

Air Products and Chemicals, Inc.

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September 19, 2016

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

RE: Comments Regarding Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions
Submitted electronically via:
https://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=ghg2016&comm_period=A

Air Resources Board:

Air Products is a global, Fortune 250 company that supplies atmospheric, process, medical and specialty gases, specialty chemicals and process equipment serving a diverse range of industries, including primary metals, refining, electronics, food and glass sectors, as well as healthcare and many other general manufacturing industries. Air Products has over 400 employees and 30 locations in California, including numerous atmospheric gases (oxygen/nitrogen/argon) and hydrogen production facilities, electronic specialty gases and materials production and electricity generating facilities. In addition, Air Products has designed, installed, and supplies a fleet of hydrogen fueling stations across California, facilitating the transition to carbon-free transportation.

Air Products welcomes the opportunity to submit comments regarding the proposed amendments to mandatory greenhouse gas reporting rule. Over the course of the last several years, Air Products has worked very constructively with ARB staff and are pleased with the consideration given our concerns and recommendations. We look forward to a continued working partnership with ARB staff to ensure the effective development of future program changes.

DISCUSSION of COMMENTS:

- 1. Extended frequency for calibration of differential pressure measurement devices for facilities which operate continuously with infrequent outages
 - Air Products strongly support the concept that extends the calibration frequency for differential pressure measurement devices used by facilities which operate continuously with infrequent outages. In such instances, the removal of an orifice plate to allow verification of the orifice diameter often requires taking that process line out of service. When on a critical process feed, product or recycle line, this requires an entire process shutdown. ARB has recognized this and offered, under the proposed revision to §95103(k)(6)(A)(1), an extension to six years recalibration frequency for such devices used in a refinery. Air Products hydrogen

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plants are integrally linked with refineries, operate continuously, and infrequently have maintenance outages. In fact, our hydrogen plant outages are closely coordinated with our refinery customers to coincide with their outages to minimize such operating interruptions (and the negative environmental impacts of an un-needed shut-down/start-up cycle). Air Products strongly requests this same calibration frequency extension be offered to hydrogen plants, as well.

2. Allow aggregation of hydrogen product sales reporting to hydrogen fueling stations.

• Air Products strongly supports the narrowing of the data reporting requirements for hydrogen product sales. We agree that the data collected will help in meeting other ARB objectives, such as determinations under the Low Carbon Fuel Standard. The proposed revisions to §95114(j suggest the level of data granularity for hydrogen product sold to hydrogen fuel stations is at the "facility" level. While this makes sense for product sold to refineries, we do not agree this level of reporting granularity is needed for hydrogen sold to fueling stations. Further, product may be sold to a third-party entity that is filing multiple individual stations, obscuring the specific sales to an individual facility. Air Products requests that the hydrogen products sales to hydrogen fueling stations can be reported as a total aggregated value, or at the least, as the total to the purchasing entity, without breaking such sales data down to the individual fueling stations, themselves.

3. Earlier deadline for verification of emissions data reports

• Air Products feels completion of the verification of the emissions data report by August 1st each year will be challenging for both covered entities and the verification firms. Already we are often challenged in meeting the existing September 1st deadline, even with a verifier who has performed verification for our facility in previous years and is familiar with our operations and reporting approaches. Air Products recommends retaining the September 1st verification deadline and looking for ways to streamline the subsequent ARB review, based on some priority process (e.g. similar to criteria used for tax audits)..

Air Products appreciates the diligent efforts by ARB staff and we stand ready to provide further information to support board's refinement of the cap and trade program. Please feel free to contact me by phone (610-909-7313) or email adamskb@airproducts.com).

Respectfully,

Keith Adams, P.E.

Keil Adams, P.E.

Environmental Manager – Climate Change Programs

c: Eric Guter, Peter Snyder, James Reebel, Scot Govert, Andrew Shoup, Raymond Bailey – Air Products