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ALASKA STATE LEGISLATURE

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House District 4
Downtown Juneau
Thane, Lemon Creek
Douglas Island, Airport, and
the Mendenhall Valley to
Stephen Richards Drive

House Bill 366

Use of Heavy Petroleum as Marine Fuel

Sponsor Statement

(version G)

HB 366 proposes to restrict large commercial passenger vessels from using heavy petroleum fuel oil (HFO) in Alaska waters.

HFO is a byproduct of the oil refining process. It is commonly referred to as “bunker fuel” and is dense, viscous, and contains high concentrations of toxic pollutants that have climate change implications and pose serious risks to marine ecosystems and human health.

The overwhelming majority of HFO used in Alaska comes from large cruise ships equipped with exhaust scrubber systems, which are required when using HFO to meet both the 2015 North American Emission Control Area requirements and the International Maritime Organization’s (IMO) global sulfur limits implemented in 2020. Although these systems allow vessels to work around emission standards, none of them eliminate the serious harm caused by using HFO. Open-loop scrubbers mix toxic exhaust with seawater and then discharge that mixture into our waters.

Every large cruise ship calling on Alaska ports already has the capability to operate using alternative fuels such as marine gas oil (MGO). Many vessels including several large cruise ships, small cruise ships, and the Alaska Marine Highway ferries already use cleaner alternative fuels. MGO is a low-sulfur distillate fuel and does not need to be pre-heated to be pumped and burned. It is widely available in Alaska and along global navigational routes. According to a 2024 economic report prepared by Energy and Environmental Research Associates, LLC., requiring large cruise operators to switch to MGO amounts to approximately \$3.50 per day per passenger or a 2.1 percent increase in daily fuel costs.

Passage of this important legislation will help to protect and sustain our ways of life, fisheries, livelihoods, and the pristine natural environment unique to our state.

I would be grateful for your support of HB 366.