

# Ocean-Going Vessel Clean Vessel Incentive Program – Amendment and Extension

Committee on Operations  
November 19, 2015



# Background/Overview

- Clean Air Strategy for the Port of New York and New Jersey
  - Identifies actions to reduce emissions from all port sources
  - From 2006-2013, 33% emission reduction, despite 7% cargo volume increase
  - Board has authorized various emission reduction programs/projects over the past several years
  - Ocean-going vessels are one of the largest sources of port-related emissions
- Ocean-Going Vessel Clean Vessel Incentive Program
  - Authorized in August 2012 at a total cost to the PA of \$4.875 million
  - Term: January 1, 2013 – December 31, 2015
  - Encourages the operators of ocean-going vessels that call at PA marine terminal facilities to make voluntary engine, fuel and technology enhancements that reduce emissions beyond the regulatory environmental standards set by the International Maritime Organization (IMO)

# Current Clean Vessel Incentive Program

- Utilizes web-based tool (Environmental Ship Index) to offer financial incentive based on score the vessel achieves
- Vessels can add five points to score by participating in the PA's Vessel Speed Reduction Program
- Financial Incentives range from \$1,500 to \$2,500 per vessel call
- Vessels can also receive financial incentives for utilizing Tier II or Tier III engines
- Staff projects that over 1,900 vessel calls will qualify to receive incentives through December 2015 at a cost to the PA of approximately \$3.9 million



# Proposed Program Revisions

	Current Clean Vessel Incentive Program	Amended Clean Vessel Incentive Program
<b>Term:</b>	<b>3-year duration (1/1/13 - 12/31/15)</b>	<b>3-year extension (1/1/16 - 12/31/18)</b>
<b>Authorized Amount:</b>	<b>\$4.875 million</b>	<b>\$8 million (increase of \$3.125 million)</b>
<b>Financial Incentive [Total Vessel Score = Environmental Ship Index (ESI) score + points for vessel speed reduction (VSR) program]:</b>	<b>20-29 points:*      \$1,500/call</b> <b>30 or more points:*    \$2,500/call</b>  *inclusive of 5 points for VSR	<b>20-34 points:*      \$1,000/call</b> <b>35-44 points:*      \$1,500/call</b> <b>45 or more points:*    \$2,500/call</b>  *inclusive of up to 20 points for VSR
<b>Financial Incentive (Engines):</b>	<b>Tier II Engine: \$1,000/call</b> <b>Tier III Engine: \$2,000/call</b>	<b>NO CHANGE</b>

# Program Benefits

- An extension of the Clean Vessel Incentive Program is expected to provide additional emission reductions over the three-year period of:
  - 21,000 tons carbon dioxide
  - 210 tons nitrogen oxides
  - 10 tons particulate matter
  - 3 tons sulfur oxides
- Equivalent of taking 23,000 cars off the road



# Requested Authorization

- Amend the Clean Vessel Incentive Program to provide for:
  - Revised total cost of \$8 million
  - Extension of term through December 2018
  - Modification of scoring system to qualify ocean-going vessels to receive financial incentive
- Authorize the Executive Director to amend and extend an Interconnection Security Agreement with United States Coast Guard through December 2018 at no cost to the PA

