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April 28, 2017

Ms. Brienne Aguila  
California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95814

Dear Ms. Aguila:

Subject: Comments on the Second 15-Day Modifications to the Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to review and comment on the second 15-day modifications to the 2016 amendments to the California Air Resources Board (ARB) Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR). Please see our comments below.

**1) Verification Deadline [MRR section 95103(f)]**

In the second 15-day modifications to the proposed MRR amendments, ARB proposed a revised deadline of August 10 to complete verification of the annual greenhouse gas (GHG) emissions data reports. While August 10 is better than ARB's earlier proposed deadline of August 1, shortening the verification period by three weeks may create a hardship to complete verification of the more complicated reports. Not meeting the verification deadline would have significant adverse consequences.

As stated in previous comments, LADWP believes the amount of time allotted to verify an annual GHG emission report should be no less than three months. The verification period should be long enough for the verifiers to do a thorough job reviewing the reports, and for reporters to respond to questions that arise during the verification process and make corrections as needed. Verification of the reports ensures good quality data, so the verification process should not be rushed.

An August 10 verification deadline would allow five months to verify facility and supplier emissions data reports that have a reporting deadline of April 10. An August 10 verification deadline would allow less than two and a half months to verify electric power entity reports that have a later reporting deadline of June 1 (for data availability reasons). The electric power entity reports are data intensive reports complicated by additional requirements such as the "lesser of analysis" and the RPS Adjustment guidance. September 1 would be a much more appropriate verification deadline for electric power entity reports.

LADWP submits the following recommendations for ARB's consideration:

- 1) Rather than a one-size-fits-all verification deadline, there should be two different verification deadlines, one for facility and supplier reports (August 15) and a later verification deadline for electric power entity reports (September 1). This would allow a minimum of three months to verify the electric power entity reports, while providing verified facility and supplier data to ARB staff a little sooner so they can calculate allowance allocations and compliance obligations. ARB's summary of reported 2015 GHG emissions includes 686 facility and supplier reports and 118 electric power entity reports; the vast majority of those reports would be subject to the earlier verification deadline. LADWP urges ARB to strike a balance between the amount of work reporters and verifiers need to do to complete the verification process, and the amount of work ARB staff needs to do after the reports are verified, which varies depending on the type of report.
- 2) Allow reporting entities to request an extension of the verification deadline if needed, with appropriate justification, to provide flexibility in the event there are unresolved issues that will affect the verification statement. For example, more time may be needed to fix correctable errors to avoid an adverse verification opinion, or to resolve rule interpretation questions and/or nonconformance issues. Allowing more time if needed to complete the verification process would be better than issuing an adverse verification statement to meet an earlier verification deadline. (Note: an adverse verification statement would actually create more work for ARB staff, so should be avoided if possible.)
- 3) Streamline the reporting and verification requirements to reduce the verification labor burden. If verification of the reports is to be completed three weeks earlier (by August 10 instead of September 1), LADWP recommends that ARB form stakeholder groups to review each sector's reporting and verification requirements and reevaluate/streamline requirements to reduce the verification burden.

**2) "Lesser of Analysis" [MRR section 95111(b)(2)(E)]**

LADWP supports ARB's proposal to re-insert the exemptions from the "lesser of analysis" for grandfathered RPS resources and dynamically tagged deliveries.

LADWP would also like to emphasize the following important points from our previous comments:

- For future reference, application of the "Sum of Lesser of MWh" equation should be limited to only fixed schedules and situations where substitute electricity may be provided. It should not be applied to zero emission generating facilities tied to a California Balancing Authority since there is no substitute electricity in that case.
- If application of the "Sum of Lesser of MWh" equation produces inaccurate results, the rule should allow the reporter to use settlement or invoice data that is more accurate.

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**3) Reporting Requirements and Calculation Methods for Electricity Generating Units  
Subject to the Clean Power Plan [MRR § 95160, 95161, 95162, 95163]**

On April 4, 2017, EPA issued a notice in the Federal Register stating that EPA is reviewing and, if appropriate will initiate proceedings to suspend, revise or rescind the Clean Power Plan. To avoid unnecessary reporting burden on California electricity generating facility operators, LADWP recommends that ARB specify that MRR sections 95160, 95161, 95162, and 95163, which contain reporting requirements and calculation methods for electricity generating units subject to the Clean Power Plan, will not take effect until such time as the Clean Power Plan goes into effect.

Thank you for your consideration of these comments. If you have any questions, please contact me at (213) 367-0403, Ms. Jodean Giese at (213) 367-0409, or Ms. Cindy S. Parsons at (213) 367-0636.

Sincerely,



Mark J. Sedlacek  
Director of Environmental Affairs

CP:dms

c: Ms. Rajinder Sahota, ARB  
Mr. Jason Gray, ARB  
Ms. Mary Jane Coombs, ARB  
Mr. Jim Aguila, ARB  
Mr. Wade McCartney, ARB  
Mr. Ryan Schauland, ARB  
Ms. Jodean M. Giese  
Ms. Cindy S. Parsons