



Western States Petroleum Association
Credible Solutions • Responsive Service • Since 1907

Catherine H. Reheis-Boyd
President

November 15, 2013

Via web and email: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Mr. Richard Bode (rbode@arb.ca.gov)
Chief, Mandatory Reporting Regulation
California Air Resources Board
1001 I Street
Sacramento, CA95814

Subject: Western States Petroleum Association Comments on 15-day Amendments to the Regulation for Mandatory Reporting of Greenhouse Gas Emissions

Dear Mr. Bode:

Over the past several years, the Western States Petroleum Association (WSPA), a trade association representing 27 companies that explore for, develop, refine and transport petroleum and petroleum products in the Western United States has worked diligently with the California Air Resources Board (ARB) to gain consensus on definitions, procedures and methods essential to accurate and reliable implementation of reporting of Greenhouse Gas (GHG) emissions. We appreciate ARB's willingness to understand challenges that face reporters and operators in the second and third compliance periods under the Cap and Trade (C-T) program approach.

In response to the ARB's release of 15-day Amendments and recognizing the complex nature of the proposed Amendments, WSPA is submitting our comments as noted below. To facilitate ARB review, we highlight areas of concern, provide technical comments where needed and provide suggested language for ARB guidance to follow. In providing these comments, we are resubmitting sections of previous comments where ARB action was needed but for which no action was taken.

Omission of Hydrogen Plant CWB Factor (Table 1)

WSPA is very concerned that the CWB factors for hydrogen generation (using steam methane reforming, steam naphtha reforming, or partial oxidation) were omitted from Table 1. This omission makes it virtually impossible to correctly account for emissions from hydrogen facilities within the Cap and Trade program. Even if ARB plans to address the treatment of hydrogen plants as part of the Cap and Trade Rule scheduled for finalization in early 2014, this omission is very problematic, given that the MRR requirements become effective January 1, 2014.

To assure integrity of the MRR program, to facilitate reporting, and to ensure the equitable treatment of hydrogen plants under the Cap and Trade Program, ARB must include the CWB factors for all hydrogen process types.

Recommendation: Include the CWB factors for the 3 hydrogen generation process types provided by WSPA/Solomon in August, 2013 and as shown below:

Steam Methane Reforming	5.70
Steam Naphtha Reforming	6.70
Partial Oxidation Units	7.10

Meter Calibration

WSPA is also very concerned by the very late staff revision (proposed edits to the 45-day regulation changes were not seen until the morning of the Board Hearing on October 24) that proposes to remove the flexibility ARB had provided facilities in the 2012 edits and the December 2012 Guidance on demonstrating accuracy. By removing the ability to use 95103(k)(11) and imposing 95113(l)(3)(E) for product meters, ARB has proposed a major change that can affect operations without improving measurement accuracy. It is a fact that all data must be reported to within +/-5%. The removal of 95103(k)(11) and the superimposition of new Section 95113(l)(3)(E) is unjustified, unfounded, and does nothing to improve the overall accuracy of emissions or product measurement. In fact, ARB has not provided any information supporting the basis for either of these proposed requirements.

Recommendation: Reinstate Section 95103(k)(11) for product meters and delete section 95113(l)(3)(E). See also our comments on Section 95113 below (p. 5 and p. 6)

Definitions

- **Complexity Weighted Barrel (CWB).** WSPA supports the adoption of the Complexity Weighted Barrel (CWB) method, with further edits as recommended in these comments. Please see our comments on the omission of Hydrogen Plant factors (above) and on Section 95113(l)(3)(b) that identifies definitions and critical omissions in the calculation of CWB with regard to non-crude sensible heat, offsites, and non-energy utilities. (See Page 7-9 below.)

- **Facility (134C).** Revise the Cap and Trade definition of "facility" (proposed 134(C), p. 19-20) and the MRR definition of "onshore petroleum and natural gas production facility" (proposed 326, p. 15) to be consistent with the MRR definition of "facility" (proposed 171, p. 11).

For the revised definitions of "facility" (proposed 171, p. 11) and "onshore petroleum and natural gas production facility" (proposed 326, p. 15) strike the word "hydrocarbon" from the phrase "single hydrocarbon basin." However, the same change has not been made to the relevant definition of "facility" in the Cap and Trade regulation (proposed 134(C), p. 19-20).

- **Emulsion (149).** WSPA recommends that the phrase added to 95150(a)(2) be clarified to reflect the specific definition of "emulsion" in the context stated in Section 95102(a)(149) as follows:

“Crude oil and associated gas that is piped to an onshore production facility as an emulsion from an offshore platform as defined in section 95102(a) must follow the requirements of section 95156(a) (7)-(10) and meet the metering requirements of section 95103(k) by measuring the emulsion before the first separation tank at the onshore production facility and not at the offshore platform.”

Also, revise the definition in 95150(a)(2) to include “or to which emulsion is transferred” to make it consistent with the proposed amended definitions of “facility” and “onshore petroleum and natural gas production facility” found elsewhere in the MRR and Cap and Trade Regulations.

Finally, ARB should make definitions in the Cap and Trade and MRR regulations consistent. For example, the definitions of “Onshore Petroleum and Natural Gas Facility” are not consistent between the Mandatory Reporting Regulation and Cap and Trade Regulation:

- a) Cap and Trade definition of "facility" (proposed 134(C), p. 19-20): "all petroleum and natural gas equipment on a well-pad, or associated with a well pad or to which emulsion is transferred"
- b) MRR definition of "onshore petroleum and natural gas production facility" (proposed 326, p. 15): "all petroleum and natural gas equipment on a well-pad, or associated with a well pad or to which emulsion is transferred"
- c) MRR definition of "facility" (proposed 171, p. 11): "all petroleum and natural gas equipment on a well-pad, associated with a well pad or to which emulsion is transferred"

- **Intrastate Pipeline (254).** The proposed amendment includes the following definition for intrastate pipeline:

“Intrastate pipeline” means any pipeline or piping system wholly within the state of California that is delivering natural gas to end-users and is not regulated as a public utility gas corporation by the California Public Utility Commission (CPUC), not a publicly-owned natural gas utility and is not regulated as an interstate pipeline by the

Federal Energy Regulatory Commission. For purposes of this article, intrastate pipeline operators that physically deliver gas to end users in California are considered to be Local Distribution Companies [LDC]. Facilities that receive gas from an upstream LDC and redeliver a portion of the gas to one or more adjacent facilities are not considered intrastate pipelines.”

Our understanding is that a facility which receives gas from an upstream LDC and redistributes the gas to downstream facilities is not an intrastate pipeline. However, it is not clear whether a pipeline is an intrastate pipeline in the following situations:

- a) The facility processes or mixes gas received from an upstream LDC with other gases and redistributes the processed gas,
- b) The total gas redistributed is a greater amount of gas than the amount that was received, and,
- c) The gas received or redistributed is part of a gas exchange.

Recommendation: WSPA recommends ARB clarify the above questions in the regulation or provide a Guidance document for reporters.

- **Onshore petroleum and natural gas production facility (326).** ARB includes in the definition:

“Onshore petroleum and natural gas production facility” means all petroleum or natural gas equipment on a well pad, or associated with a well pad or to which emulsion is transferred and CO2 EOR operations that are under common ownership or common control including leased, rented, or contracted activities by an onshore petroleum and natural gas production owner or operator that are located in a single hydrocarbon basin as defined in 40 CFR §98.238. **When a commonly owned cogeneration plant is within the basin, the cogeneration plant is only considered part of the onshore petroleum and natural gas production facility if the onshore petroleum and natural gas production facility operator or owner has a greater than fifty percent ownership share in the cogeneration plant.** Where a person or operating entity owns or operates more than one well in a basin, then all onshore petroleum and natural gas production equipment associated with all wells that the person or entity owns or operates in the basin would be considered one facility.

Based on ARB’s Facility Guidance Document (http://www.arb.ca.gov/cc/reporting/ghg-rep/guidance/ghg_oilgasfacility_definition.pdf, dated 2/29/12, page 3) for Petroleum and Natural Gas Systems, the “associated with” term is also inclusive of cogeneration facilities that supply steam and/or electricity to the well pad.

Cogeneration units located in the basin are included in the Onshore Production facility only if these units supply steam and electricity to the well pads. This guidance is consistent with EPA’s guidance on facility determination of industry segments. However, the text added to the existing definition requires cogeneration plants located in the basin to be included in the Onshore Production facility regardless of the industry segment that the units serve. Was this ARB’s intention and if so, will the guidance document change to reflect that? In addition, should the reporters re-assign cogeneration plants to facilities based on the above definition for the 2013 report?

Recommendation: WSPA recommends ARB revise the statement added to the definition as shown in red font below:

When a commonly owned cogeneration plant is within the basin and serves well pad operations, the cogeneration plant is only considered part of the onshore petroleum and natural gas production facility if the onshore petroleum and natural gas production facility operator or owner has a greater than fifty percent ownership share in the cogeneration plant.

Technical Issues and Changes

1. Section 95113 (Table 1)

We note some errors in Table 1, specifically with respect to consistent use of units of throughput. We note them below. If conversion is needed, ARB should note that where appropriate.

- As noted above, all CWB factors for Hydrogen production (Steam Methane Reforming, Steam Naphtha Reforming, and POX for Hydrogen) are missing.
- Residual FCC is missing.
- The following should be on product vs. feed basis (these are incorrect or partially incorrect in the ARB Table):
 - ✓ C4 Isom
 - ✓ C5/C6 Isom
 - ✓ Hydrodalkylation
 - ✓ Toluene Disproportionation
 - ✓ Xylene Isomerization
 - ✓ Para Xylene Production
 - ✓ Ethyl benzene Production

2. Section 95130(a)(2) – Requirement for Verification of Emissions Data Reports

ARB has proposed revising Section 95130(a)(2) by adding to the list of verifications other program certifications or audits that include third party certification of environmental management systems to ISO 14001 and third party certification of energy management systems to the ISO 50001 standard. Based on ARB's proposal, these previous certifications would also count toward a facility's consecutive 6-year limitation for using the same verifier.

WSPA believes the level of scope and thorough review taken to perform AB32 third-party verifications is significantly different and more stringent from those that were conducted in the above-mentioned audits. Because ARB would not consider any of these audits as an equal substitute to fulfilling AB32 verification requirements going forward, it is wrong for facilities to have to now count them if performed in the past. Many of these listed certifications were voluntarily performed in good faith to evaluate adherence with GHG requirements at the time. It is inappropriate at this time to change the rules based on wholly unrelated programs, and reporters should not be penalized by having these certifications count toward their 6-year verifier limitation.

Recommendation:

Delete proposed language revisions in Section 95130(a)(2).

3. Section 95131(e) – Requirement for Verification Services

ARB has proposed revising Section 95131(e) by including that if “**an error is identified**” the Executive Officer (EO) may set the positive or qualified verification aside and require the reporter to re-verify the MRR report by a different verification body. Additionally, ARB also added the following language:

“In instances where an error to an emissions data report is identified and determined by ARB to not affect the emissions or covered product data, the change may be made without a set-aside of the positive or qualified positive verification statement”.

Recommendation:

WSPA recommends ARB revise their proposed revisions by clarifying that errors that do not affect the 95% level of accuracy for emissions and covered product data will not result in ARB setting aside a positive or qualified positive verification (see red font):

“In instances where an error to an emissions data report is identified and determined by ARB to not affect the 95% accuracy standard for emissions or covered product data, the change may be made without a set aside of the positive or qualified positive verification statement”.

4. Section 95104 (e) Reporting of only changes to GHG emissions

WSPA supports ARB’s proposed action to report changes to GHG emissions.

5. Section 95113 – Petroleum Refineries

WSPA supports ARB’s proposal to use CWB instead of CWT and recommends ARB make all necessary revisions and corrections as necessary to support CWB.

Ensuring Quality and Accurate Data

WSPA appreciates and understands the need for meeting the data quality and accuracy requirements per the Cap and Trade and MRR programs. However, mandating meter calibrations will not in and of itself produce the accuracy required by the rules. There are instances where operators need flexibility to use alternative techniques and engineering calculations to prepare accurate reports. In these instances, engineering calculations and/or alternate data capture methods will produce data of comparable accuracy to that provided by direct metering. In fact, in some of these same cases, metering will not provide the level of accuracy desired by operators and ARB. In such instances, use of an alternate method is essential if the accuracy required by 95113 is to be attained.

Recommendation: Delete 95113(l)(3)(E) to recognize use of k(11) methods. Insert an appropriate corresponding change to revise 95103 (k)(11) so that it would still be applicable to CWB by reference to 95113(l)(3). Note: should ARB not accept the recommendation for inclusion of K(11) for CWB, then any requirement to submit

postponement requests by April 10, 2014 should be deferred until September 1, 2014 (which corresponds to the verification date).

To summarize, delete 95113 (l)(3)(E) to allow the use of 95103(k)(11) and include in Section 95103 (k)(11) a reference 95113(l)(3).

6. CWB For “Offsites And Non-Energy Utilities” And “Non-Crude Sensible Heat”

CWB for “Offsites and Non-Energy Utilities” recognizes that there is real energy consumption and GHG emissions at refineries that are outside (“offsite”) of the core processing units. Providing CWB for this “offsite” energy demand provides consistency between reported emissions and reported CWB. Examples of “Offsites and non-Energy Utilities” per Solomon’s May 17, 2013 report to WSPA/ARB include: product and intermediate movements (e.g. pumping), water treatment, air compression, other non-fired utilities, environmental treatment facilities, tankage outside battery limits, flares, truck, rail and marine facilities, etc. Solomon has determined that the energy demand of these various “offsite” energy consumers correlates to the total volume of refinery input and to the breadth of refinery processing (complexity). Solomon therefore recommended a CWB with two input terms: volume of refinery “Total Input Barrels” and “Process CWB”. “Total Input Barrels” would include volumes of crude oil processed plus other smaller-volume refinery inputs to the refinery including other feed stocks, additives and blend stocks.

CWB for “Non-Crude Sensible heat” recognizes that there is real energy demand to pre-heat non-crude raw materials prior to entering the process units. Acknowledging this energy consumption provides consistency between reported emissions and reported CWB. Determination of this volume should EXCLUDE volumes of crude oil fed to the Atmospheric Crude Distillation unit(s) as the assigned CWB factor for Crude Units includes the pre-heat (sensible heat) of crude feed to process temperature.

Recommendation: WSPA recommends the proposed definition (69) be retained and that definitions (45) and (50) be revised as follows:

95102(a)(69) “Total Refinery Input” means the total volume of the following brought in to the refinery: crude oil and condensate excluding basic sediment and water; finished product additives such as dyes, diesel pour point depressants and cetane improvers; antiknock compounds; other raw materials including crude diluents; feedstock from outside the refinery which is processed in other process units; or blend stock blended into refinery products.

95102(a)(45) “Non-Crude Input” means the total volume of non-crude raw materials to the refinery processed in process units at the refinery, excluding returns from a lube refinery or a chemical plant within a refining/petrochemical complex and excluding non-processed blend stock.

96102(a)(50) “Process CWB” means the total complexity-weighted barrels of a refinery excluding those contributed by “Offsites and Non-Energy Utilities” and “Non-Crude Sensible Heat”.

CWB Calculation:

Recommendation: WSPA recommends that MRR Section 95113(1)(3)(B) be revised for proper calculation of CWB contribution from CWB_{Offsites and Non-Energy Utilities} and CWB_{Non-Crude Sensible Heat}:

S 95113(1)(3)(b) *Total facility CWB.* The total facility CWB production must be calculated according to the following formula.

$$CWB = \sum (CWB_{Factor} * Throughput) + (CWB_{Off-sites and Non-Energy Utilities}) \pm (CWB_{Non-Crude Sensible Heat})$$

Where:

“CWB” = The total amount of complexity weighted barrels from a petroleum refinery.

“CWB_{Factor}” = The CWB factor for each process unit found in Table 1 of this section.

“Throughput” = The reported value for each CWB function identified in Table 1 of this section reported pursuant to section 95113(1)(3)(A).

$$“CWB_{Offsites and Non-Energy Utilities}” = 0.327 * Total Refinery Input + [0.0085 * \sum(CWB_{Factor} * Process CWB)]$$

$$“CWB_{Non-Crude Sensible Heat}” = 0.44 * Non-Crude Input$$

Table 1:

Recommendation: WSPA recommends the below changes to MRR Table 1 including the slight reordering of these factors to be intuitive for calculation of CWB_{Offsites and non-Energy Utilities} and CWB_{Non-Crude Sensible Heat}:

Total Refinery Input	Feed	Thousands of barrels/yr	0.327		For calculation of CWB _{Offsites and Non-Energy Utilities}
Process CWB	CWB	CWB/year	0.0085		CWB excluding CWB _{Offsites and Non-Energy Utilities} and excluding CWB _{Non-crude Sensible Heat} ; this term is also used in

					calculation of CWB Offsites and Non-Energy Utilities
Non-Crude Input	Feed	Thousands of barrels/yr	0.44		For calculation of CWB _{Non-Crude Sensible Heat}

7. Reporting of Hydrogen Section 95114(e)(1) and (e)(2)

ARB is proposing revisions to Section 95114(e) (1) and (e) (2) that will require reporters to sample for carbon and hydrogen content for each feedstock for hydrogen production units. Furthermore, the sampling frequency for carbon content from refinery fuel gas differs in sections (e) (1) and (e) (2). Specifically, Section 95114(e) (1) states monthly sampling for carbon content and hydrogen content from fuels such as refinery fuel gas is required, whereas Section 95114(e) (2) states daily sampling for carbon content and molecular weight from fuels such as refinery fuel gas is required.

It is unclear why daily sampling for carbon content and molecular weight from fuels is necessary to develop representative values. Nor is it clear why ARB is requiring reporters to sample for the hydrogen content and how this data will be useful in better delineating process and combustion emissions. Most facilities already track process feed and combustion emissions separately so there should be no need for adding additional reporting obligations that are unnecessary.

Recommendation: ARB should remove the requirement in (e) (1) for “hydrogen content” data and the sampling requirements for both (e) (1) and (e) (2) should be required on a monthly basis.

8. Section 95131(b)(9) – Emissions Data Report Modifications

This section relates to ARB’s proposed revisions to Section 95131(b) (9) to require reporters to fix all correctable errors that affect covered emissions, non-covered emissions or covered product data. While WSPA members make every effort to ensure compliance with the accuracy requirements of the reporting regulation it is unreasonable to require all errors be corrected especially if the differences are of such small magnitude that they are insignificant and below the + 5% accuracy level specified in the regulation. Additionally, WSPA believes correctable errors that are within + 5% should not be considered a non-conformance event.

WSPA recommends ARB revise the following section to allow reporters flexibility to work with the verification team in determining what correctable errors actually need to be corrected.

Recommendation: To incorporate the improvements noted above we recommend the following revisions to Section 95131(b) (9):

“The verification shall use professional judgment in the determination of correctable errors as defined in section 95102(a), including whether differences are not errors but result from truncation of rounding or averaging, or errors that are of such small magnitude they are determined to be insignificant.

9. Section 95156(a)(7)-(10) Additional Data Reporting Requirements.

ARB has amended the reporting requirements for onshore production facilities in a manner that is confusing¹ - As stated above, the term emulsion can be used in several different contexts and processes within the oil and gas industry. The current proposed definition of onshore production segment may cause confusion in the reporting requirements of 95156(a)(7)-(10).

Recommendation: WSPA recommends that the requirements be amended to reflect the specific definition of “emulsion” in the context stated in Section 95102(a)(149) as follows:

(7) Barrels of crude oil produced using thermal enhanced oil recovery. This includes any [of] the crude oil fraction piped to an onshore petroleum and natural gas production facility as an emulsion from an offshore platform as defined in section 95102(a);

(8) Barrels of crude oil produced using other than non-thermal enhanced oil recovery. This includes any crude oil fraction piped to an onshore petroleum and natural gas production facility as an emulsion from an offshore platform as defined in section 95102(a);

(9) MMBtu of associated gas produced using thermal enhanced oil recovery. This includes any associated gas fraction piped to an onshore petroleum and natural gas production facility as an emulsion from an offshore platform as defined in section 95102(a);

(10) MMBtu of associated gas produced using methods other than non-thermal enhanced oil recovery. This includes any associated gas fraction piped to an onshore petroleum and natural gas production facility as an emulsion from an offshore platform as defined in section 95102(a).

¹ (7) Barrels of crude oil produced using thermal enhanced oil recovery. This includes the crude oil fraction piped as an emulsion as defined in section 95102(a);

(8) Barrels of crude oil produced using methods other than non-thermal enhanced oil recovery. This includes the crude oil fraction piped as an emulsion as defined in section 95102(a);

(9) MMBtu of associated gas produced using thermal enhanced oil recovery. This includes the associated gas fraction piped as an emulsion as defined in section 95102(a);

(10) MMBtu of associated gas produced using methods other than non-thermal enhanced oil recovery. This includes the associated gas fraction piped as an emulsion as defined in section 95102(a).

10. Section 95157 (19) Activity Data Reporting Requirements.

WSPA previously noted issues with this section² and ARB has amended the text. However, the new text requires reporting the volume of gas produced in MMBtu. This is an error as the units should be in Mscf.

Recommendation: Amend 95157 (H) to read: “(H) Annual volume of associated gas produced (Mscf) using thermal enhanced oil recovery and non-thermal enhanced oil recovery. This data is subject to conformance check only.”

Guidance Needed

11. Guidance for Section 95104(d) & 95112(a)(5)(C)

WSPA commented previously in the “discussion draft” regarding need for clarification on proposed revisions to Sections 95104(d) and 95112(a) (5) (C) respectively.

ARB added amendments in Section 95104(d)(4) requiring that if a facility’s boundary includes more than one cogeneration system, boiler or steam generator and each system produces thermal energy for different end users or on-site processes and operations, the facility will be required to report the disposition of generated thermal energy by unit/system or by group of units with the same dispositions and by the type of thermal energy product provided.

Based on WSPA’s understanding, the requirement for an operator to report the disposition of generated thermal energy by “unit/system or by group of units” is defined as a group of units (e.g. cogeneration turbines) that are located at one facility location of which the reporting of thermal energy that goes to a single third party can be reported as

² [Text from WSPA comment letter October 15, 2013] : Existing Sections 95156(a)(9) & (10) already require reporting of MMBtu of associated gas which is the covered product under the Cap & Trade regulation. In addition, ARB had proposed added the following reporting requirement:

“(19) For onshore petroleum and natural gas production and natural gas distribution combustion emissions, report the following:

(H) Annual volume of associated gas produced (Mscf) using thermal enhanced oil recovery and non-thermal enhanced oil recovery.

ARB states in its Initial Statement of Reasons that this requirement is being added in order to obtain a statewide average heat content for associated gas and to allow comparison of associated gas production data reported to ARB and to DOGGR. In addition, volumes of associated gas production (Mscf) is activity data and is not covered product data and therefore should not be subject to materiality assessments.

Recommendation: WSPA recommends ARB clarify this reporting requirement as follows:

“(19) For onshore petroleum and natural gas production and natural gas distribution combustion emissions, report the following:

(H) Annual volume of associated gas produced (Mscf) using thermal enhanced oil recovery and non-thermal enhanced oil recovery. This data is subject to conformance check only.

a single unit. For example, if there is a cogeneration unit with 3 gas turbines and the generated thermal energy is sold to a single third party operator (i.e., a utility) the data from all three turbines can be combined and reported as single data.

In addition to referencing “particular end-user” ARB also requires the reporting of the disposition of thermal energy for “on-site industrial processes”.

Guidance Language: ARB should clarify in a Guidance document that, for reporting of thermal energy for “on-site industrial processes”, the total amount of thermal energy can be reported in total if the total thermal energy is used by the same facility. For example, if a refinery operates a cogeneration unit on-site and the thermal energy produced by the cogeneration unit is used by the same on-site refinery, the refinery can just report the total amount of thermal energy that is used within its facility boundary.

In addition, ARB should provide workshops/training to reporters to ensure there is a clear understanding of both the regulatory reporting requirements including the Cal-eGGRT tool for reporting the disposition of thermal energy.

12. Guidance For Section 95112 Electricity Generation and Cogeneration Units

ARB proposes new amendments that state if a facility includes more than one electricity generating unit or cogeneration system and each unit/system or each group of units generate electricity for different particular end-users or retail providers or electricity marketers, the operator must separately report the disposition of generated electricity by unit/system or by group of units.

Guidance Language: ARB should clarify that if a facility generates its own thermal energy within the facility boundaries and the thermal energy is used by the same company within its own on-site industrial processes then the operator can report the total amount of thermal energy as a total.

13. Guidance for Section 95105 (c)(7) – Recordkeeping Requirements

ARB proposes adding in the reference “AGA Report No.3 (2003) Part 2”, as a reference document to be used for orifice plate inspection requirements. WSPA believes that API’s “Fuel Gas Measurement document; API Technical Report 2571; First Edition, March 2011” should also be used as a basis for orifice plate inspections. This API technical report compliments the “AGA Report No. 3(2003)” and “ISO 5167-2 (2003)”, and it provides additional guidance for meters in refinery fuel gas service that ensure compliance with MRR metering requirements. Facilities should be able to use this additional reference especially if it provides more appropriate guidance that is consistent with “AGA Report No.3 (2003) Part 2” and “ISO 5167-2 (2003)”.

Guidance Language: ARB should note that API’s “Fuel Gas Measurement document; API Technical Report 2571; First Edition, March 2011” can be used in conjunction with “AGA Report No.3 (2003) Part 2” and “ISO 5167-2 (2003)”.

ARB should also clarify that in the event there is a disagreement with a verifier over an orifice plate inspection based on the referenced fuel measurement documents, the reporter can utilize alternative engineering methods to demonstrate orifice plate accuracy

14. Guidance for Section 95114(j)

ARB's intent in this reporting section is unclear. Additional guidance is needed. For example, if hydrogen gas is sold then the "...annual masses of on-purpose hydrogen and by-product hydrogen produced must be reported (metric tons)". Currently, as written, it is difficult to determine if hydrogen gas is NOT sold, then are on-purpose and by-product hydrogen produced required to be reported?

Guidance Language: ARB should clarify the intent and reporting requirements hydrogen gas product data.

15. Guidance for 2014 Emulsion Reporting

Upstream facilities impacted by the proposed definition of emulsion (from an offshore platform) will have to begin complying with the additional measurement and reporting requirements associated with this volume starting in 2014, through the use of flash testing. A rule finalized by the end of 2013 does not allow impacted facilities sufficient time to evaluate and make, if needed, infrastructure changes necessary to comply with the newly-applicable flash test requirements. In such situations, engineering calculations and other approved methods would be an appropriate substitute for flash testing in the interim.

Guidance Language: Allow facilities which are newly subject to the emulsion testing and reporting requirements as a result of the proposed regulation changes, to use Best Available Methods for 2014 and for such a time as reasonably necessary to complete infrastructure changes.

Thank you for taking the time to review these comments and recommendations. Should you have any questions, feel free to contact me or Mike Wang (cell: 626-590-4905; email: mike@wspa.org).

Regards,



cc: Mary Nichols (mnichols@arb.ca.gov)
Richard Corey (rcorey@arb.ca.gov)
Virgil Welch (vwelch@arb.ca.gov)
Edie Chang (echang@arb.ca.gov)
Steve Cliff (scliff@arb.ca.gov)
Dave Edwards (dedwards@arb.ca.gov)