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David Edwards
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**RE: Pacific Gas and Electric Comments in Response to the Air Resources Board's
Proposed Regulation for the Reporting of Criteria Pollutants and Toxic Air Contaminants**

Pacific Gas and Electric Company (PG&E) appreciates this opportunity to provide feedback in response to the Air Resources Board's (ARB) June 27, 2018 release of a preliminary discussion draft (PDD) of the proposed Regulation for the Reporting of Criteria Pollutants and Toxic Air Contaminants.

PG&E supported the passage of AB 617 which establishes California's goal to reduce emissions of toxic air contaminants (TACs) and criteria pollutants (CPs) in communities affected by a high cumulative exposure burden. AB 617 also requires ARB to develop a uniform state-wide system of annual reporting of emissions of CPs and TACs for certain categories of stationary sources. PG&E currently has a presence in 30 of the 35 local air districts in California, including the operation of 11 large stationary sources subject to mandatory greenhouse gas reporting and over 300 minor stationary sources subject to local air district permitting requirements. Due to this geographic breadth, PG&E is uniquely situated and strongly supports uniform, efficient state-wide reporting that enhances transparency and data accuracy. To this end, PG&E provides comments below in response to the PDD.

Standardized Submission Requirements

As noted above, a key objective of this regulation is to create a uniform reporting system across the state. However §93403(c) provides two different reporting pathways for submitting emissions to ARB, depending on the choice of the local air district. For a company like PG&E with many local air districts to work with, a standardized approach is critical. Allowing each air

district to determine whether a facility must report to the district or directly to ARB will lead to inconsistency and unnecessary complication. Once a state administered electronic data system is available, ARB should either require all facilities to continue to report to local air districts or require all facilities to report directly to the ARB electronic data system.

Cessation of Reporting for Facilities

Section §93401(c)(3)(A) of the PDD requires facilities that cease operation to keep reporting until after the first full year of non-operation in order to demonstrate zero emissions. PG&E notes there may be situations where this requirement could be problematic. For example, a facility could have only one permitted emission unit which is subsequently removed and the local air district permit is cancelled. However, this facility could have other non-permitted emission sources (which have a local air district exemption from the permit). In such a situation, the facility emissions will technically NOT be zero even though the permitted emission unit ceases operations. As currently drafted in the PDD, the regulation would only apply for facilities that hold an air district permit. Since the facility would no longer hold a permit, it is unclear if the facility will still need to report. PG&E requests ARB provide clarification for such situations. PG&E also notes that facilities in an AB 617 community that have some level of emissions but are exempt from local air district permit requirements will not be subject to any reporting. Therefore, if a facility once had a permit but that permit is cancelled, no further reporting should be required to demonstrate “zero emissions”, in order to be consistent across facilities.

Applicability to Portable Equipment

In the PDD, section §93401(a)(4) states that any facility with a permit from a local air district that emits any CPs or TACs in a community selected for the AB 617 program is subject to the reporting requirements of this regulation. Some local air districts issue what are known as “various location” permits for portable equipment that do not qualify for the statewide Portable Equipment Registration Program (PERP). PG&E’s liquefied natural gas (LNG) trailers are an example of such equipment. The emission source is a boiler mounted on the trailer – because boilers do not qualify for the PERP, a local district permit is required. Since the LNG trailer is a source with a local air district permit, it is unclear if the reporting requirements of this regulation would apply if the trailer (or other similar portable equipment) is operated in an AB 617 community. PG&E requests clarification on this point.

Record Retention Requirements

Section §93405 requires records to be retained for five years. While this timeframe aligns with the record retention period for most Mandatory Reporting Regulation (MRR) facilities, most minor source permits typically require two years of data be retained. This will lead to conflicting data retention requirements for minor sources and increase the burden on

minor sources if they have to retain records beyond their permit requirements. This inconsistency will also increase the likelihood of minor sources meeting the requirements for their permit, but ending up in non-compliance for the ARB's regulation. Therefore, PG&E recommends that the record retention requirement for minor sources be aligned with permit requirements of 2 years, while maintaining the 5-year record retention requirement for MRR facilities.

Minor Sources in Selected AB 617 Communities

The fourth category of facilities subject to this regulation is minor sources located within a selected AB 617 community. ARB staff has indicated that data from these minor sources is needed to develop community inventories. However, air monitoring and modeling data will be available to local air districts and ARB for that purpose. The monitoring and modeling tools will be much more useful than emission inventories based on generic emission factors – which will likely be used for minor sources and are typically overly conservative. In addition, it is likely that in most communities, area and mobile sources far exceed the actual emissions from small stationary sources (these area and mobile sources will use monitoring and modeling tools to quantify emissions instead of directly reporting emissions). The directly reported minor source emissions data may not be needed to support AB 617 implementation and the value of such data should be considered in comparison to the additional administrative burden to the local air districts and affected minor source facilities. PG&E recommends that the reporting requirement for minor sources in selected AB 617 communities be postponed until ARB and local air district staff can evaluate whether reported emissions from these minor sources are valuable for developing community inventories, beyond the other data already being collected.

Conclusion

PG&E looks forward to working with ARB staff to further refine the draft Regulation for the Reporting of Criteria Pollutants and Toxic Air Contaminants. Thank you for considering PG&E's comments and please feel free to contact me if you have any questions or concerns.

Sincerely,

/s/

Fariya Ali

cc: John Swanson, ARB
Patrick Gaffney, ARB
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