

SENATE BILL REPORT

SB 5519

As of February 6, 2025

Title: An act relating to reducing environmental impacts associated with the operation of certain ocean-going vessels.

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

Sponsors: Senators Lovelett, Dhingra, Frame, Lovick, Nobles, Saldaña, Salomon and Valdez.

Brief History:

Committee Activity: Environment, Energy & Technology: 2/07/25.

Brief Summary of Bill

- Prohibits certain ocean-going vessels (covered vessels) from using marine fuels with a maximum sulfur content exceeding 0.1 percent by weight while operating in waters located within three nautical miles of a Washington shoreline (low-sulfur fuel requirements), with certain exceptions.
- Requires covered vessels to maintain certain records or information to demonstrate compliance with the low-sulfur fuel requirements.
- Permits covered vessels to pay a noncompliance fee in lieu of complying with the low-sulfur fuel requirements under certain circumstances, and directs the fees to be used first for port electrification or other activities reducing criteria pollutants.

SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

Staff: Matt Shepard-Koningsor (786-7627)

Background: Existing Fuel Sulfur Content Requirements. The International Maritime

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Organization (IMO) is a specialized agency of the United Nations responsible for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. Since 2020, an IMO regulation has set the limit on the sulfur content of ships' fuel oil at 0.5 percent while a ship is operating in international waters. The IMO has designated locations within 200 nautical miles of the U.S. and Canada coastlines as an emissions control area, where the maximum sulfur content is 0.1 percent. IMO regulations set additional requirements relating to nitrogen oxide limits. Ships typically comply with the sulfur limits by switching fuels or using a system to remove the sulfur content from the ship's exhaust, referred to as a scrubber.

Since 2008, California has required certain ocean-going vessels operating within 24 nautical miles of its coast to use marine fuels with a maximum sulfur content of 0.1 percent by weight, or to pay noncompliance fees or penalties.

State Programs Regulating Vessels. The Department of Ecology (Ecology) administers several programs relating to the environmental impacts of vessels in state waters, including regulating the greenhouse gas emissions from watercraft fuels used within three miles of Washington shores under the Climate Commitment Act's (CCA) Cap-and-Invest Program. Ecology administers an oil spill preparedness and response program, requiring vessels and other regulated entities to maintain oil spill contingency plans.

Climate Commitment Act Accounts. The CCA has a total of seven accounts, each appropriated with different amounts of money and designated for different uses. Two of these accounts are the Air Quality and Health Disparities Improvement Account (AQHDIA) and Natural Climate Solutions Account (NCSA). AQHDIA funds may be used for projects that help identify and reduce criteria pollutants and health disparities in overburdened communities highly impacted by air pollution. NCSA funds may be used, among other things, for projects that protect fish and wildlife habitats, improve aquatic ecosystems and water quality, and protect against floods.

Pollution Control Hearings Board. The Pollution Control Hearings Board (PCHB) is an appeals board with jurisdiction to hear appeals of certain decisions, orders, and penalties issued by Ecology and several other state agencies. Parties aggrieved by a PCHB decision may obtain subsequent judicial review.

Summary of Bill: Short Title. The act may be known and cited as the Salish Sea Protection and Marine Clean Fuels Act.

Low-Sulfur Fuel Requirements. *General Prohibition.* Beginning January 1, 2028, a person may not use marine gas oil or marine diesel oil in an auxiliary engine, main engine, or auxiliary boiler on a vessel that exceeds a maximum sulfur content of 0.1 percent by weight while operating in regulated waters.

Regulated waters means all waters within three nautical miles of a shoreline of the state, as

defined in the Shoreline Management Act, and including all waters of the state, as defined in the Oil and Hazardous Substance Spill Prevention and Response Act. "Ocean-going vessel" means a commercial, government, military, or tank vessel meeting certain criteria relating to the vessel's overall size or engine size, but does not include a tugboat, towboat, or pushboat.

Record-Keeping Requirements. A person subject to the low-sulfur fuel requirements must maintain records in English containing specified information, including, in part:

- date, time, and geographic position information relating to the vessel's entry into, and departure from, regulated waters, and the vessel's initiation and completion of fuel switching procedures;
- information relating to the type of fuel used on the vessel, and the types, amounts, and sulfur content of fuels purchased for use on the vessel; and
- other information identified by Ecology.

A person complying with the low-sulfur fuel requirements by switching fuels must maintain the following records in English:

- a fuel system diagram or information showing several fueling infrastructure components and which must list the fuel tank capacities and locations, and the nominal fuel consumption rate of the machinery at rated power;
- a description of the fuel switch-over procedure with detailed instructions and clear identification of responsibilities;
- the make, model, rated power, and serial numbers of regulated engines and equipment; and
- other records identified by Ecology.

If Ecology requests certain information outlined above, a person must provide the information in writing. If a person already collects the information above to comply with other regulatory requirements or standard practices, the person may provide the information in a format consistent with those other requirements or standard practices. A person must provide Ecology with access to the vessel to determine compliance.

Noncompliance Fees Under Certain Circumstances. Ecology may permit a person to pay noncompliance fees in lieu of meeting the low-sulfur fuel requirements if:

- the person notifies Ecology prior to entering regulated waters;
- noncompliance is beyond the person's control due to unplanned redirection, inadequate fuel supply, or the inadvertent purchase of defective fuel;
- compliance cannot be achieved without vessel modifications that cannot be completed by the legislation's effective date; or
- for a vessel making no more than two port visits in Washington per calendar year, compliance requires vessel modifications.

Noncompliance fees must be paid to the port or ports at which the vessel is conducting a port visit and must be used for port electrification or other criteria pollutant emission

reduction activities. If a port elects not to receive these fees, they must be deposited into the AQHDIA.

Implementation, Administration, and Enforcement. Ecology may adopt rules to implement and administer the legislation, which includes the ability to exclude categories of vessels from the legislation's requirements. Ecology must collect a fee from individuals operating regulated vessels that make a port visit in Washington after January 1, 2028. Ecology must, by rule, establish the fee in an amount to cover, but not exceed, the costs of implementation, administration, and enforcement. Fees must be deposited into the newly-created Vessel Sulfur Pollution Account.

A person is subject to a civil penalty in an amount of \$10,000 per day for each violation of the legislation's requirements, rules adopted by Ecology, or orders issued by Ecology. Penalties may be appealed to the PCHB and must be deposited into the NCSA.

Other. A state severability clause is included.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.