

Proposed Rule 2304 – Commercial Marine Ports

**Working Group Meeting
June 17, 2025
GB Conference Room**



Join Zoom Webinar Meeting
- from PC or Laptop

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Agenda



PR 2304 Development Status



Proposed Rule 2304: Revisions to Initial Preliminary Draft Rule Language



Proposed Rule 316.1 – Fees for Rule 2304



Updated Rule Development Schedule

PR 2304 Development Status

To ensure staff fully addresses areas of PR 2304 needing further development, the Public Hearing for Board Consideration is anticipated for **October 3, 2025.**

Adding specific details to placeholder language in initial PR 2304 draft

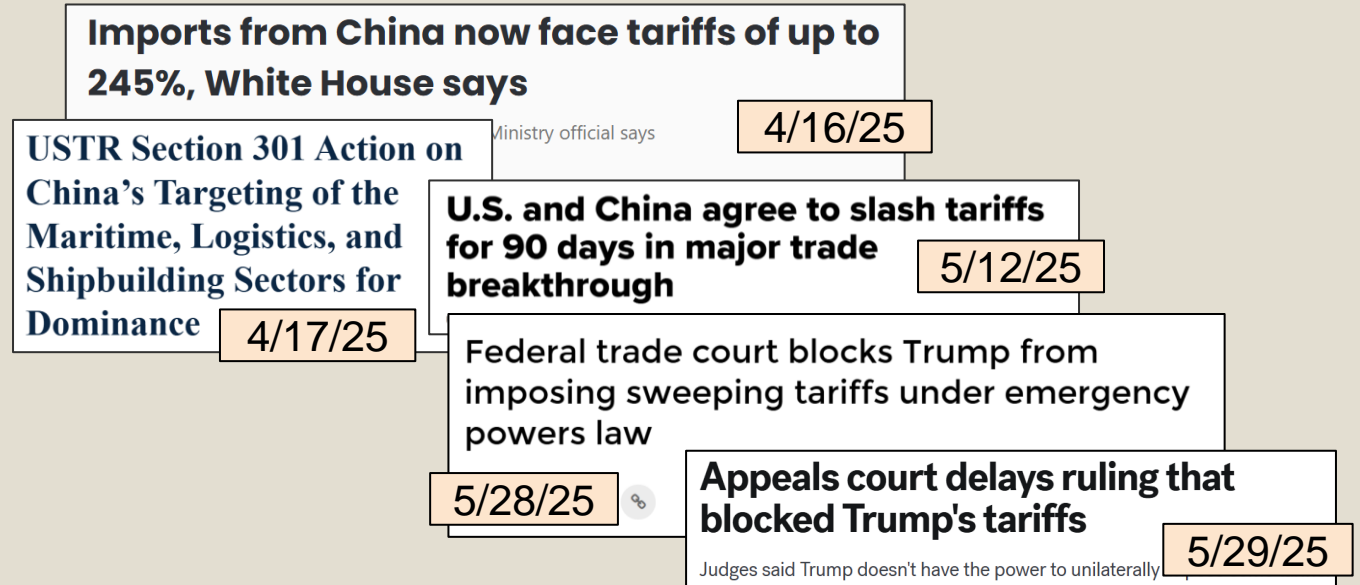
Adding further clarity to rule language

Considering stakeholder comments, questions, and feedback received to date for rule proposal

...while understanding emerging short-term uncertainties

Evolving Shifts in U.S. Trade Policies

- ❑ Global increases in U.S. import tariffs
 - Highest tariffs on Chinese goods
 - Additional upcoming per-voyage fees on loaded Chinese-built/owned/operated vessels
 - Uncertain scales and durations
- ❑ Majority of imports through San Pedro Bay Ports shipped from China



Tariffs begin to batter Long Beach Port; expect ripple effects across the U.S. soon, officials say

Speaking to the press on Tuesday, Hagegegar said that the port's volume was down more than 30% on the import side of our ledger.

Port of Los Angeles reports more than 30% plunge in container cargo

Speaking at the Port's media briefing earlier this week, Mr. Seroka said: "Volume in the first week of May here at the Port of LA was down more than 30% on the import side of our ledger."

- ❑ Port TEU volumes through April near record high
- ❑ Port volumes lower in May with many "blank sailings"
 - ❑ Volumes back up following temporary tariff pause
- ❑ Summer volumes?

Long-Term Infrastructure Planning Remains Necessary

Why is Fueling and Charging Infrastructure Needed?

- ❑ Next generation of vehicles require new fuels
- ❑ Public health and air quality
- ❑ State and federal Clean Air Act requirements
- ❑ Ports existing commitments to zero emissions

- ❑ Staff acknowledges ongoing short-term uncertainties for the ports and supply chain and will continue to monitor these activities
- ❑ PR 2304 is focused on longer-term infrastructure planning and installation

Key Revisions to Initial Draft of PR 2304* Based on Stakeholder Feedback

**Initial and Revised Initial Draft versions available on PR 2304 webpage:
<https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-2304>*

Adding Specifics to Placeholder Language

- Plan Approval Criteria
- Infrastructure Planning Targets
- Processes and Timelines

Providing Additional Clarity and Streamlining to Specific Provisions

- Definitions
- Pre-Plan Approval Requirements
- Post-Plan Approval Requirements
- Required Plan and Report Elements
- Time Extension

Restructuring of Rule Language

- General Restructure
- New Provisions Added

Potential Companion Actions to PR 2304

PR 2304 and any companion actions do not include emission reductions requirements or cargo throughput limits

Staff plans to include in the Board Resolution direction for staff to:

Estimate potential range of emission reductions if Planning Targets achieved and make publicly available

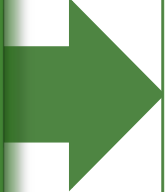
Post Plans and Reports online and develop user-friendly web portal for access to approved Plan information

Aggressively pursue incentive funding with Ports and other stakeholders to help fund Plan implementation

Evaluate potential next steps after Plans received:

- Public process
- Report to MSC
- Consider EPA / CARB actions

Plan Approval Criteria

- Added further details to specify what will be evaluated for Plan approval
 - Based on internal consistency of Plan
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The Plan must demonstrate:

- 1) All required elements and satisfaction of (e)
- 2) Consistency with supporting references and materials
- 3) Energy Demand and Supply assessment aligned with Planning Targets
- 4) On-Port Energy Supply forecast and additional Capacity analysis aligned with On-Port Energy Demand forecast
- 5) Processes and timelines aligned with Planning Targets
- 6) Workforce assessment aligned with additional Energy Supply Capacity and processes and timelines
- 7) Appropriate environmental analysis conducted
- 8) For any proposed Plan modification, any mitigating actions that address impacts

Updated draft rule language limits South Coast AQMD discretion and keeps responsibility for policy-making with Ports

Infrastructure Planning Targets

❑ Ports choose own targets in their respective Plans

Elect as Many Targets as Appropriate to Meet Own ZE Goals

- Set at least one target per Port Source
- Removed default targets
 - Ports' own ZE goals discussed in staff report

Considerations when Choosing Targets

- Basin's regional air quality attainment needs
- Latest IMO emission reduction strategies
- Goals stated in 2017 CAAP Update and 2017 Mayors' Joint Declaration

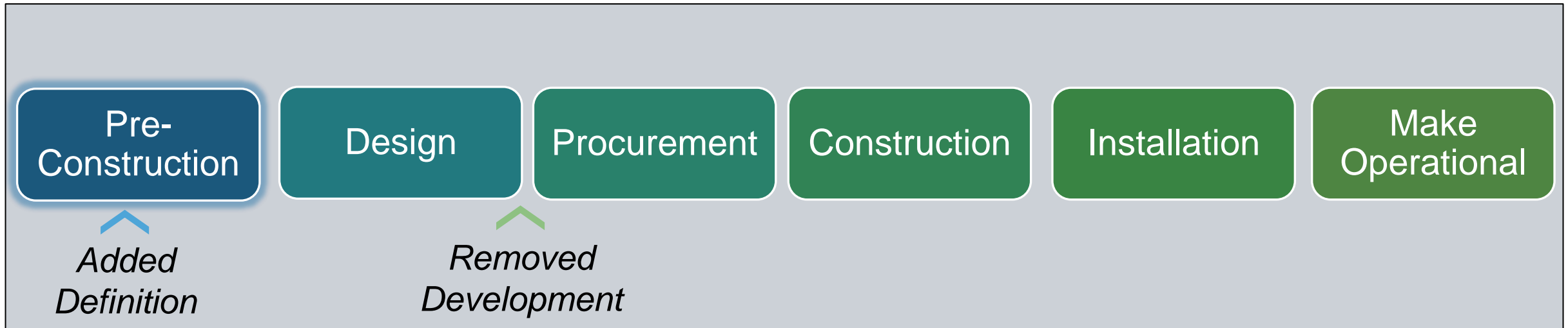
Explanation of Chosen Targets

- Require explanation of why targets were chosen with supporting references and materials

No pre-determined thresholds to approve/disapprove Ports' chosen Planning Targets

Processes and Timelines

Re-organized and re-defined phases of an infrastructure project to denote staff's current understanding of project processes and timelines:



Added language to clarify some phases may overlap or may not necessarily occur in any specific chronological order

Key Revisions to Definitions

Updated

- Alternative Marine Fuels
- Construction
- Drayage Truck
- Harbor District
- National Environmental Policy Act (NEPA) Document
- Port Facility
- Port of Long Beach
- Port of Los Angeles

Added

- Basin
- Cargo
- Commercial Marine Port
- Hydrogen Carrier
- Pre-Construction
- Million Tons of Oil Equivalent (Mtoe)

Removed

- Calendar Year
- Development
- Metric Tons Oil Equivalent
- Diesel Gallon Equivalent

Updated Definitions

- Many definitions revised to provide further clarity, with more substantial revisions to the following definitions:

Alternative Marine Fuels

- Removed language on sulfur content for consistency with existing regulations
- Included clarification of fuels used by Ocean Going Vessels (OGVs)

Construction

Removed language on site preparation, which will go into added definition of Pre-Construction

Drayage Truck

- Removed language on being registered in Ports' Drayage Truck Registry
- Included general description of being granted by either Port the right to access Port Facilities and travels to/from Port Facilities to transport Cargo

Harbor District

Added reference to Long Beach / Los Angeles respective city charters

Updated Definitions (continued)

NEPA Document

Specified federal code section where NEPA compliance requirements are set forth

Port Facility

- Further clarified as Port-owned On-Port property under supervision, management, and control of the Port
 - May be operated by the Port or parties under Contractual Agreement(s) with the Port

Port of Long Beach and Port of Los Angeles

- Specified that respective cities' Harbor Departments/Commissions supervise, manage, and control:
 - Tidelands and submerged lands granted to and owned by respective cities by state of CA
 - All areas, premises, facilities, and activities related to maintenance, operation and use of respective Harbor District

Added Definitions

- ❑ Definitions added based on initial rule language revisions:

Basin

- Specifies the South Coast Air Basin boundaries
- Term used in Infrastructure Planning Targets provision, previously discussed

Cargo

- Defined as containerized or noncontainerized goods, and may include empty containers and chassis
- Used throughout (c) Definitions

Commercial Marine Port

- Defined as complex consisting of Port Facilities and other premises and structures that are located On-Port and used primarily for commercial operations
- Added to distinguish port complex as a geographical location from Ports as entities

Added Definitions (continued)

Hydrogen Carrier

- Defined as Energy Type containing hydrogen atoms, where extracted hydrogen is used in fuel cells to generate electrical power
- Added to address alternative fuels used by Port Sources other than OGVs

Million Tons of Oil Equivalent (Mtoe)

- Provides standardized unit of measurement for energy content of Alternative Marine Fuels
- Previously defined Metric Tons Oil Equivalent (toe)

Pre-Construction

- Defined as all activities related to planning and preparing for Construction in an infrastructure project
 - E.g. project initiation, site assessment, environmental review, permitting/approvals, site preparation
- Re-defined phase of an infrastructure project as revised in (e)(3) Processes and Timelines

Pre-Plan Approval Requirements

- Streamlined language for Plan preparation and approval requirements in (d)

Plan Preparation and Submittal [(d)(1)]

- Removed bi-annual consultation with South Coast AQMD for Plan preparation
- Revised Plan submittal due date to no later than 2 years after rule adoption

Plan Evaluation [(d)(1)]

- Subsumed completeness check into South Coast AQMD review of Plan
 - South Coast AQMD would request missing and/or additional information during review
 - Added that staff may request Port for submittal of South Coast AQMD environmental checklist if more information is needed
 - Must be submitted within 90 days of staff request
- Added that reason(s) will be provided to the Port for partial approval or disapproval of Plan

Post-Plan Approval Requirements

- Clarified Port requirements for Plan implementation and streamlined reporting requirements in (d)

Plan Implementation Upon Approval [(d)(2)]

- Port must carry out its roles and responsibilities for each Infrastructure Project following associated timelines as specified in Plan
- Clarify that Port must complete Milestones to meet levels of Energy Supply consistent with Planning Targets

Annual Report Submittals [(d)(3) & (d)(4)]

- Annual report submittal no later than 12 months after rule adoption (Interim Report) or after full Plan approval (Plan Implementation Progress Report)

Required Plan and Report Elements

- Clarified cost and environmental assessments elements and supporting materials in (e)

Cost Assessment [(e)(2)(B)]

- Subtotals for each Port Source and associated Planning Target(s), plus grand total
- Breakdowns of each subtotal by cost category and Primary Payer

Environmental [(e)(2)(D)]

- CEQA/NEPA documents prepared for the Plan

Supporting References and Materials [(e)(4)]

- Added to assist Plan approval process

- Clarified required reporting information in associated Tables per (f)

Tables 1 & 2

- For energy demand/supply expression:
 - Removed DGE
 - Added kilovolt-ampere(-hours), if applicable

Tables 4 & 5

- No additional information for infrastructure projects for conventional fuels except general description and location

Time Extension Application

Further specified and streamlined requirements:

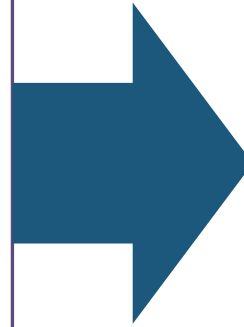
- Port must provide missing information within 14 days of request
- EO would notify Port of approval or disapproval within 45 days of receiving all requested information

Restructuring of Rule Language

Initial Rule Language

- (a) Purpose
- (b) Applicability
- (c) Definitions
- (d) Requirements
- (e) Plan
- (f) Reports
- (g) Notification
- (h) Time Extension
- (i) Recordkeeping
- (j) Severability

- Removed Intent to Propose Plan Modification Notification



Revised Initial Rule Language

- (a) Purpose
- (b) Applicability
- (c) Definitions
- (d) Requirements
- (e) Plan
- (f) Reports
- (g) Time Extension
- (h) Plan Modification
- (i) Cargo Throughput
- (j) Recordkeeping
- (k) Severability

- Plan Modification provisions moved to own subdivision
- New subdivision

New Provisions Added

Plan Modifications

- Provision moved out of (d) to its own subdivision (h)
- Must modify Plan within 12 months if Milestone(s) or Planning Target(s) in Plan conflict with any applicable state or federal regulation
- Added inclusion of cover letter with proposed modified Plan submittal that contains:
 - Reason(s) for proposed modifications
 - Specific sections to be modified with brief description of proposed modifications

Cargo Throughput

- New subdivision (i) added to clarify nothing in rule shall be construed to impose a limit on cargo throughput

PR 316.1 - Fees for Rule 2304

Needed to recover South Coast AQMD's reasonable regulatory cost of implementing PR 2304

Applies to the Ports of Long Beach and Los Angeles

General fee structure consists of initial filing fee and evaluation fee(s) for each required PR 2304 submittal

- Initial filing fee covers one-time processing and reviewing submittal for completeness
- Evaluation fee(s) covers regulatory actions related to the Plans, reports, and applications on a time and materials basis

Proposed Fees for Rule 2304

Plans (including Proposed Modified Plans)	Fee Amount	Due Dates
Initial Filing	\$810.55	When plan submitted
Evaluation	\$136.25/Hr	60 days from notification of amount due
Independent Consultant Work*	As Charged to South Coast AQMD	60 days from notification of amount due
Interim and Plan Implementation Progress Reports	Fee Amount	Due Dates
Initial Filing	\$810.55	When report submitted
Audit/Inspection/Verification	\$125.84/Hr	60 days from notification of amount due
Time Extension Applications	Fee Amount	Due Dates
Initial Filing	\$409.40	When application submitted
Evaluation	\$136.25/Hr	60 days from notification of amount due

* Independent consultant may be needed to assist staff if Plan evaluation requires subject matter expertise

Updated Rule Development Schedule

June / July

- Update to Mobile Source Committee June 20
- Release of Preliminary Draft of PR 2304 (3rd draft), PR 316.1 (2nd draft), Staff Report, Socioeconomic Impact Assessment
- Hold two Community Workshops (virtual)

August /
September

- Update to Mobile Source Committee August 15
- Release of Draft Rule, Staff Report (including environmental analysis), Supporting Documents
- September Set Hearing

Anticipated
October 2025

- Public Hearing for Board consideration

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