

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA – POLICY & STAFF BRIEFING

Item No.	<u>6b</u>
Date of Meeting	<u>February 24, 2009</u>

DATE: January 6, 2009

TO: Mr. Tay Yoshitani, Chief Executive Officer

FROM: Elizabeth Leavitt, Director, Aviation Environmental Programs
Russ Simonson, Senior Environmental Program Supervisor

SUBJECT: A briefing to the Commission regarding the Port's first emission reductions credits banked with the Puget Sound Clean Air Agency

PURPOSE

The purpose of this briefing is to provide the Port of Seattle Commission with details regarding emission reduction credits issued to Seattle-Tacoma International Airport by the Puget Sound Clean Air Agency.

BACKGROUND

In 2000, the Port of Seattle and Puget Sound Clean Air Agency entered into a memorandum of agreement (MOA) that allowed Seattle-Tacoma International Airport the opportunity to bank emission reduction credits (ERCs) for use by the Port at a later time. This MOA permitted the Port to request a general regulatory order from the Clean Air Agency that enabled the banking and use of emission reduction credits. The subsequent Order defined the process to be used for the application, issuance of emission Certificate of Title, and how the credits are claimed. This MOA was unique when developed and is still considered rare in the airport industry. It should be noted that any of the Port's divisions are eligible to apply for ERCs through this regulatory order.

The first project to earn ERCs is the Airport fuel hydrant system completed in 2005. It consisted of an underground pipeline to carry fuel from the fuel farm to underground manifolds that deliver fuel to each of the concourse gates used by passenger aircraft. The hydrant system delivered bulk quantities of fuel to each aircraft gate via underground pipelines that were pressurized with jet-A fuel.

Benefits from the fuel hydrant project included the removal of fuel tanker trucks that delivered fuel to the aircraft while at the gate. These trucks were replaced by low, or emission-free, hydrant trucks and carts. Some of the fuel tanker trucks remain in operation because the fuel

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hydrant system is not available at the air cargo and general aviation areas of the airfield. A total of 16 fuel tanker trucks were removed from the airfield.

ERCs issued to the Port must be used within a period of 10 years from the date of issuance. Usage of banked credits requires a written request describing how the credits will be used. The amount of credits to be withdrawn is to include the amount needed for offsets, plus an additional 10% to provide an environmental benefit. The Clean Air Agency will track credit usage and maintain records reflecting the number of credits available to the Port.

Of special note is that the intention for emissions credits has been based on “criteria pollutants,” that is, the emissions that have traditionally been considered pollutants in terms of human health and environment. However, the Port chose to include carbon dioxide in the application for ERCs; given the climate change impacts that greenhouse gas emissions have on society and as anthropogenic carbon dioxide emissions increasingly become seen as pollution. The Clean Air Agency agreed that this was a prudent approach.

PROGRAM STATUS

On December 12, 2008 the Puget Sound Clean Air Agency issued a Certificate of Title related to the fuel hydrant project for Emission Reductions (the first of its kind in the state) to the Port of Seattle for a number of emission credits including:

- 22 tons/year of carbon monoxide
- 6 tons/year of hydrocarbons
- 34 tons/year of oxides of nitrogen
- 2 tons/year of sulfur oxides
- 10 tons/year of particulate matter (PM_{2.5})
- 971 tons/year of carbon dioxide

Through an annual reporting mechanism, the Port is able to obtain ERCs every year with the Clean Air Agency for the fuel hydrant project through 2018.

ENVIRONMENTAL BENEFITS

The new hydrant fueling equipment now being used at STIA represents significant voluntary emission reductions. The specific emissions benefits are as noted above in the Program Status section. With the issuance of Puget Sound Clean Air Agency’s first ERC, future Port projects with emission benefits may take advantage of emission banking for later use to offset future projects.