



NRG Energy, Inc.
4600 Carlsbad Boulevard
Carlsbad, CA 92008

March 11, 2019

By Email: carey.bylin@arb.ca.gov

Ms. Carey Bylin
Climate Change Program Evaluation Branch
California Air Resource Board
1001 I Street
Sacramento, California 95812

Re: NRG Energy Inc.'s Comments on
Discussion Draft of Potential Changes to the Regulation for Reducing
Sulfur Hexafluoride (SF₆) Emissions from Gas Insulated Switchgear–
Discussion Draft dated February 22, 2019

Dear Ms. Bylin:

NRG Energy, Inc. (NRG) appreciates the opportunity to submit these comments in response to the Discussion Draft of potential changes to the California Air Resources Board (ARB) Regulation for Reducing Greenhouse Gas Emissions from Gas Insulated Equipment (Regulation) issued on February 22, 2019. These comments are in addition to comments made during ARB's workshops on the SF₆ Regulation. We propose for ARB's consideration rule language amendments to the Discussion Draft that would provide a realistic and appropriate de minimus threshold for reporting and enforcement – an example of such language is provided below; and rule language amendments that include maintenance provisions to ensure safe and environmentally compliant operation of gas insulated equipment (GIE).

NRG appreciates the ARB's willingness to establish an emissions limit applicability threshold under Section 95352.1. However, a <5,500 MTCO₂e emissions limit applicability (de minimus) threshold appears arbitrary and does not support or encourage compliance for facilities with more inventory than this proposed de minimus threshold, even from a single piece of equipment, and therefore gives such facilities no opportunity to be considered in this exemption. ARB has previously stated that the proposed de minimus threshold was established as the mid-point for all reporting

entities, with half of the reporters having inventories >5,500 MTCO₂e and half of the reporters having inventories <5,500 MTCO₂e. This approach is inequitable from an emissions standpoint, and is likely to continue to penalize small emitters, while entities with larger inventories will likely continue to have “compliant” actual emissions based on the percentage of losses as compared to its significantly more substantial inventories. NRG believes a reasonable and appropriate de minimus threshold is necessary for “small facility inventories” to avoid inadvertent and likely continuous non-compliance for minimal actual emissions, unmitigatable emissions due to both regularly scheduled preventative maintenance and unscheduled repair maintenance activities, including during the retirement of such equipment, all of which can appear during such activities as potentially “phantom emissions”. The U.S. EPA, under 40 CFR Part 98.330 Subpart DD Electrical Transmission and Distribution Equipment Use, requires that entities report emissions and related inventory quantities if system nameplate capacity exceeds 17,820 pounds of SF₆. NRG appreciates the reporting threshold precedent set by U.S. EPA, but recommends that the California Regulation mirror the CO₂e thresholds in the Mandatory Reporting Rule for reporting (10,000 MT-CO₂e) and the Cap-and-Trade Regulation threshold for Covered Entities (25,000 MT-CO₂e). For example, a facility/owner which owns/operates GIE devices with a combined inventory of SF₆ <967-lbs (10,000 MT-CO₂e) would not be required to report under this regulation; a facility/owner which owns/operates GIE devices with a combined inventory of SF₆ <2417-lbs (25,000 MT-CO₂e) would be required to report, but would not be subject to enforcement under this regulation.

NRG also recommends that language be included which allows an entity to permanently retire a GIE device at any date within the year, and that the annual inventory not be required to be time-weighted average in such instances of retired GIE devices. The current regulation could potentially and inadvertently force a GIE device owner to delay the retirement of a GIE device, thus creating the potential for real emissions, because an early retirement requires the annual inventory to be recalculated based on a time-weighted average. The GIE owner/operator should be able to permanently retire a GIE device at any point within the year, and avoid potential non-compliance due to a calculated reduced emissions rate. Furthermore, when an entity seeks to retire equipment, whether to move to newer equipment or to permanently remove SF₆-containing equipment, ARB should consider such action as exempt from compliance (for potential losses) under this regulation if the entity has demonstrated it has recovered what was in storage in that equipment. This commitment by the entity is in-line with the agency’s goals to reduce the potential losses, if not the removal of the use of SF₆.

Ms. Carey Bylin
March 11, 2019
Page 3

Should you have any questions regarding the recommendations or comments, do not hesitate to contact me.

Very truly yours,

Sean P. Beatty

Sean P. Beatty
Regional General Counsel - West
NRG Energy, Inc.

cc: Brian Cook – Air Resources Board
George Piantka – NRG Energy, Inc.
Timothy Sisk – NRG Energy, Inc.