

Environment & Energy Committee

HB 1652

Brief Description: Reducing environmental impacts associated with the operation of certain ocean-going vessels.

Sponsors: Representatives Lekanoff, Ramel, Reed, Doglio and Scott.

Brief Summary of Bill

- Requires ocean-going vessels within three nautical miles of a Washington shoreline to use fuels with a sulfur content of 0.1 percent or less, or pay noncompliance fees or penalties.

Hearing Date: 2/4/25

Staff: Jacob Lipson (786-7196).

Background:

The International Maritime Organization (IMO), which is a specialized agency of the United Nations, is responsible for the safety and security of international shipping. A 2020 IMO rule establishes a limit on the sulfur content of oil used by ships of 5,000 parts per million, or 0.5 percent. Furthermore, the IMO has designated the 200 miles off of the coast of the United States and Canada as an emissions control area (ECA) subject to more stringent emission standards. The ECA rules establish a limit of 1,000 parts per million, or 0.1 percent. The ECA limits for sulfur pollution may be achieved through fuel switching to lower-sulfur fuels or through exhaust gas cleaning devices, known as scrubbers, which extract sulfur from the exhaust.

The Department of Ecology (Ecology) administers a number of programs and requirements related to the environmental impacts of vessels in state waters, including regulating the greenhouse gas emissions from watercraft fuels within three miles of

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Washington shores under the Climate Commitment Act's Cap-and-Invest program (CCA program), and through an oil spill preparedness, prevention, and response program that requires certain ships to maintain oil spill contingency and prevention plans.

Allowance auction proceeds and other revenues from the CCA program are deposited in a total of eight accounts, including an Air Quality and Health Disparities Account (AQHDIA), used for certain types of environmental justice and air quality monitoring expenditures, and a Natural Climate Solutions Account (NSCA), for certain ecosystem-based climate change resilience and carbon sequestration activities.

Since 2008 the California Air Resources Board (CARB) has implemented an ocean-going fuel regulation that limits the sulfur content of fuels within 24 miles of the California coast to 0.1 percent sulfur. Persons that cannot comply with CARB fuel sulfur content requirements may pay noncompliance fees beginning at \$45,000 to the port the vessel is visiting, or state of California.

Summary of Bill:

Beginning January 1, 2028, persons may not use fuel in the engines of ocean-going vessels that exceeds 0.1 percent sulfur by weight while operating within three miles of Washington shorelines, including all waters of the state regulated under the state's Oil Spill preparedness, prevention, and response program (Washington waters). Ocean-going vessels include certain commercial, government, or military vessels that meet weight or length criteria, but do not include tugboats, towboats, or push boats.

Persons subject to these requirements must maintain records in English containing specified information, including information regarding the vessel's fuel and equipment, the date and location of entry into Washington waters, and the time and location of any fuel switching. If fuel switching is used to comply with fuel sulfur limits, additional records must be maintained regarding the fuel switching capabilities of the equipment. Persons required to maintain records must provide them to Ecology upon request, along with other information necessary for Ecology to determine compliance with fuel content requirements.

With advance notice from a person prior to entry to Washington waters, a person may pay noncompliance fees in lieu of meeting fuel sulfur requirements. To be eligible for the payment of noncompliance fees, a person must demonstrate that noncompliance is beyond the person's control due to unplanned redirection, inadequate fuel supply, or the inadvertent purchase of defective fuel or that compliance is not possible to achieve without vessel modifications that are not able to be completed by 2028. Vessels that make no more than two port visits to Washington per calendar year are eligible to pay noncompliance fees upon demonstrating that vessel modifications would be necessary to comply with fuel sulfur standards. By rule, Ecology must establish the amounts and processes for noncompliance fees that are similar to requirements of ocean-going vessels visiting other west coast ports with similar low-sulfur fuel requirements. Noncompliance fees must be paid to the port or ports at which a vessel is conducting a port visit,

for use by the port for port electrification or other port emission reduction activities, under an enforceable agreement between the port and Ecology. If a port elects to receive noncompliance fees, the noncompliance fees must instead be deposited in the AQHDIA.

Ecology may adopt rules to implement fuel sulfur requirements, including to exclude categories of vessels from the requirements. Ecology must collect a fee from persons that operate ocean-going vessels that make port visits in an amount equal to the projected costs to Ecology to implement, administer, and enforce requirements. Violations of sulfur fuel content requirements are subject to a civil penalty of up to \$10,000 per day, which is appealable to the Pollution Control Hearings Board. Penalties must be deposited in the NCSA.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.