



N E W S R E L E A S E
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PORT OF LONG BEACH, BP WEST COAST PRODUCTS TO BEGIN 'COLD-IRONING' VESSELS

For Immediate Release:

Aug. 30, 2004

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LONG BEACH, Calif. – The Long Beach Board of Harbor Commissioners and BP West Coast Products LLC agreed Monday to a historic collaboration that will allow vessels to shut down their engines, plug into dockside electricity and “cold-iron” in the Port of Long Beach.

Commissioners voted unanimously to launch the long-awaited, voluntary program at Berth T121 so tankers can offload oil in a manner that mitigates diesel emissions. Planning and construction will take an estimated two years with tentative completion set for late 2006.

The Port earmarked \$2.5 million for development and construction. BP, which leases the terminal from the Port, will retrofit two tankers at an estimated cost of \$2 million (\$1 million for each tanker).

“The community has given us the charge to reduce pollution and clean up the air without slowing down commerce or eliminating transportation-related jobs,” said John R. Calhoun, president of the Board of Harbor Commissioners. “It is not an easy task, but with help from BP, we are answering the call.”

While at port, vessels still need power for refrigeration, lighting, pumping and other ship functions. Typically, this power comes from running auxiliary diesel and steam engines, or main engines, at reduced rates. Replacing onboard power with electrification would produce significant reductions in at-berth, diesel emissions.

“Plugging in our ships will cost us more to off-load the crude, but the increased costs are relatively small when you consider the environmental benefits from the project,” said Tim Scruggs, BP Carson business unit leader/refinery manager.





Harbor Commissioners on June 19, 2003, authorized a \$350,000 study on the feasibility of cold ironing. That study revealed that frequent visits and high electrical demands by cargo vessels are necessary to make cold-ironing cost-effective. BP determined that two vessels about to be launched would meet the cost-effective threshold and that BP's berth (T121) is one of the few that has adequate existing electrical power to make cold-ironing possible, thereby significantly reducing project costs.

At the same time, BP conducted an independent financial analysis and determined that it could absorb the costs associated with cold ironing at Berth T121 and retrofitting two tankers to accept shore-side power.

The Port will construct all landside improvements associated with bringing the power from the existing electrical substation on the BP terminal to the wharf, as well as providing the gear needed to connect power cables to the vessels. During construction, the Port will ensure that Berth T121 remains functional. BP will be responsible for the long-term operation and maintenance and future improvements at the berth, including the cost of power.

"This comprehensive approach to cold ironing developed by the Port of Long Beach with BP's assistance will be closely monitored by the shipping industry worldwide as the bellwether of where this industry and the future of international trade is inevitably headed," said Richard D. Steinke, executive director of the Port of Long Beach. "It represents a large step toward this port's goal of ensuring that Long Beach citizens can enjoy both the substantial economic benefits of international trade and an improved quality of life through a cleaner environment. That is what our Healthy Harbor program was developed to provide."

The shore-side electrification of ships is part of Healthy Harbor Long Beach, the Port's comprehensive initiative to improve air quality, water quality, and wildlife habitat. Healthy Harbor Long Beach was launched in April 2003, with the introduction of a comprehensive Air Quality Improvement Program that calls for use of alternative fuels in port- and tenant-owned vehicles, installation of pollution control devices on equipment and a wide variety of other strategies to reduce diesel emissions resulting from Port operations.

At BP, we believe energy and environmental policy go hand in hand. At BP, we are committed to achieving the appropriate balance to find new ways of delivering clean energy to the United States at stable prices, without damaging the environment. This fundamental principal guides us in everything we do.

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