

## *Public Workshop*

# **Proposed Amendments to AB 32 Cost of Implementation Fee Regulation**

California Air Resources Board  
Office of Climate Change  
January 21, 2011

## **Introduction**

### **Workshop Objectives**

- Provide background on the Regulation
- Provide background on proposed amendments
- Provide ARB staff's summary of proposed amendments
- Describe regulatory process and anticipated schedule

## Regulation Background

- AB 32 authorizes ARB to collect a fee to fund program
- Fee used for two purposes:
  1. *Loan repayment*
  2. *Fund current program*

3

## Regulation Status

- |           |   |
|-----------|---|
| Jan. 2011 | Affected Entities report 2008 and 2009 emissions and fuel amounts to ARB using the GHG Reporting Tool |
| Mar. 2011 | Fee invoices sent to Affected Entities for 2010/11 fiscal year  |
| May 2011  | Affected Entities remit fee   |

4

## Affected Entities

- Natural gas (gas utilities, pipeline owners and operators, and end users receiving natural gas from an interstate pipeline)
- Producers and importers of transportation fuels
- Oil refineries
- Cement manufacturers
- Electricity producers and importers
- Facilities that combust coal, petroleum coke, catalyst coke, or refinery gas

5

## Why Amend the Regulation?

- Consistency with recent amendments to ARB's Regulation for Mandatory Reporting of Greenhouse Gas Emissions (MRR)
  - Support the State's Cap-and-Trade regulation
  - Consistency with US EPA's reporting requirements
- Clarify some regulation language

6

## Proposed Amendments

- Applicability
- Revised definitions
- New definitions
- Deleted definitions
- Calculation of fees
- Reporting

7

## Proposed Amendments

### *Electricity*

- Sections revised to align with MRR regarding what electricity is covered
  - 95201(a)(4)
  - 95201(b)
- Section added to clarify which fuels are covered
  - 95201(c)

8

## Proposed Amendments

- Revised definitions include:
- Asset controlling supplier
  - Associated gas
  - Cogeneration facility
  - Delivered electricity
  - Electricity fee rate
  - Electricity generating facility
  - Electricity importers
  - Emissions
  - End user
  - Facility
  - Fossil fuel
  - Fuel
  - Generating unit
  - Imported electricity
  - Marketer
  - Inter and intrastate pipeline
  - Natural gas
  - Operational control
  - Operator
  - Petroleum refinery
  - Point of delivery
  - Process emissions
  - Purchasing-selling entity
  - Refinery gas
  - Retail provider
  - Source
  - Specified source of electricity
  - Unspecified source of electricity

9

## Proposed Amendments

- New definitions include:
- Biomass
  - Cogeneration unit
  - Consumption
  - Consumed on-site
  - EIA (Energy Information Administration)
  - Electricity delivered in California
  - Electricity generating unit
  - Gross generation
  - Linked jurisdiction
  - MMBtu
  - Multi-jurisdictional retail provider
  - NERC E-Tag
  - Oxygenate
  - Produced on-site
  - Radiative forcing
  - Thermal energy
  - Useful thermal output
  - Wholesale sales

10

## Proposed Amendments

Deleted definitions include:

- Asset owning supplier
- Producer
- Production facility

11

## Proposed Amendments

Subsections revised or added to reflect new/amended definitions and use of the new electricity emission factors beginning Jan. 1, 2011

- 95203(b)
- 95203(e)
- 95203(f)
- 95203(g)
- 95203(h)
- 95203(j)

12

## Proposed Amendments

Subsections revised to provide additional entity information and align with MRR

- 95204(b)
- 95204(c)

13

## Timeline\* for Regulation Amendment

- Feb. 3, 2011      Public comments due
- Mar. 2011        Release Initial Statement of Reasons (ISOR)
- Apr. 2011        Board consideration
- Jan. 2012        Amended regulation goes into effect

\*Tentative

14

## Questions or Comments?

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15