



**TESORO**

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Via web: <http://www.arb.ca.gov/cc/capandtrade/comments.htm>

Ms. Rajinder Sahota  
Cap and Trade Program  
California Air Resources Board  
1001 I Street,  
Sacramento, CA 95814

Subject: Comments on the Proposed Amendment to the Cap and Trade Regulation

Dear Ms. Sahota:

Thank you for an opportunity to comment on the proposed amendment to the Cap and Trade regulation. Tesoro has been working with ARB staff regarding an appropriate cap adjustment factor and benchmark for the Tesoro Wilmington Calciner (former BP Wilmington Calciner). Tesoro recommends the following changes to the proposed amendment:

1. The Cap Adjustment Factors for Allowance Allocation (Table 9-2) should be revised to include calciners along with the other identified sectors and activities that have process emissions greater than 50%. The recommended change would be to add another row under those activities with process emissions greater than 50% to include:

<b>Sector</b>	<b>NAICS</b>	<b>Activity</b>
All Other Petroleum and Coal Products Manufacturing	324199	Coke Calcining

Emissions from calcining operations are mainly process emissions. At the Tesoro Wilmington Calciner, process emissions make up more than 90% of the total emissions. Tesoro suggests calcining be treated consistent with the other activities with process emissions greater than 50%.

2. The Coke Calcining benchmark shown in Table 9-1 should be revised to be consistent with the benchmark methodology outlined in the ISOR, which is based on the higher of:
  - a. 90% of the average benchmark of California calciners, or
  - b. Benchmark of the California best-in-class calciner

The benchmark in the existing Cap and Trade Regulation does not accurately represent the California calciners and should be changed to reflect California specific calciners. Furthermore, the benchmark for the calciner should not in any way be impacted by the power produced by the bottom-cycling cogeneration plant.

Tesoro looks forward to working with ARB staff on the proposed rule amendment. If you have questions or need additional information, please contact Ron Ricks at (310) 847-5647.

Sincerely



Daniel T. Riley