

SENT VIA ELECTRONIC MAIL

November 24, 2010

Mary D. Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Second 15-Day Notice of Public Availability of Modified Text for Modifications to the
Portable Equipment Registration Program (PERP) Regulation

Dear Chairman Nichols and Members of the Board:

Pacific Gas and Electric Company (PG&E) is pleased to offer the following comments during the 15-Day Notice of Public Availability of Modified Text regarding the "Modified Regulation Order for the Portable Equipment Registration Program (PERP) Regulation" ("PERP Amendments").

Background

PERP establishes a statewide program for the registration and regulation of portable engines and engine-associated equipment (PERP units). The current PERP regulation became effective on September 12, 2007. On January 28, 2010, California Air Resources Board (CARB) Board-members (Board) adopted amendments to the PERP regulation. Since the adoption of the original PERP Amendments, there have been two 15-day notices of modified text to the PERP Amendments – the first notice issued on March 15, 2010 and a separate second notice issued on November 10, 2010.

Modified Text Warrants Further Consideration by CARB Board

After careful review, PG&E believes the PERP Amendments proposed during this second 15-day notice should be presented at a public hearing for further consideration by the Board. It appears portions of the PERP Amendments are outside of the directions that the Board provided to CARB staff at the January 28, 2010 Board Hearing – in particular, the proposed changes to Section 2451(c)(9) regarding portable generator use at operations where the voltage, frequency, or electrical current requirements can only be supplied by a portable generator and at remote operations where grid power is unavailable.

Record-keeping for Providers of Essential Public Services (PEPS)

The proposed changes to the record-keeping requirements in Section 2458(a) would change the record-keeping exemption for PEPS. Under the PERP Amendments, non-certified engines owned by a PEPS would no longer be exempt from record-keeping requirements – such as reporting the specific location of the engine no less than once a month. Under the current PERP regulation, all registered engines (including non-certified engines) operated by a PEPS is exempt from these types of record-keeping requirements.

PG&E respectfully suggests Section 2458(a)(1) be revised such that it continues to exempt from record-keeping all engines, including non-certified engines, owned by a PEPS:

(1) The requirements in subsection (a)(2) are not applicable to the following:

- (A) Engines and equipment units owned by a rental business;*
- (B) Engines and equipment units used in a third-party rental;*
- (C) ~~Certified compression-ignition engines and certified spark-ignition e~~Engines owned by a PEPS;*
- (D) Engines used on a crane;*
- (E) Engines used on a street sweeper;*
- (F) Engines used on a water well drilling rig; and*
- (G) Tactical Support Equipment.*

This suggested change to the PERP Amendments would be in-line with the Board's directive to make PERP record-keeping less burdensome on industry.

Record-keeping for PERP Engine and Equipment Unit Renters

The PERP Amendments proposed during this second 15-day notice would add Section 2458(b)(2), which states:

(2) A rental business or the owner of a registered engine or equipment unit involved in a third party rental shall provide a written log to be kept with the registered engine or equipment unit for the purpose of documenting compliance with the requirements specified in section 2458(b)(5). This log shall be maintained on a calendar year basis. Previous annual logs shall be kept at a central place of business for five years, and made accessible to the Executive Officer or districts upon request.

In addition, the PERP Amendments would also add Section 2458(b)(5), which states:

(5) The renter of a registered engine or equipment unit shall maintain records in the written log specified in section 2458(b)(2) for each rental or lease transaction that include the following:

- (A) For equipment units subject to a daily and/or annual operational limitation, daily and/or annual records as appropriate of process throughput. If the equipment unit is subject to the requirements of section 2457(b)(3), daily throughput shall be the sum of measurements of material introduced into the equipment unit by weight. These measurements shall be taken at the initial loading point;*
- (B) For equipment units, the specific location (i.e. street address and city; or county and UTM coordinates; or other location indicator) where the registered equipment unit is located while out on rent and the date shall be recorded each time the equipment unit is brought to a different location; and*

(C) For engines, the specific location (i.e. street address and city; or county and UTM coordinates; or other location indicator) and date where the registered engine is located while out on rent shall be recorded no less than once a month.

Proposed Section 2458(b)(5) is not clear as to whether the renter will be required to maintain the written log (original or copy) after the rental PERP unit is returned and the rental transaction is completed. If the renter will be required to maintain the written log after the rental PERP unit is returned to the rental business and the rental transaction is completed, this requirement would be a burdensome administrative task for renters that may lead to increased non-compliance with record-keeping provisions and would provide little benefit to CARB and district enforcement staff.

PG&E respectfully suggests additional language be added to Section 2458(b)(5) to clarify that the written log shall be returned to the rental business at the end of the rental transaction and that it is the responsibility of the rental business to maintain the written log after the end of the rental transaction:

(5) The renter of a registered engine or equipment unit shall maintain records in the written log specified in section 2458(b)(2) for each rental or lease transaction that include the following:

(A) For equipment units subject to a daily and/or annual operational limitation, daily and/or annual records as appropriate of process throughput. If the equipment unit is subject to the requirements of section 2457(b)(3), daily throughput shall be the sum of measurements of material introduced into the equipment unit by weight. These measurements shall be taken at the initial loading point;

(B) For equipment units, the specific location (i.e. street address and city; or county and UTM coordinates; or other location indicator) where the registered equipment unit is located while out on rent and the date shall be recorded each time the equipment unit is brought to a different location; and

(C) For engines, the specific location (i.e. street address and city; or county and UTM coordinates; or other location indicator) and date where the registered engine is located while out on rent shall be recorded no less than once a month.

(D) The written log shall be returned to the rental business or the owner of the registered engine or equipment unit involved in a third party rental at the end of the rental transaction. Once the written log is returned, it shall be the responsibility of the rental business or the owner of the registered engine or equipment unit involved in a third party rental to maintain the written log pursuant to section 2458(b)(2).

By adding the suggested text above, PG&E believes this change will clarify PERP record-keeping requirements and help avoid an unnecessary administrative burden on PERP unit renters.

Engine Location Record-keeping

The PERP Amendments specify engine location record-keeping in two sections – Section 2458(a)(2)(E) and Section 2458(b)(5)(C) – where the record of engine location would be required to be recorded no less than once a month. For PERP engines that may remain idle for several months at a time, particularly in remote locations, the requirement to record the engine's location on a monthly basis is an unnecessary extra burden for those engine's owners/operators.

PG&E respectfully suggests that these two sections be revised to allow the owner/operator to skip engine location record-keeping during months when the engine has not changed locations:

Section 2458(a)(2)(E)

For engines, the specific location where the registered engine is located (i.e. street address and city; or county and UTM coordinates; or other location indicator) shall be recorded no less than once a month, except during months when the engine has not changed locations.

Section 2458(b)(5)(C)

For engines, the specific location (i.e. street address and city; or county and UTM coordinates; or other location indicator) and date where the registered engine is located while out on rent shall be recorded no less than once a month, except during months when the engine has not changed locations.

The suggested changes to these two sections will not compromise the intent of the record-keeping requirements. CARB and district enforcement staff would still be able to determine an engine's length of stay at a particular location based on the dates of record entry. However, these suggested changes will resolve an unnecessary record-keeping burden.

PG&E appreciates the time and effort required to develop the PERP amendments. If you have any questions regarding the enclosed comments, please do not hesitate to contact me at (415) 973-3012 or Gary Ma, of my staff, at (925) 415-6337.

Thank you for your consideration of the comments submitted.

Sincerely,

Megan V. Lum, P.E.
Manager, Shared Facilities
Environmental Operations