopted by the San Diego Unified Port District Board of Port Commissioners (Board) last month (2021). These plans look to improve overall air quality and directly alleviate burden on surrounding communities. These efforts have been steadily increasing over the years, with continued investments in emerging technologies and ideas.

The Board adopted a resolution to implement the voluntary vessel speed reduction program on February 3, 2009. The purpose of the program was and continues to be to reduce air pollutants and greenhouse gas emissions from cargo and cruise ships by reducing vessel speeds in the vicinity of San Diego Bay. Program participants are commercial ocean-going vessels greater than 10,000 gross tons calling at the District's marine terminals. Initially, the program set vessel speed limits at 12 nautical miles per hour for cruise ships and fifteen nautical miles per hour for cargo ships in a zone measured from the end of Point Loma seaward to 20 nautical miles from shore with a requested participation rate of 80 percent.

Over time, several District policies and strategies have been developed that rely on vessel speed reduction participation as a greenhouse gas reduction tool, including the District's recently adopted MCAS, Climate Action Plan and mitigation measures related to on-terminal project approvals. The attached program update contains more current information that better aligns with emission reduction goals and strategies identified in these planning documents. First, the vessel speed reduction zone will be expanded from 20 to 40 nautical miles from Point Loma, and second, minimum participation rates will be raised from 80 to 90 percent. Additionally, new methodologies in data visualization and greenhouse gas accounting described in the program document (Attachment A) will allow District staff to more accurately report on emission reductions that have been achieved. Finally, the

expanded zone will allow for more opportunity to achieve emission reduction goals within the San Diego County Air Basin. Estimates based on 2019 vessel activity data suggest that, at full compliance, the VSR program could provide:

- DPM reductions of **4.3 tons** per year
- NOx reductions of **225.5 tons** per year
- GHG reductions of **9,791 tons** per year
- Annual fuel savings of over **2,794 Metric Tons**, and cost savings of over **\$1,078,000**

During calendar year 2020 and 2021 District staff have reached out to maritime tenants, ocean carriers, and agencies that work in and around San Diego Bay that will have the opportunity to participate in the updated VSR program. Many have provided feedback which has helped to inform our reporting capabilities and program parameters. Following the implementation of the program update, staff will continue to reach out to community members, tenants, and maritime interests to raise awareness of the program, award outstanding participants, and discuss participation levels.

Participation in the VSR program is voluntary. The program does not replace International or United States Inland Rules of the Road. Participation is one tool available to ocean carriers to meet the District's emission reduction targets necessary to sustain a healthy environment while increasing economic activity. Program participation will be reported on the District's external web page by the end of the FY22, and ocean carriers exhibiting participation greater than ninety percent will be recognized through awards and marketing efforts. One example is G2 Ocean, which was awarded the 2021 Michelle White Environmental award for exemplary participation in the VSR program in September 2021.

General Counsel's Comments:

The Office of the General Counsel has reviewed and approved this agenda and proposed resolution, as presented, as to form and legality.

Environmental Review:

The Board action for a Resolution authorizing an update to the voluntary VSR Program is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15307 (Actions by Regulatory Agencies for Protection of Natural Resources) and 15708 (Actions by Regulatory Agencies for Protection of the Environment) because the proposed resolution will lead to greater emissions reductions to improve air quality and reduce greenhouse gases than the existing program prior to the update.

In addition, the Board action complies with Section 87 of the Port Act, which allows for the establishment, improvement, and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operation of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient, for the promotion and accommodation of commerce and navigation. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, this presentation is consistent with the Public Trust Doctrine.

Finally, the proposed Board action does not require issuance of a Coastal Development Permit (CDP) because it does not propose “development” as defined in Section 30106 of the California Coastal Act, or “new development” pursuant to Section 1.a of the District’s CDP Regulations.

Diversity, Equity, and Inclusion Program:

This agenda sheet has no direct DEI impact.

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Attachment(s):

Attachment A:	Vessel Speed Reduction Program Document
Attachment B:	Vessel Speed Reduction Program Flyer
Attachment C:	Vessel Speed Reduction Draft Presentation