Environmental Lease Requirements

Gail Wasil
Assistant Director of Real Estate
Why go “green”?

Port can only move ahead with its projects with the support of the operators, community and political leaders.
Green Port Policy

- Protect the community from negative Port impacts
- Distinguish Port as environmental leader
- Promote sustainability
- Employ best available technology
- Engage and educate the community about the Port
Clean Air Action Plan

• Groundbreaking plan to significantly reduce air pollution and health risk

• Strategies targeting reductions from all port sources: ships, trucks, trains

• Developed jointly with Port of Los Angeles, in cooperation with EPA, CARB and AQMD
Implementation

- Grants
- Tariff changes
- Lease requirements

Environmental covenants have preceded, exceeded, or met state/federal regulatory requirements, serving as “backstop”
12 knots – Reducing speed on arrival and departure to cut emissions

25% - Dockage discount for participation to 40 nm

97% - Participation to 20 nm

82% - Participation to 40 nm
100% - goal for shore power facilities at all container terminals, cruise ship terminals and selected crude terminals

2014 – by this date, half of container ships must use shore power

2020 – by this date, 80% of container ships must use shore power
Cleaner Vessel Fuels

2008 - Port incentive to use low-sulfur fuels (≤0.2%)

2009 – State requires ≤0.2% sulfur fuels for all vessel engines within 24 nm

2012 – State requires ≤0.1% sulfur fuel within 24 nm

2015 – State requires ≤0.1% sulfur fuel within 200 nm

80% - Reduction in vessel particulate matter emissions
2007 - New purchases must meet cleaner standards

2010 – 2014 - Replacement requirements for existing equipment
Other Strategies

• LEED Buildings

• Encourage deployment of retrofitted ships to our Port

• Five Year Re-Opener

• Participation in Demonstration Projects
Lessons Learned

Technical Support is Crucial
Lessons Learned

Understand tenant’s operations;
Understand the financial implications of environmental requirements
Lessons Learned

Know where you want to go;
But be flexible as to how you get there