

**Air Products and Chemicals, Inc.**  
7201 Hamilton Boulevard  
Allentown, PA 18195-1501  
Telephone (610) 481-4911

November 30, 2018

Clerk of the Board  
Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Via electronic submittal at: <https://www.arb.ca.gov/lispub/comm/bclist.php>

RE: Comments regarding the 15-Day Regulation for the Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation.

Air Resources Board:

Air Products is a world-leading industrial gases company, in operation for over 75 years. The company's core industrial gases business provides atmospheric and process gases and related equipment to manufacturing markets, including refining and petrochemical, metals, electronics, food and beverage and healthcare. Approximately 15,000 employees globally work to make Air Products the world's safest and best performing industrial gases company, providing sustainable offerings and excellent service to all customers. Air Products has over 325 employees and 7 production facility locations across California, including atmospheric gases (oxygen/nitrogen/argon) and hydrogen production facilities.

Air Products welcomes the opportunity to submit the below comments regarding the proposed amendments to the cap and trade program. Air Products has worked very collaboratively with Air Resources Board (ARB) staff over the past ten years to ensure regulation of greenhouse gas emissions can achieve both California's environmental objectives as well as support the competitiveness of California industry. We look forward to a continued working partnership with ARB staff.

### **DISCUSSION of COMMENTS:**

#### **1. Assistance Factors and Covered Industrial Sectors [Table 8-1 under §95870]**

Air Products strongly supports maintaining the Assistance Factor at 100% through 2030 for the allocation to industrial covered facilities. Air Products agrees that protection of emissions intensive and trade exposed industry sectors remains important to the overall success of the cap and trade program and confirms that current reductions of the Assistance Factor are not necessary to provide enough

incentive for continued investment in emission reduction technologies and operating practices.

**2. Direct Environmental Benefits to the State [§95989]**

Air Products supports the clarification of the criteria for offsets to be determined to have provided Direct Environmental Benefit to the State (DEBS). Expanding the potential range of environmental benefits to reduction of adverse impacts on waters of the state will increase the number of emission offset projects which qualify for DEBS designation and increase in-state environmental improvements achieved.

**3. Quantitative Usage Limits on Designated Compliance Instruments – Including Offsets Credits [§95854(e)]**

Air Products strongly recommends that ARB take proactive steps to ensure qualifying DEBS projects are clearly identified in advance of Compliance Period 4 to mitigate any risks to the administration and application of the proposed changes to §95854 and allow covered entities to develop and execute their long-term compliance strategies.

Air Products appreciates the diligent efforts by ARB staff to continue to improve the cap and trade program and will continue to participate in future public engagement on these regulations.

Respectfully,



Keith Adams, P.E.  
Climate Change Regulatory Advisor – on behalf of Air Products and Chemicals.  
ClimeCo Corporation

Eric Guter, Seth Gottlund, Peter Snyder, Raymond Bailey – Air Products  
Chelsea Bryant– ClimeCo