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David Edwards
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California Air Resources Board
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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) Proposed Regulation for the Reporting of Criteria Pollutants and Toxic Air Contaminants, as released on October 26, 2018.

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 greenhouse gas reporting defined as Mandatory Reporting Regulation (MRR) facilities 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. In support of this goal, PG&E provides comments below in response to the Proposed Regulation.

Minor Sources in Selected AB 617 Communities

In the Proposed Regulation, there are several categories of facilities that will be subject to the regulation, one of which is minor sources located within a selected AB 617 community. Reported emissions data from these minor sources are not needed to develop community inventories. AB617 already requires that air monitoring data be collected. The available emissions 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, leading to skewed community emissions apportionment inventories. In addition, it is likely that in most communities the emissions from 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 – §93401(4) – be postponed until ARB and local air district staff can evaluate whether reported emissions from these minor sources are valuable data inputs for developing community inventories, beyond the other data already being collected.

Exclusion for Suppliers of Natural Gas and Natural Gas Distribution Facilities

In §93401(b)(A) and §93401(b)(C), the proposed regulation includes exclusions for suppliers of natural gas and natural gas distribution facilities “...that do not report facility combustion emission sources under the requirements of CCR, title 17, sections 95100 through 95158” (emphasis added). While PG&E does report combustion emission sources (devices) related to our natural gas distribution system, the emissions from these sources do not exceed the threshold that would trigger the requirement to report their GHG emissions. In order to clarify the intention of these exclusions, PG&E requests that the word “sources” be removed from both sections as follows:

93401(b)(A) Suppliers of transportation fuels (CCR, title 17, section 95121), suppliers of natural gas, natural gas liquids, and liquefied petroleum gas (CCR, title 17, section 95122), and suppliers of carbon dioxide (CCR, title 17, section 95123), that do not report any facility combustion emissions sources under the requirements of CCR, title 17, sections 95100 through 95158.

93401(b)(C) Natural gas distribution facilities as defined in CCR, title 17, section 95101(a), that do not report facility combustion emissions sources under the requirements of CCR, title 17, sections 95100 through 95158.

Cessation of Reporting for Facilities

Section §93401(c)(3) of the proposed regulation governs the reporting requirements for shutdown facilities. In several places, this section requires that there must be absolutely zero emissions from the facility for the owner/operator to use the reporting cessation provision. PG&E notes there may be situations where this requirement for zero emissions could be problematic and unfair. For example, a facility could have only one permitted emission source

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 permit requirements). In such a situation, the facility emissions will technically NOT be zero even though the permitted emission source ceases operations. It would be unfair to require this facility to continue to report for their non-permitted emission sources when other similar facilities with non-permitted emission sources were never subject to the regulation in the first place per §93401(a)(4). PG&E suggests changing the reporting cessation threshold to no emission sources subject to local air district permit. As such, for facilities subject to the regulation pursuant to §93401(a)(4), the regulation should simply require that if the facility currently holds a local air district permit then the facility is subject to reporting. If the facility does not currently hold a local air district permit, even if they did at one point in the past, then no reporting is required. Otherwise, tracking emissions from non-permitted sources will be a burden on local air district staff and facilities, and will not be in alignment with the applicability requirements in section §93401(a)(4).

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 to operate requirements. There will also be a burden on local air districts to update each affected permit to operate to align with the record retention requirements of this proposed regulation. This inconsistency will also increase the likelihood of minor sources meeting the requirements for their permit to operate, but ending up in non-compliance for this proposed regulation. Therefore, PG&E recommends that the record retention requirement for minor sources be aligned with the typical local air district permit to operate requirement of two years, while maintaining the five year record retention requirement for MRR facilities.

Standardized Submission Requirements

As noted earlier, a key objective of this proposed regulation is to create a uniform reporting system across the state. However, §93403(c)(2) 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 (with local air districts subsequently responsible for submitting the data into the ARB electronic data system) or require all facilities to report directly to the ARB electronic data system.

Conclusion

PG&E appreciates the engagement with ARB staff through the public rulemaking process for the Proposed 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