State of California
AIR RESOURCES BOARD

Resolution 10-1

February 25, 2010

Agenda Item No.: 10-2-2

WHEREAS, the California Global Warming Solutions Act of 2006 (AB 32; Stats 2006, ch. 488, Health and Safety Code section 38500 *et seq.*,) declares that global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California and creates a comprehensive multi-year program to reduce California's greenhouse gas (GHG) emissions to 1990 levels by 2020;

WHEREAS, section 38501 of the Health and Safety Code expresses the Legislature's intent that the Air Resources Board (ARB or Board) coordinate with State agencies and consult with the environmental justice community, industry sectors, business groups, academic institutions, environmental organizations, and other stakeholders in implementing AB 32; and design emissions reduction measures to meet the statewide emissions limits for greenhouse gases in a manner that minimizes costs and maximizes benefits for California's economy, maximizes additional environmental and economic co-benefits for California, and complements the State's efforts to improve air quality;

WHEREAS, section 38505 of the Health and Safety Code defines "greenhouse gases" as including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride;

WHEREAS, section 38510 of the Health and Safety Code designates ARB as the State agency charged with monitoring and regulating sources of GHG emissions in order to reduce these emissions;

WHEREAS, section 38560 of the Health and Safety Code directs the Board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost effective GHG emission reductions from sources or categories of sources, subject to the criteria and schedules specified in Part 4 of Division 25.5 of the Health and Safety Code;

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Board to adopt standards, rules and regulations, and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, sulfur hexafluoride, a potent GHG, has a global warming impact 23,000 times greater than carbon dioxide (CO_2);

WHEREAS, sulfur hexafluoride is used extensively in electrical power systems as a dielectric medium (insulator) and interrupter (arc quencher) in medium and high voltage gas insulated switchgear;

WHEREAS, nearly 80 percent of California's sulfur hexafluoride emissions result from leakage and handling losses from gas insulated switchgear;

WHEREAS, in 2009, the Board adopted a Climate Change Scoping Plan (Scoping Plan) describing California's strategy for meeting the greenhouse gas emissions reductions required by AB 32; one of the emission reduction measures contained within the Scoping Plan proposes to reduce sulfur hexafluoride (SF_6) emissions from electrical sector uses;

WHEREAS, in 2009, ARB staff conducted three public workgroup meetings, one public workshop, and participated in several stakeholder meetings in order to include the public and affected stakeholders in the regulatory development process;

WHEREAS, ARB staff has prepared a staff report entitled "Initial Statement of Reasons for Proposed Regulation for Reducing Sulfur Hexafluoride Emissions from Gas Insulated Switchgear" (ISOR) which presents the rationale for the proposed regulation;

WHEREAS, the ISOR and the proposed regulatory language were made available to the public for at least 45 days prior to the public hearing to consider the proposed regulation;

WHEREAS, the uses covered by the proposed regulation annually emit an estimated 400,000 metric tons of carbon dioxide equivalent emissions;

WHEREAS, staff is therefore proposing the adoption of a regulation to reduce sulfur hexafluoride emissions from gas insulated switchgear;

WHEREAS, the proposed regulation would become effective on January 1, 2012;

WHEREAS, the proposed regulation would adopt new subarticle 3.1, title 17, California Code of Regulations, sections 95350 to 95359, as set forth in Attachment A hereto;

WHEREAS the Board has considered the impact of the regulation on the economy of the State, and the potential adverse economic impacts on California business enterprises and individuals;

WHEREAS, the Board has considered the community impacts of proposed regulation including environmental justice concerns;

WHEREAS, the California Environmental Quality Act and Board regulations require that no project that may have significant adverse environmental impacts be adopted as

originally proposed if feasible alternatives or mitigation measures are available to reduce or eliminate such impacts;

WHEREAS, a public hearing and other administrative proceedings have been held in accordance with the provisions of chapter 3.6 (commencing with section 11340), part 1, division 3, title 2 of the Government Code;

WHEREAS, in consideration of the information in the public record, including the ISOR, written comments, and testimony provided at the hearing, the Board finds that:

The proposed regulation is estimated to reduce 23,500 metric tons of carbon dioxide equivalent emissions annually in California, at a cost ranging from approximately $18 to $28 per ton of carbon dioxide equivalent reduced;

The economic impacts of the proposed regulation have been analyzed as required by California law, and the conclusions and supporting documentation for this analysis are set forth in the ISOR;

The cost-effectiveness of the proposed regulation has been considered, and the regulation will achieve cost-effective GHG emission reductions;

The benefits to human health, public safety, public welfare, or the environment justify the costs of the proposed regulation;

The proposed regulation is consistent with ARB's environmental justice policies and will equally benefit residents of any race, culture or income level;

The reporting requirements of the proposed regulation which apply to businesses are necessary for the health, safety, and welfare of the people of the State;

The proposed regulation is achievable using existing technology;

The proposed regulation may serve as a model regulatory approach for other states and the nation;

The proposed regulation meets the criteria set forth in section 38562 of the Health and Safety Code;

No reasonable alternative considered, or that has otherwise been identified and brought to the attention of ARB, would be more effective in carrying out the purpose for which the regulation is proposed, or be as effective as and less burdensome to affected private persons and businesses than the proposed regulation; and

WHEREAS, pursuant to the requirements of the California Environmental Quality Act and the Board's regulations, the Board further finds that the proposed regulation will not result in any significant adverse impacts on the environment.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the proposed adoption of Subarticle 3.1, title 17, California Code of Regulations, sections 95350, 95351, 95352, 95353, 95354, 95355, 95356, 95357, 95358, and 95359, as set forth in Attachment A hereto.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to take final action to adopt the regulation as set forth in Attachment A, with modifications set forth in Attachment B and such other conforming modification as may be appropriate, after making the modified regulatory language and any additional supporting documents and information available for public comment for a period of 15 days, provided that the Executive Officer shall consider such written comments regarding the modifications as may be submitted during this period, shall make modifications as appropriate in light of the comments received, and shall present the regulation to the Board for further consideration if he determines that this is warranted.

I hereby certify that the above is a true and correct copy of Resolution 10-1, as adopted by the Air Resources Board.

Sandra Bannerman, Clerk of the Board

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February 25, 2010

Identification of Attachments to the Board Resolution

Attachment A: Proposed Regulation for the Reduction of Sulfur Hexafluoride Emissions From Gas Insulated Switchgear, as set forth in Appendix A to the Initial Statement of Reasons, released on January 7, 2010.

Attachment B: Staff's Suggested Modifications to the Original Proposal, distributed at the February 25, 2010, Board Hearing.