



September 22, 2020

Ms. Carey Bylin
Director
California Air Resources Board
1001 I St.
Sacramento, CA 95814

Dear Ms. Bylin,

NextEra Energy Resources (NEER), and its affiliated entities operating in California, support the efforts by the California Air Resources Board (CARB) to reduce greenhouse gas (GHG) emissions associated with the state's power grid. We value the thoughtful approach that CARB staff has taken in balancing the need to expeditiously reduce GHG emissions with the mandate to ensure safe and reliability electric service while supporting the advancement and commercial availability of environmentally-friendly technology.

In support of the proposed amendments we highlight the following items which are deemed to be key in ensuring the successful reduction of a potential release of SF₆ from gas insulated equipment (GIE) and ability of the industry to maintain a stable, safe and reliable power grid. These are (i) the applicability of the phase-outs to only new equipment procured after the identified phase-out dates, (ii) availability of clear guidelines under which exemptions can be procured, and (iii) applicability of the phase-outs to qualifying GIE.

Applicability to New Equipment

NEER has reviewed the CARB Staff Report: Initial Statement of Reasons (ISOR) and Appendix A, Proposed Regulation Order. Based on this review, we understand that the goal of the amendments are to replace SF₆ GIE that is nearing or have reached end-of-life with non-SF₆ GIE as those products become technically achievable and commercially available. The proposal for phase-outs is geared toward replacement of SF₆ GIE that have reached or are approaching end of useful life rather than requiring fully functioning equipment to be removed from service by the effective date (e.g. See discussion in ISOR at pg. 37 and pg. 123). Furthermore, to ensure reliability of the grid, the proposed regulation allows for procurement of SF₆ GIE up to the date the applicable phase-out restriction becomes effective to ensure that adequate spares are on-hand. The early adoption credit, as we understand it, incentivizes GIE owners who need to replace SF₆ GIE to do so in advance of an applicable phase-out date without experiencing the drawback of a lower emissions baseline at December 31, 2024, resulting from a reduction in inventory of active SF₆ GIE. [NextEra] supports the overall phase-out plan, and the proposed exemptions of replacement parts from the phase-outs as outlined in §95357, as it appropriately balances the goal of significant reduction in GHG while recognizing the essential need for flexibility in operations to ensure a safe and reliable power grid.

Availability of Clear Exemption Guidelines

As CARB Staff noted in its Initial Statement of Reasons Section 11.B.3., there may be cases where GIE owners need to install SF₆ GIE after applicable phase-out dates. It is vital that the proposed language for §95357 SF₆ Phase-Out Exemption remain in the final version of the regulation as it provides an option for GIE owners to procure needed equipment to maintain operational reliability in the event that non-SF₆ containing GIE is commercially unavailable, operationally untested, or technologically infeasible. [NextEra] supports the current proposed §95357, but urges Staff to consider a prescriptive or self-certification exemption framework under which §95357 would outline the requirements which are needed to substantiate exemptions from the phase-

NextEra Energy Resources, LLC

out and the requirement that CARB staff verifies that the requirements have been met. This process has the benefit of streamlining the exemption process and creating administrative efficiency which may lead to the reduction in the currently proposed 75-day exemption review timeline.

Applicability of Phase-Outs to Qualifying GIE

NEER seeks to clarify that the Phase-Outs should not apply to certain GIE. GIE that is spare equipment in inventory, acquired prior to an applicable Phase-Out date, should be exempt from categorization as new equipment if such spare is not placed into service until after an applicable Phase-Out date. Phase-Outs should only apply to new equipment. Per the proposed §95352(c) “[r]eplacement parts are not subject to the phase-out. However, we find that the definition of “Replacement Parts” in §95351(a) too narrowly worded which may inadvertently lead to the inability of a GIE owner to repair SF6-containing GIE which still has useable service life. We recommend expanding the definition to include any interchangeable or similar component used to repair a GIE. Lastly, as the regulations are designed to reduce GHG emissions, we recommend the removal of the reference to hermetically sealed equipment in the definition of “GIE” contained in §95351(a). As non-hermetically sealed equipment impacts emissions through potential failure leakage, and hermetically sealed equipment does not leak upon failure, the inclusion of latter does not advance the goal of GHG emissions reduction.

Thank you,



Michael W. Sole
Vice President,
Environmental Services