



Western States Petroleum Association
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Catherine Reheis-Boyd
President

April 27, 2017

Ms. Rajinder Sahota
California Air Resources Board
1001 I Street
Sacramento, CA 95814

via e-mail at: rsahota@arb.ca.gov

Re: WSPA comments ARB's 2nd 15-day AB 32 MRR Regulation Amendment Modifications

Dear Ms. Sahota:

The Western States Petroleum Association (WSPA) appreciates this opportunity to provide comments on the proposed Air Resources Board (ARB) Second 15-day Modifications to the Proposed AB 32 Mandatory Reporting Regulations (MRR) Amendments, dated April 13, 2017. WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and four other western states.

WSPA initially expressed concern, in a comment letter dated September 19, 2016, that the proposed MRR Regulation Amendments increased the overall burden on reporters. We provided further comments, in a letter dated January 20, 2017, pursuant to the First 15-day MRR Regulation Amendments Modification package as that version of the MRR Regulation Amendments appeared to add elements that would further increase the reporting burden with no regard to the potential consequences for accuracy and cost.

While this WSPA comment letter primarily addresses the Second 15-day MRR Regulation Amendments Modification package, we would like to emphasize that those unaddressed issues identified by WSPA in our comment letters of September 19, 2016 and January 20, 2017 (which are enclosed and incorporated herein by reference) remain valid.

Section 95103(f) - Change in MRR Report Verification Deadline

In recognition of WSPA and other stakeholder concerns with the moving up of the verification deadline, the revised regulatory language revision now identifies the verification deadline as August 10th. While we still believe that the moving up of the verification deadline is unnecessary and adds to the burden on both reporters and verifiers, WSPA appreciates the compromise provided in the Second 15-day package.

Section 95103(l) - Reporting and Verifying Product Data

WSPA supports the language change in this section which allows entities to have the option to exclude covered product data.

95105(c)(3) - Recordkeeping Requirements

WSPA appreciates the clarification of “combustion emissions” through the replacement of that term with “combustion units”. However as noted in previous comment letters, this section still requires that the location of every meter, pressure gauge, or temperature gauge that is used in emissions and CWB calculations be identified on a diagram. WSPA requests the following deletion (in red):

~~“Identification of measurement device location, and the location of any additional devices or sampling ports. Reference to one or more diagrams (simplified block flow or piping and instrumentation diagrams) that provide a clear visual representation of the relative ~~the~~ **locations and** relative positions of all measurement devices and sampling locations, as applicable, required for calculating covered emissions and covered product data (e.g. temperature, total pressure, HHV, fuel consumption). The diagram(s) must include ~~and label~~ fuel sources, combustion ~~emissions~~ units, and production processes, as applicable.”~~

Issues from First 15-day Package not addressed in Second 15-day Package

Several key WSPA issues regarding the First 15-day MRR Regulation Amendments Modification package were not addressed in any manner in the Second 15-day package. Consequently, the following issues remain unresolved:

- **Section 95131(b)(14)(B) - Requirements for Verification Services.** For clarification of intent of this section, WSPA requested that the first sentence in 95131(b)(14)(B) be revised to state “Verifiers must confirm via a representative sampling and review of covered product data...”
- **Section 95131(b)(12)(D) and (E) - Material Misstatement Assessment for CWB.** The MRR Amendments introduce the term “reporting unit” which is not consistent with the terms used in the product based benchmarks. For clarity, WSPA proposed that the term “benchmark units” be used. This is consistent with Table 9-1 in the regulation.
- **Section 95131(b)(12)(D) - Material Misstatement Assessment for Thermal and Non-Thermal Fields.** WSPA continues to oppose the proposed change which disadvantages some operators and our entire industry sector over other sectors. ARB should apply the same requirement to oil and gas production as all other sectors (i.e., material misstatement based on units of measure, in this case barrels).

- **Section 95102 - Gas-to-Oil Ratio Definition.** Total GOR is proposed to include calculations for “well testing venting and flaring” and “associated gas venting and flaring”. WSPA requested that ARB provide clarity on this issue (i.e., identification of the issue that is being addressed with this change).

WSPA appreciates ARB’s consideration of our comments and we look forward to your responses. If you have any questions, please contact me at this office, or Tiffany Roberts of my staff at (916) 325-3088 or email troberts@wspa.org.

Sincerely,



cc: Richard Corey - ARB
Edie Chang - ARB
Jim Aguila - ARB
Tiffany Roberts - WSPA