

Air Products and Chemicals, Inc.
7201 Hamilton Boulevard
Allentown, PA 18195-1501
Telephone (610) 481-4911

July 14, 2008

Mr. Doug Thompson – Manager, Climate Change Reporting Section
California Environmental Protection Agency - Air Resources Board
1001 I Street, PO Box 2815
Sacramento, CA 95812

RE: Comments regarding June 30, 2008 Second 15-Day Modified Regulatory Language for Mandatory GHG Reporting Regulation

Dear Mr. Thompson:

Air Products offers the following comments and recommendations regarding the Second 15-Day Modified Regulatory Language for the Mandatory Reporting of GHG Emissions rulemaking. We appreciate the opportunity for continued dialog on these important rules and welcome any opportunity to clarify our comments.

General Greenhouse Gas Reporting Requirements [§95103]

Fuel Use Measurement Accuracy [§95103(a)(9)] Air Products supports the proposed clarification to limit the application of the 5% accuracy standard to only those instances where the fuel use measurement data is being used to directly calculate the sources' GHG emissions. This will reduce the burden of compliance in instances where CEMS are employed to calculate the GHG emissions.

Data Requirements and Calculation Methods for Petroleum Refiners [§95113]

Fuel and Feedstock Consumption [§95113(a)(3)] – Air Products supports the proposed clarification to limit the requirement of reporting fuel and feedstock consumption in only those instances where such consumption data is used to directly calculate the sources' GHG emissions. This will reduce the burden of compliance in instances where CEMS are employed to calculate the GHG emissions. *Additionally, Air Products recommends the ARB extend this limitation to the comparable requirement for fuel and feedstock reporting for hydrogen production facilities, specifically §95114(a)(1).* This will clarify the expected data reporting needs where hydrogen production is closely integrated with refinery operations.

Additional Calculation Methods [§95125]

Method for Calculating CO₂ Emissions from Combustion of Biomass, Municipal Solid Waste, or Waste Derived Fuels with Biomass [§95125(h)(4)] – Air Products recommends ARB clarify the applicability of the CO₂ estimation method specified under §95125(h)(4).

Specifically, the first sentence of §95125(h)(4) indicates this estimation method applies if the source combusts fuels or fuel mixtures that are at least 5 percent biomass by weight and not pure biomass. Further in the first sentence, the rule excludes this method if the source's use of waste-

derived fuels is less than 30%, by weight, of the source's total fuel consumption. Does this mean:

- a) As long as waste-derived fuels represent less than 30% by weight of total fuel, an alternate method to estimate CO₂ emissions can be employed (presumably §95125(a), (c), (d), (e) or (g)?
- b) The percentages referenced (e.g. "5 percent biomass" and "30 percent waste-derived fuels") are based on the *annual average* percent (versus some shorter-term basis)?
- c) The percentage for biomass content ("5 percent biomass") is based on an individual fuel or fuel mixture, but not for the total fuel stream (combusted without prior admixture)?

Example: Cogeneration Facility Fuel Mix:

Coal - represents 40% (annual average) of total fuel weight (0% biomass)

Petroleum Coke – represents 30% (annual average) of total fuel weight (0% biomass)

Tire-derived Fuel (TDF) – represents 20% (annual average) of total fuel weight (presumed 15% biomass – so >5% biomass but not pure (≥97%) biomass)

Walnut Shells – represents 10% (annual average) of total fuel weight (≥97% biomass)

Hence: Waste-derived fuel (TDF) is <30% and nut shells are "pure" biomass, so neither of these fuels triggers the requirement to employ the method defined in §95125(h)(4) despite the total annual fuel mixture consisting of approximately 13% biomass (3% contribute from TDF and 10% contributed from nut shells).

Applicability: The methods required under §95125(h) are *not* applicable.

In addition, there are several sections where the outline indexed has been incorrectly changed during the revision process (typically, number indexed section changed to letters or letter indexed sections changed to numbers), specifically, sections §95125(f), §95125(g), §95130, §95131, §95132, and §95133.

If you have any questions or need additional information to support Air Products position on these matters, please contact me by phone (610-909-7313) or email (adamskb@airproducts.com). Thank you for your careful consideration of our concerns.

Respectfully,



Keith Adams, P.E.

Environmental Manager – Tonnage Gases, Equipment and Energy Business

c: Jeff Lockett, Peter Snyder, Todd Solodar, Wendy Graham – Air Products
Keith Leinbach, Scot Govert, Jim Reebel, David Bates – Air Products
Byard Mosher – Refinery Sector Lead – California Air Resources Board