



Commercial Harbor Craft 2022 Amendments

California Code of Regulations, Title 17, Section 93118.5

CHC Factsheet: Zero Emission & Advanced Technology Credits

Date: December 29, 2022

Specific details on Zero Emission & Advanced Technology (ZEAT) credits can be found in the [regulation text](#). In the case of any discrepancy between this document and the regulation order, the regulation language applies.

Important Definitions

- **"ZEAT"** refers to Zero-Emission and Advanced Technology, which collectively includes zero-emission capable hybrid, and zero-emission vessels.
- **"Zero-Emission"** means a propulsion system, auxiliary power system, and/or vessel utilizing a propulsion and auxiliary power system that has no tailpipe exhaust emissions other than water vapor or diatomic nitrogen from the onboard source(s) of power.
- **"Zero-Emission Capable Hybrid Vessel"** means a commercial harbor craft (CHC) utilizing a power system with two or more onboard power sources, one or more of which is approved by CARB's E.O. to be capable of providing a minimum of 30 percent of vessel power required for main propulsion and auxiliary power operation with zero tailpipe emissions when averaged over a calendar year.
- **"Zero-Emission Infrastructure"** means installed dockside infrastructure necessary to support operation of a ZEAT vessel. For example, charging equipment for propulsion system batteries, and on-dock hydrogen storage tanks, and fueling infrastructure.

ZEAT Credits for Early or Surplus Deployments

I. Applicability.

ZEAT credits are granted to operators who voluntarily deploy ZEAT vessels where not required by the amendments. For the vessel categories that are required to adopt ZEAT under the amendments, which are new and in-use short-run ferries and new excursion vessels, ZEAT credits may only be granted for ZEAT deployments that occurred at least 3 years prior to ZEAT compliance dates (December 31, 2024 for new excursion vessels and December 31, 2025 for short-run ferries). ZEAT credits may be used to extend the compliance dates of engines onboard one other vessel in the fleet by the number of years shown in Table 1 per each ZEAT deployment. Vessels receiving ZEAT credits must be under the applicant's direct control and operate within the same California air basin as the ZEAT

vessel. ZEAT credits may be applied to another vessel with ZEAT requirements or a vessel with combustion engines.

Table 1¹. ZEAT Credit for Early Deployment

| Marine Technology Type | ZEAT Credit for Early/Surplus Deployment |
|------------------------------|--|
| Zero-Emission Capable Hybrid | 3 Extra Years |
| Zero-Emission | 7 Extra Years |

Note: The ZEAT credits in Table 1 are only issued in three- and seven-year increments, subject to the condition that the length of the additional compliance time may not extend beyond December 31, 2034.

II. Eligibility and Requirements for Receiving ZEAT Credit

Key requirements for ZEAT credits are listed below. See Subsection (e)(11)(B)1-10. for the full list of eligibility requirements and restrictions.

- ZEAT credits may not be applied until the ZEAT vessel generating the credit is operational and deployed.
- ZEAT credits may not be applied to engines below Tier 2.
- Vessels that are part of an Alternative Control of Emissions (ACE) plan are not eligible to generate or receive ZEAT credit.
- ZEAT vessels deployed using incentive funding are only eligible to generate ZEAT credits if the guidelines of the incentive funding program do not restrict this.
- ZEAT credit cannot be applied to vessels operating near a Disadvantaged Community (DAC), unless the ZEAT vessel generating the ZEAT credit also operates near a DAC. For more information on determining if your vessel is operating near a DAC, see the [DAC Fact Sheet](#).
- ZEAT credit applies one time only when a ZEAT vessel is first put into service in RCW and is not transferable to another vessel within the fleet or to a subsequent owner.
- Receiving a ZEAT credit does not disqualify a person from applying for feasibility extensions after the expiration of the ZEAT credit.

III. ZEAT Credit Application

At least 9 months prior to the compliance date of engines/vessel receiving the ZEAT credit, an applicant must submit an application and receive written approval from CARB. The application package will require ZEAT vessel information, including supplemental

¹ Table 15 in the Regulation Text

documentation demonstrating the deployed ZEAT vessel meets the performance standards and requirements required for ZEAT deployment².

Application templates will be made available on the [CHC website](#).

Within 30 days of receiving a ZEAT credit application, CARB will notify the applicant whether the application is deemed sufficiently complete to proceed with further evaluation. CARB may request additional information from the applicant, during any part of the ZEAT credit application process, which CARB determines necessary to evaluate the application.

² See subsection (e)(10)(C)1.a-e.