

**PROPOSED RULE 4001 MAINTENANCE OF AQMP EMISSION REDUCTION
TARGETS AT COMMERCIAL MARINE PORTS**

(a) Purpose

The purpose of this rule is to establish actions to be taken in the event that emissions from port-related sources do not meet the emission targets assumed in the Final 2012 Air Quality Management Plan for the purpose of meeting the federal 24-hour PM_{2.5} standard in 2014 and maintenance of attainment in subsequent years.

(b) Applicability

This rule applies to commercial marine ports located in the South Coast Air Quality Management District (District), acting through their respective Boards of Harbor Commissioners. The Ports may comply jointly or separately with the provisions of this rule.

(c) Definitions

- (1) **BASELINE EMISSIONS** of NO_x, SO_x, or PM_{2.5} means emissions of NO_x, SO_x, or PM_{2.5}, as applicable, from all port-related sources, as calculated in the 2008 annual emissions provided by the Port of Los Angeles and the Port of Long Beach as shown in Appendix IV-A page IV-A-36 of the Final 2012 Air Quality Management Plan (AQMP) for the South Coast Air Basin.
- (2) **COMMERCIAL MARINE PORT (OR PORTS)** means the Port of Los Angeles and the Port of Long Beach.
- (3) **CONTROL STRATEGY** means a strategy that reduces NO_x, SO_x, or PM_{2.5} emissions and can include incentive-based programs.
- (4) **EMISSIONS TARGET** means the emissions forecast that is based on the Ports' 2008 baseline emissions forecasted for a specific future year as provided in Appendix IV-A page IV-A-36 of the Final 2012 AQMP.
- (5) **FEASIBLE CONTROL STRATEGY** means for the purpose of this rule, a control strategy that:
 - (A) The Ports have the legal authority to implement; and
 - (B) Has a cost-effectiveness that is less than or equal to:
 - (i) the applicable Carl Moyer Program cost-effectiveness for NO_x and PM combined; and

- (ii) \$35,000 per ton of SO_x.
 - (6) PM_{2.5} EQUIVALENT means the aggregate of the NO_x, SO_x, and PM_{2.5} emissions (tons/day) as defined by the following formula, as provided in the Final 2012 AQMP:
$$\text{PM}_{2.5} \text{ Equivalent} = 0.07 * \text{NO}_x + 0.53 * \text{SO}_x + 1.0 * \text{PM}_{2.5}$$
 - (7) PORT-RELATED SOURCES means on- and off-road mobile sources operating at, and to and from, the Ports, which includes ocean-going vessels, locomotives, heavy-duty trucks, harbor craft, and cargo handling equipment that emit NO_x, SO_x, or PM_{2.5}.
 - (8) REDUCTION TARGET means the percent reduction in PM_{2.5} Equivalent emissions measured between the baseline emissions and the emissions targets. For the purposes of this rule, the percent reduction in PM_{2.5} Equivalent emissions is 75 percent.
- (d) Emissions Reporting Requirements
- (1) For calendar year 2014, the Ports (either jointly or separately) shall submit to the Executive Officer by November 1, 2014, a report of the emissions for NO_x, SO_x, and PM_{2.5} from all port-related sources for the 2014 calendar year based on actual activity information available prior to November 1st for the calendar year and projected activity information for the remainder of the calendar year.
 - (2) Beginning on or before July 1, 2015 and each July 1st thereafter ending July 1, 2020, the Ports (either jointly or separately) shall submit to the Executive Officer a report of the actual emissions for NO_x, SO_x, and PM_{2.5} from all port-related sources for the preceding calendar year.
 - (A) If an Emissions Reduction Plan is required pursuant subdivision (f), the Ports shall report the progress in meeting the shortfall based on the process developed pursuant to subparagraph (f)(1)(D).
 - (3) For purposes of developing the reports pursuant to paragraphs (d)(1) or (d)(2), the Ports shall use the emissions calculation methodologies used to prepare the emissions inventories provided in the Final 2012 AQMP.
 - (4) Notwithstanding paragraph (d)(3), if newer emission calculation methodologies are developed based on input from the Ports Emissions Inventory Technical Working Group (which consists of Ports staff, District staff, California Air Resources Board, and the U.S. Environmental Protection Agency), the new emission calculation methodologies shall apply to the baseline emissions and the emissions prepared pursuant to paragraphs (d)(1) and (d)(2) once they are

approved by the District, California Air Resources Board, and U.S. Environmental Protection Agency.

(e) Maintenance of Reduction Targets

(1) Within 30 days after the submittal of a report pursuant to paragraph (d)(1) or (d)(2), the Executive Officer shall inform the Ports that:

(A) The requirement to submit an Emission Reduction Plan (or a revised Emission Reduction Plan if a Plan has been prepared and approved) as specified in subdivision (f) shall not apply for the year covered by the report if the percent reduction in actual PM_{2.5} Equivalent emissions from the baseline emissions has met or exceeded the reduction target of 75 percent; or

(B) The Ports shall meet the provisions of subdivision (f) if the PM_{2.5} Equivalent emissions show that the percent reduction in PM_{2.5} Equivalent emissions from the baseline emissions is less than the reduction target of 75 percent.

(2) On or before July 1, 2017, the Executive Officer shall review the reduction target based on the latest available information, which includes the future year emissions in the 2016 AQMP, and shall, if necessary to conform the reduction target to the AQMP, develop a proposed amendment to this rule for consideration by the District Governing Board which would revise the reduction target.

(f) Emission Reduction Plan Preparation, Approval, and Implementation

Upon notification pursuant to subparagraph (e)(1)(B), the Ports (either jointly or separately) shall prepare an Emission Reduction Plan (Plan) (or revise an existing Plan, if a Plan had been prepared to meet the reduction target in a previous year) and submit a Plan within 180 days to implement additional control strategies as soon as possible but no later than 18 months from the date of Plan approval in order to eliminate the emissions reduction shortfall from port-related sources.

(1) Plan Preparation and Submittal

(A) The Plan shall, at a minimum, include sufficient feasible control strategies expected to eliminate the identified shortfall and maintain the reduction target through calendar year 2020.

(i) The Ports shall initiate a process for the identification of control strategies to eliminate the shortfall identified in subparagraph (e)(1)(B). As part of this process, the Ports shall engage the California Air Resources Board, U.S. Environmental Protection

Agency, and the District to discuss the nature of any reduction target shortfalls; legal jurisdiction and authority to implement potential strategies to address the shortfall; and cost-effectiveness and operational, technical, economic, and commercial feasibility of potential strategies.

- (B) If the identified shortfall cannot be eliminated despite implementation of all feasible control strategies within 18 months,
 - (i) The Ports shall show that the Plan includes:
 - (a) all feasible control strategies that can be implemented within 18 months; and
 - (b) all feasible control strategies that can be implemented beyond 18 months, but no later than 30 months.
 - (ii) The Plan submittal shall also include a list of all potential strategies not included in the Plan that were identified by the Ports, public agencies, or the public during the development of the Plan, and an explanation of why the strategies that were not included are not feasible, as defined in this rule.
 - (C) Each control strategy provided in the Plan shall at a minimum include the following elements:
 - (i) A description of the actions to be taken;
 - (ii) The expected emission reductions;
 - (iii) The cost and cost-effectiveness;
 - (iv) The method of implementation; and
 - (v) An implementation schedule.
 - (D) The Plan shall provide a process for submittal of progress reports detailing progress toward eliminating the emissions reduction shortfall pursuant to subparagraph (d)(2)(A).
 - (E) The Plan shall be approved by each respective (or jointly) Board of Harbor Commissioners at a duly-noticed public meeting.
 - (i) The Ports shall conduct at least one duly-noticed public meeting to solicit input and comments on the development of the Plan no later than 60 days prior to the Board of Harbor Commissioners' consideration of the Plan.
- (2) Plan Approval
- Within 45 days of receiving the Plan, the Executive Officer shall approve or disapprove the Plan.

- (A) The Executive Officer shall approve the Plan if the Ports have shown that the Plan complies with paragraph (f)(1).
 - (i) Upon Plan approval, the Ports shall implement the approved Plan.
- (B) The Executive Officer may disapprove the Plan in whole or in part, if the Plan does not comply with any provision provided in paragraph (f)(1).
 - (i) The Executive Officer shall provide in writing the reasons for the disapproval.
- (C) If the Plan is disapproved in whole or in part, the Ports (either jointly or separately) shall:
 - (i) Implement the control strategies in the approved portions of the Plan, if any; and
 - (ii) Within 60 days from the date of disapproval, submit a revised Plan or a revision to those portions of the disapproved Plan, or
 - (iii) If the disapproved Plan (or those portions of the Plan that were disapproved) is appealed to the District Hearing Board and the District Hearing Board upholds the District's disapproval of all or a portion of the Plan, submit a revised Plan or those portions thereof within 60 days after the District Hearing Board decision.
- (D) The Plan shall be subject to Rule 221 – Plans and the provisions of Regulation II.
- (E) The Executive Officer shall provide notice to the public of the action on the Plan.
 - (i) The notice shall be mailed at the time that the Executive Officer notifies the Ports of the decision or action.
 - (ii) The Executive Officer shall provide mailed notice of such decision or action to any person who has filed a written request for notification.
 - (iii) Requests for notice shall be filed pursuant to procedures established by the Executive Officer.
 - (iv) The 10-day period to appeal, specified in subdivision (b) of Rule 216, shall commence on the third day following mailing of the notice pursuant to this subdivision.
 - (v) The requirements for public notice pursuant to this section are fulfilled if the Executive Officer makes a good faith effort to follow procedures established pursuant to this section for giving notice and, in such circumstances, failure of any person to receive

the notice shall not affect the validity of any decision subsequently issued by the Executive Officer.

(F) If the Ports (either jointly or separately) submit a revised Plan (or revised portions of the disapproved Plan) pursuant to clause (f)(2)(C)(ii) or (f)(2)(C)(iii), the Executive Officer shall, within 45 days of receiving the Plan, approve or disapprove the revised Plan as described in this paragraph. If the revised Plan is disapproved, the Ports (either jointly or separately) shall:

- (i) implement the control strategies in the approved portions of the revised Plan, if any, and
- (ii) be in violation of this rule with respect to the disapproved portions of the revised Plan.

(g) Variance and Appeal Process

- (1) A Port, or both Ports jointly, may petition the District Hearing Board for a variance, pursuant to applicable laws and rules, from any provision of this Rule.
- (2) If an Emission Reduction Plan is prepared pursuant to subdivision (f) and is disapproved either in whole or in part, a Port, or both Ports jointly, may appeal to the District Hearing Board under Rule 216 – Appeals. If the District Hearing Board denies the appeal in whole or in part, the Ports shall comply with subparagraph (f)(2)(C) [or subparagraph (f)(2)(F)].

(h) Severability

If any provision of this rule is held by judicial order to be invalid, or invalid or inapplicable to any person or circumstance, such order shall not affect the validity of the remainder of this rule, or the validity or applicability of such provision to other persons or circumstances. In the event any of the exceptions to this rule is held by judicial order to be invalid, the persons or circumstances covered by the exception shall instead be required to comply with the remainder of this rule.