



**COMMENTS OF REDDING ELECTRIC UTILITY ON THE PROPOSED
REGULATION FOR MANDATORY REPORTING OF GREENHOUSE GAS
EMISSIONS PURSUANT TO THE CALIFORNIA GLOBAL WARMING
SOLUTIONS ACT OF 2006**

Redding Electric Utility (REU) is a municipal electric utility that owns and operates local generation and distribution facilities for the benefit of the City of Redding. Since 1921, REU has provided electric service for all of the electric needs of the City and currently serves approximately 42,123 customers. REU has made a commitment to providing renewable energy to all of its customers with a current resource portfolio consisting of 27% California eligible renewable energy, or 52% when including Redding's interest in large hydroelectric generation.

REU owns and operates the Redding Power Plant Project (Redding Power) which consists of one high-efficiency natural gas-fired combustion turbine that operates in combined cycle with a steam turbine, and 3 peaking combustion turbines. The steam turbine can also be alternatively powered by two natural gas-fired boilers. REU has developed a natural gas portfolio management program to ensure REU has access to a continuous gas product and gas transportation pipelines. Redding Power combusts between 7,500 to 12,500 MMBTUS per day of pipeline quality natural gas.

REU is concerned with increasing the regulatory burden from AB 32 above what is necessary to achieve the desired goals, and proposes to keep the mandatory reporting of greenhouse gas emissions as simple as possible. We are particularly concerned with three items in the Proposed Regulation for Mandatory Reporting of Greenhouse Gas Emissions Pursuant to the California Global Warming Solutions Act of 2006:

Section 95102

Section 95111(a)(4) requires the calculation of CO₂ emissions for Cogeneration facilities to be distributed between thermal energy production and electrical production. Redding Power is a steam turbine that is supplied steam from two boilers and a Heat Recovery Steam Generator (HRSG), which is located on the exhaust of the high efficiency gas turbine/generator. Currently, Redding Power meets the criteria of a Cogeneration facility as defined in Section 95111, applying the Cogeneration reporting regulations to the boilers and turbine/generators as well. Section 95112 requires emissions to be distributed between thermal energy production and electrical production, however the thermal energy production from the HRSG and boilers are used to generate electricity, making this distribution not possible. REU therefore recommends that Section 95102(a)(43) be changed to:

“Cogeneration System,” means the individual components - prime mover (heat engine), generator, heat recovery, and electrical interconnection configured into an integrated whole and exporter of useful forms of energy other than electricity (usually mechanical and/or thermal).

Section 95111

Redding Power has one gas turbine/generator that is subject to 40 CFR 75 and five other turbine/generators and boilers that are not. The language in Section 95111(c)(1) requires facilities that are subject to 40 CFR 75 to report their Part 75 CO₂ emissions. It is not possible to report Part 75 CO₂ emissions at the facility level for Redding Power because we can only report Part 75 CO₂ emissions for the turbine generator that is subject to this regulation. We recommend that Section 95111(c)(1) be changed to:

***Natural Gas.** Operators of generating ~~facilities~~ units that combust natural gas and are subject to the requirements of 40 CFR 75 shall include Part 75 CO₂*

emissions data for those qualifying units for the report year. Operators may elect to use revenue fuel meters to conduct quality checks on generating unit level information. For ~~facilities~~ generating units that combust natural gas but are not required to report CO₂ emissions under 40 CFR 75, the operator shall calculate and include CO₂ emissions using methodologies provided in:

(A) Sections 95125 (c-d) or (g) if the high heat value is ≥ 975 and ≤ 1100 Btu per scf or;

(B) Sections 95125 (d) or (g) if the high heat value is < 975 and > 1100 Btu per scf.

Section 95125

REU operates a power plant with several units that combust pipeline quality natural gas. REU is concerned that our local gas supplier will not provide REU with certification that they are using the methods defined in Section 95125 (c)(1)(B) calculating the High Heating Value of the natural gas that will essentially be used in calculating the CO₂ emissions from Redding Power. Since Redding Power uses only pipeline quality natural gas, REU recommends adding Section 95111(c)(1)(C):

(C) For facilities that burn pipeline quality natural gas and can not obtain certifications from their suppliers that the methods in 95125 (c)(1)(B) are being used to determine high heating values of the natural gas, the operator may use the methods in Section 95125(a) to calculate CO₂ emissions, applying the default emission factors and default heat content values provided in the Appendix A, for each type of fuel combusted.

Thank you for this opportunity to provide comments to the Proposed Regulation for Mandatory Reporting of Greenhouse Gas Emissions Pursuant to the California Global Warming Solutions Act of 2006. REU requests the Board consider and incorporate the recommendations of REU, including the proposed alternative and additional language

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above. Furthermore, REU would like to receive responses to these comments included herein.

Respectfully Submitted,

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