TITLE 17. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE REGULATION FOR THE MANDATORY REPORTING OF GREENHOUSE GAS EMISSIONS

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider proposed amendments to California's existing Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (title 17, California Code of Regulations, section 95100 et seq.), which was developed pursuant to requirements of the California Global Warming Solutions Act of 2006.

DATE: September 22, 2016

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., September 22, 2016, and will continue at 8:30 a.m., September 23, 2016. Please consult the agenda for the meeting, which will be available at least 10 days before September 22, 2016, to determine the day on which this item will be considered.

WRITTEN COMMENT PERIOD AND SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the hearing and may provide comments by postal mail or by electronic submittal before the hearing.

Written comments not physically submitted at the hearing must be submitted on or after July 22, 2016 and received **no later than 5:00 pm on** September 19, 2016. ARB requests that when possible, written and email statements be filed at least 10 days before the hearing to give ARB staff and Board members additional time to consider each comment. The Board also encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action. Comments submitted in advance of the hearing must be addressed to one of the following:

Postal mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: http://www.arb.ca.gov/lispub/comm/bclist.php

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request.

Additionally, the Board requests but does not require that persons who submit written comments to the Board reference the title of the proposal in their comments to facilitate review.

AUTHORITY AND REFERENCE

This regulatory action is proposed under that authority granted in California Health and Safety Code, sections 38510, 38530, 38560, 38562, 38564, 38570, 38571, 38580, 38597, 39600, 39601, 39602, 39607, 39607.4, and 41511. This action is proposed to implement, interpret and make specific sections 38501, 38505, 38510, 38530, 38560.5, 38564, 38565, 38570, 38580, 38597, 39600, 39601, 39602, 39607, 39607.4, and 41511 of the Health and Safety Code.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW

Sections Affected: Proposed amendments to California Code of Regulations title 17, sections 95101, 95102, 95103, 95104, 95105, 95111, 95112, 95113, 95114, 95115, 95117, 95118, 95119, 95121, 95122, 95124, 95129, 95130, 95131, 95132, 95133, 95150, 95153, 95156, 95157, Appendix A, and Appendix B. Proposed adoption of new sections 95160, 95161, 95162, and 95163, title 17, CCR.

Documents Incorporated by Reference (Cal. Code Regs., tit. 1, § 20, subd. (c)(3)):

Processing Tomato Advisory Board (PTAB) Inspection Procedures – Soluble Solids: Using a Digital Refractometer, 2014.

The following portions of U.S. EPA Clean Power Plan Final Rule. Subpart UUUU—Emission Guidelines for Greenhouse Gas Emissions and Compliance Times for Electric Utility Generating Units; 40 Code of Federal Regulations (CFR) Part 60, Subpart UUUU: 40 CFR sections 60.5845, 60.5850, 60.5860, and 60.5880, published in the Federal Register on October 23, 2015. http://www.gpo.gov/fdsys/pkg/FR-2015-10-23/pdf/2015-22842.pdf (accessed 3/24/2016).

U.S. EPA Standards of Performance for New Stationary Sources, 40 Code of Federal Regulations (CFR) Part 60, Subpart A, Section 60.7. July 1, 2012.

Monthly Refinery Report Instructions for Form EIA-810, U.S. Energy Information Administration, OMB No. 1905-0165, Revised 2013.

Glossary, U.S. Energy Information Administration, website http://www.eia.gov/tools/glossary/index.cfm?id=A (accessed 05/27/2016).

American Petroleum Institute (API) Manual of Petroleum Measurement Standards, Chapter 11 – Physical Properties Data. May 2004.

American Society of Testing and Materials Standard Guide for Use of the Petroleum Measurement Tables, ASTM D1250-08. Reapproved 2013.

American Petroleum Institute Technical Data Book – Petroleum Refining, Sixth Edition, April 1997.

Table A-1 to Subpart A of Title 40 Code of Federal Regulations (CFR) Part 98, as published to the CFR on 12/11/2014. U.S. EPA Mandatory Greenhouse Gas Reporting.

ASTM D-70-09. Standard Test Method for Density of Semi-Solid Bituminous Materials (Pycnometer Method). 2009.

ASTM D-287-92. Standard Test Method for API Gravity of Crude Petroleum and Petroleum Products (Hydrometer Method). Reapproved 2000.

ASTM D-1945-03. Standard Test Method for Analysis of Natural Gas by Gas Chromatography. Reapproved 2010.

ASTM D-2597-10. Standard Test Method for Analysis of Demethanized Hydrocarbon Liquid Mixtures Containing Nitrogen and Carbon Dioxide by Gas Chromatography. 2010.

ASTM D-3710-95. Standard Test Method for Boiling Range Distribution of Gasoline and Gasoline Fractions by Gas Chromatography. Reapproved 2009.

ASTM D-3588-98. Standard Practice for Calculating Heat Value, Compressibility Factor, and Relative Density of Gaseous Fuels. Reapproved 2003.

ASTM D-4007-08. Standard Test Method for Water and Sediment in Crude Oil by the Centrifuge Method (Laboratory Procedure). 2008.

ASTM D-4052-09 Standard Test Method for Density, Relative Density, and API Gravity of Liquids by Digital Density Meter. 2009.

ASTM D-5002-16 Standard Test Method for Density and Relative Density of Crude Oils by Digital Density Analyzer. 2016.

EPA Method 8021B Aromatic and Halogenated Volatiles by Gas Chromatography Using Photoionization and/or Electrolytic Conductivity Detectors. 2014.

EPA Method 8260B Volatile Organic Compounds by Gas Chromatography/Mass Spectrometry (GC/MS). 1996.

EPA Method TO-14A Determination of Volatile Organic Compounds (VOCs) In Ambient Air Using Specially Prepared Canisters with Subsequent Analysis By Gas Chromatography. 1999.

EPA Method TO-15 Determination of Volatile Organic Compounds (VOCs) In Air Collected In Specially-Prepared Canisters and Analyzed By Gas Chromatography/Mass Spectrometry (GC/MS). 1999.

GPA 2174-93 Obtaining Liquid Hydrocarbon Samples For Analysis by Gas Chromatography. 2000.

GPA 2177-03 Analysis of Natural Gas Liquid Mixtures Containing Nitrogen and Carbon

Dioxide by Gas Chromatography. 2003.

GPA 2261-00 Analysis for Natural Gas and Similar Gaseous Mixtures by Gas Chromatography. 2000.

GPA 2286-95 Tentative Method of Extended Analysis for Natural Gas and Similar Gaseous Mixtures by Temperature Programmed Gas Chromatography. Reprinted 1999.

Background and Effect of Proposed Regulatory Action:

In 2006, the Legislature passed and Governor Schwarzenegger signed the California Global Warming Solutions Act of 2006 (Assembly Bill 32 (AB 32); Stats. 2006, chapter 488). In AB 32, the Legislature declared that global warming poses a serious threat to the economic well-being, public health, natural resources, and environment of California. AB 32 mandates statewide greenhouse gas (GHG) emissions to be reduced to 1990 levels by the year 2020, with reductions to be maintained and continued thereafter.

One of the requirements of AB 32 is that ARB must adopt a greenhouse gas reporting regulation. To comply with this requirement, the Board approved the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (reporting regulation or MRR) at its December 2007 Board meeting. The initial reporting regulation became effective on January 2, 2009.

Over the past eight years, ARB staff has implemented the California greenhouse gas reporting program established by the reporting regulation. Under the program, over 775 facilities and entities annually submit to ARB their greenhouse gas emissions data reports, the majority of which are verified as accurate and complete by ARB-accredited third-party verifiers. Information about the program can be found at: http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm.

At its December 2010 public hearing, the Board approved amendments to the reporting regulation to support the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (title 17, CCR, section 95800 et seq.) (Cap-and-Trade Regulation) data requirements, harmonize to the extent feasible with the United States Environmental Protection Agency's (U.S. EPA) Final Rule on Mandatory Reporting of Greenhouse Gases (U.S. EPA rule), and align with the Western Climate Initiative (WCI) reporting structure. Those amendments to the reporting regulation became effective on January 1, 2012.

In September 2012, the Board approved additional amendments to the reporting regulation, as well as updates to the definition sections of the AB 32 Cost of Implementation Fee Regulation and the Cap-and-Trade Regulation. These updates were necessary to streamline and avoid duplicate GHG reporting, to further align with U.S. EPA's rule, and to continue to provide the highest quality data needed to support California's Cap-and-Trade Regulation. These amendments to the reporting regulation became effective on January 1, 2013. In September 2013, the Board approved further amendments to the reporting regulation and the Cap-and-Trade Regulation, which became effective on January 1, 2014.

In September 2014, the Board adopted amendments to clarify the reporting requirements, integrate the Cost of Implementation Fee Regulation (COI) reporting requirements, and collect additional information to support ARB's various climate change programs, such as the statewide GHG emissions inventory. These amendments to the reporting regulation became effective on January 1, 2015. Links to the relevant rulemaking documents are located here:
http://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-regulation.htm.

The proposed updates to the reporting regulation are needed to continue to support allocation of allowances and the calculation of compliance obligations under the Cap-and-Trade Regulation, to ensure that reported GHG emissions data are accurate and complete to support California's climate programs, and to implement the federally mandated U.S. EPA Clean Power Plan (CPP) reporting requirements. In addition, the proposed changes address full accounting of emissions from imported electricity under the Energy Imbalance Market (EIM) and include electricity data reporting for the California Independent System Operator (CAISO), a proposed new reporting entity.

Objectives and Benefits of the Proposed Regulation:
The purpose of the proposed amendments to the reporting regulation is to carry out the goals of AB 32 and maintain a robust and accurate greenhouse gas reporting program. The data submitted by reporters under the reporting regulation allow ARB staff to track the emissions from reporting entities over time, demonstrating the progress in reducing GHG emissions.

The proposed amendments support the Cap-and-Trade Regulation with the highest quality data by collecting information to ensure the accuracy of the data used for allocation of allowances and the calculation of compliance obligations. Additionally, the amendments will help ensure that reported GHG emissions and product data are accurate and complete as needed to support emissions reduction programs throughout the State.

Expected benefits of the proposed revisions include improved clarity for reporting entities, more accurate and complete data collection to support ARB's climate and air quality programs, providing verified and robust data needed to support the Cap-and-Trade Regulation, and to comply with Federal requirements for the CPP.

These benefits may also result in indirect benefits to the State's environment by ensuring that the State has an accurate inventory of GHG emissions to support programs which will reduce emissions and directly improve the health and welfare of California residents, worker safety, and the State's environment.

Below is a summary of proposed updates to the reporting regulation. A more detailed description of the proposed updates appears in the Summary and Rationale section of the "Staff Report: Initial Statement of Reasons for Rulemaking – Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions," referred to as the ISOR.

General: Staff is proposing updates to clarify the procedures for changing calculation methods, revising the reporting and verification cessation criteria for clarity, clarifying record keeping and retention times, and other general revisions fully described in the Staff Report. Staff is also proposing updating the global warming potential values to be used beginning with 2021 data reported in 2022, to reflect current science and to be consistent with other jurisdictions that have GHG reporting programs. Staff is also proposing a requirement for facilities to provide a facility schematic diagram indicating fuel flows and metering locations as part of GHG monitoring plans, and updating the calibration requirements for differential pressure devices at refineries. Staff is proposing clarifications to existing definitions to minimize ambiguity, and modifying definitions as needed to support MRR and cap-and-trade program needs and to provide consistency. Staff is proposing modifications in a number of sections that do not alter the reporting requirements. Examples include correcting clerical oversights and references and reordering definitions to update incorrect alphabetization.

Applicability: Staff is proposing revisions in this section to modify reporting applicability to change the point of regulation for LPG and LNG imports from "consignee" to "importer." Clarifications are also proposed to address reporters that have activities both in a fuel supplier category and a direct-emissions related category, and to specify that flaring emissions for the oil and gas production sector are included in the applicability and reporting requirements for abbreviated reporters in the sector. Staff is also clarifying the applicability provisions for emissions that must be reported for natural gas processing plants.

Electric Generators: Staff is proposing revisions to implement reporting and other requirements of the U.S. EPA CPP, 40 CFR Part 60, Subpart UUUU, for California power plants.

Product Data Reporting: In addition to clarifying and adding selected product data definitions to align with the Cap-and-Trade Regulation and industry standards for reporting, staff is proposing to modify or add product data reporting requirements for certain industry sectors, or identify areas where ongoing work is likely to yield related amendment proposals via subsequent notice processes later in this rulemaking, as industry comments and data are further considered. These amendments are intended to specifically identify the reportable products and required data and are fully described in the Staff Report. In addition, staff is proposing updates to clarify CWB measurement and reporting requirements, hydrogen production and sales reporting, and to remove duplicative product data reporting requirements, particularly for refinery finished product and primary product data reporting.

Petroleum and Natural Gas Systems: For petroleum and natural gas systems, staff is proposing an amendment to clarify the use of a default value for combustion efficiency when calculating emissions. Staff is proposing several minor modifications to clarify the correct conversion of volumetric data to standard conditions. In addition, staff is proposing that flaring emissions always be included for the purposes of determining reporting applicability, and that the flaring emissions must be reported if the 10,000 Metric Tons Carbon Dioxide Equivalent applicability threshold is exceeded. Staff is also replacing the existing flash emissions test method in Appendix B of MRR with a revised

method to improve data quality, and provide consistency with other ARB programs. Finally, staff is proposing changes related to reporting sorbent emissions, and gas processing plant emissions.

Fuel Suppliers: Staff is proposing changes to clarify the reporting requirements to allow biomethane to be reported by a utility that transports the fuel. Staff is clarifying reporting requirements in cases where fuel is delivered over multiple racks, and requiring reporting of fuel volumes that are exported out of California or are excluded from emissions reporting due to use for aviation or marine purposes. Staff is also removing the requirement for enterers and in-State producers of ethanol and biodiesel to report those fuels, clarifying reporting requirements for intrastate pipeline suppliers, and clarifying reporting requirements for facilities that deliver or "pass through" natural gas received from utilities and interstate pipelines to other facilities. Finally, staff is proposing changes to clarify reporting requirements for in-State producers of LNG, and to require that imported LNG and LPG be reported by the importer rather than consignee.

Electric Power Entities: For electric power entities , the proposed revisions include clarifications related to CAISO sales, the "lesser of" analysis, generation providing entities, asset controlling supplier reporting, specified source electricity reporting, the definition of "first point of receipt," and other minor revisions

Staff is proposing to include CAISO as a reporting entity for electricity imports data related to transfers within the EIM. Since the EIM may not be providing ARB or its participating members (some of which are reporting entities under MRR) all of the data to support full accounting of GHG emissions emitted to the atmosphere when there is dispatch to serve California load during periods of imbalances, staff worked with CAISO to identify the additional types of data that would be needed to support full GHG accounting. The regulatory amendments provide one approach to support full GHG accounting. Staff will continue to coordinate with CAISO and stakeholders to evaluate any needed alternatives or refinements to the proposed amendments. Further options have been provided to stakeholders in a recent workshop,[1] and may be explored later in this regulatory process, with an opportunity for notice and comment, as an alternative to the option currently proposed.

Verification Requirements: Staff is proposing to change the verification deadline from September 1 of each year to August 1, to support the cap-and-trade program. Staff is also proposing to modify the accreditation requirements to streamline the process, and adjust timing requirements for verifier submittal of documentation and ARB review of documentation to streamline verification process.

Timing for Implementation of Reporting Requirements: The proposed amendments to the regulation are anticipated to become effective on January 1, 2018. This includes product data reported under MRR that is needed to determine allowance allocations for 2017. The majority of the provisions under the proposed revisions would take effect for 2018 data reported in 2019, with the exception of additional requirements implemented to

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[1] *See* http://www.arb.ca.gov/cc/capandtrade/meetings/062016/arb_and_caiso_staff_presentations.pdf.

comply with the U.S. EPA CPP requirements, which, if approved for compliance by U.S. EPA, would take effect for 2021 data reported in 2022, and requirements for metering or measuring continuous bleed pneumatic devices, which would take effect in calendar year 2019 for data reported in 2020.

Comparable Federal Regulations:
The U.S. EPA requires mandatory GHG reporting (*Mandatory Reporting of Greenhouse Gases; Final Rule*. 40 CFR Parts 86, 87, 89, 90, 94, and 98. United States Environmental Protection Agency. October 30, 2009). Staff believes the proposed regulation is consistent with existing federal law. The proposed amendments to the reporting regulation were developed to minimize, to the greatest extent possible, any redundant State and federal reporting, while also ensuring that ARB is collecting the necessary additional information required by California's various GHG programs, including the Cap-and-Trade Regulation, COI Fee Regulation, and the statewide GHG inventory.

An Evaluation of Inconsistency or Incompatibility with Existing State Regulations (Gov. Code, § 11346.5, subd. (a)(3)(D)):
During the process of developing the proposed regulatory action, ARB has conducted a search of any similar regulations on this topic and concluded that these regulations are neither inconsistent nor incompatible with existing state regulations.

MANDATED BY FEDERAL LAW OR REGULATIONS (Gov. Code, §§ 11346.2, subd. (c), 11346.9)
Certain elements of the proposed amendments are mandated by federal regulations, and are incorporated in compliance of those regulations. Specifically, these amendments pertain to implementing reporting requirements pertinent to the CPP, as specified per the Code of Federal Regulations, Title 40, Chapter 1, Subchapter C, Part 60, Subpart UUUU. The U.S. EPA's CPP rulemaking requires states to implement reporting requirements for affected electrical generating units as part of state compliance plan. (40 C.F.R. § 60.5860). ARB is proposing amendments to MRR to address these additional federal requirements, and has endeavored to harmonize them with existing MRR requirements to the greatest extent possible to minimize any redundant reporting. To the extent ARB requirements for these sources are more stringent, this is necessary to ensure that MRR can support both the State and federal programs with high quality, verified, data.

DISCLOSURE REGARDING THE PROPOSED REGULATION

Fiscal Impact/Local Mandate Determination Regarding the Proposed Action (Gov. Code, § 11346.5, subds. (a)(5)&(6)):
The determinations of the Board's Executive Officer concerning the costs or savings incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulatory action are presented below. A more detailed description and analysis is provided in the Initial Statement of Reasons for this item.

Under Government Code sections 11346.5, subdivision (a)(5) and 11346.5, subdivision (a)(6), the Executive Officer has determined that the proposed regulatory action would create costs or savings to any State agency or in federal funding to the State, costs or mandate to any local agency or school district, whether or not reimbursable by the State under Government Code, title 2, division 4, part 7 (commencing with section 17500), or other non-discretionary cost or savings to State or local agencies.

Cost to any Local Agency or School District Requiring Reimbursement under section 17500 et seq.: None. Because the regulatory requirements apply equally to all reporting categories and unique requirements are not imposed on local agencies, the Executive Officer has determined that the proposed regulatory action imposes no costs on local agencies that are required to be reimbursed by the State pursuant to part 7 (commencing with section 17500), division 4, title 2 of the Government Code, and does not impose a mandate on local agencies that is required to be reimbursed pursuant to Section 6 of Article XIII B of the California Constitution. The proposed regulatory action would not create costs to any school district whether or not reimbursable by the state pursuant to Part 7 (commencing with section 17500), division 4, title 2 of the Government Code.

Cost or Savings for State Agencies: Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would result in a total marginal cost increase to one State agency (CSU Channel Islands) of $221 over eight years. The cost results from minor reporting changes needed to comply with the U.S. EPA CPP requirements.

Other Non-Discretionary Costs or Savings on Local Agencies: The cost to 14 local agencies is estimated to be approximately $19,709 over eight years. The five local entities that operate affected power plants are estimated to have a combined cost increase of $1,403 over eight-years to make minor changes in how their GHG data are reported for the first year that the updates take effect. The nine local government electric power entities affected by the changes are estimated to incur an additional net cost of approximately $18,306 over eight-years to comply with the proposed revisions, which includes some minor cost savings.

Cost or Savings in Federal Funding to the State: None. Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would not create costs or savings in federal funding to the state.

Adoption of the proposed revisions has no additional fiscal impact on ARB. No change in staffing level is needed to administer the program under the revised rule. ARB fiscal expenses needed for integrating the proposed amendments into the existing reporting systems are already accounted for in the current operational budget that was proposed

in the previous amendment to the rule.

Housing Costs (Gov. Code, § 11346.5, subd. (a)(12)):
The Executive Officer has also made the initial determination that the proposed regulatory action will not have a significant effect on housing costs.

Significant Statewide Adverse Economic Impact Directly Affecting Business, Including Ability to Compete (Gov. Code, §§ 11346.3, subd. (a), 11346.5, subd. (a)(7), 11346.5, subd. (a)(8)):
The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

Statement of the Results of the Economic Impact Assessment

Results of The Economic Impact Assessment Prepared Pursuant to Government Code Sec. 11346.3(B) (Gov. Code, § 11346.5, subd. (a)(10))

Effect on Jobs/Businesses:
The Executive Officer has determined that the proposed regulatory action would not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California. A detailed assessment of the economic impacts of the proposed regulatory action can be found in the ISOR.

Benefits of the Proposed Regulation:
The objective of the proposed regulatory action is to implement improved clarity for reporting and verification obligations, provide more accurate GHG emissions estimates, improve methods to support the accuracy of the statewide greenhouse inventory program, refine methods for reporting emissions and product data in order to support ARB's Cap-and-Trade Regulation, and to comply with the U.S. EPA CPP requirements. A summary of these benefits is provided under the "Objectives and Benefits of the Proposed Regulation", heading of the Informative Digest of Proposed Action and Policy Statement Overview Pursuant to Government Code 11346.5(a)(3) discussed previously.

Business Report (Gov. Code, §§ 11346.5, subd. (a)(11); 11346.3, subd. (d)):
In accordance with Government Code sections 11346.5, subdivisions (a)(11) and 11346.3, subdivision (d), the Executive Officer finds the reporting requirements of the proposed regulatory action which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Cost Impacts on Representative Private Persons or Businesses (Gov. Code, § 11346.5, subd. (a)(9)):
In developing this regulatory proposal, ARB staff evaluated the potential economic

impacts on representative private persons or businesses. The Executive Officer is not aware of any cost impacts that a representative private person would necessarily incur in reasonable compliance with the proposed action. ARB staff performed an analysis of the reporters affected by the proposed MRR revisions and determined that 122 unique businesses will have fiscal impacts resulting from the proposed changes, including CAISO – a proposed new reporting entity. Some industrial sectors will have overall net minor cost increases, such as for oil and gas production, certain electricity generators, nitric acid production facilities, certain electric power entities, and fuel suppliers. Other sectors will have minor cost savings, such as for refineries, general industrial sources, and certain electric power entities. Most businesses subject to the reporting regulation will not experience noticeable changes in cost of compliance as a result of the proposed amendments.

ARB staff estimates that the amended requirements will lead to a total net cost increase of approximately $298,880 for affected reporters over an eight-year time period. For those sectors that have increases, approximately 33 percent of the overall cost is to oil and gas production facilities, 23 percent to electric power entities, 16 percent to fuel suppliers, 10 percent to general industrial sources, 9 percent to electricity generators, and 9 percent to refineries. On an average basis, a typical reporter affected by the proposed revisions will have an initial first year cost increase of $984, with an annual ongoing cost increase of $224 per year. However, the actual cost range for individual reporters varies, depending on the sector and the proposed regulatory changes. Also, some of the proposed revisions result in cost savings, but the net average of all changes produces an overall increase.

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide economic impact directly affecting representative private persons.

Effect on Small Businesses

The Executive Officer has determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed regulatory action would not affect small businesses because none of the affected companies are known to qualify for the small business status based on the California Government Code section 11342.610 definition.

Alternatives Statement (Gov. Code, § 11346.5, subd. (a)(13)):

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law. The proposed amendments are made to the existing reporting regulation and do not have a significant adverse fiscal or economic impact. However, staff considered several alternatives, including making no changes to the regulation, gathering data from individual sources without adding regulatory

requirements, or adopting performance standards. The specific alternatives are described in Chapter II of the ISOR. These alternatives were evaluated, but dismissed as not being as or more effective than the proposed revisions in carrying out the purposes of the updates.

ENVIRONMENTAL ANALYSIS

ARB, as the lead agency under the California Environmental Quality Act (CEQA), has reviewed the proposed regulatory action and concluded that this is exempt pursuant to CEQA Guidelines §15061(b)(3) because it can be seen with certainty that there is no possibility that the proposed action may have a significant adverse impact on the environment. A brief explanation of the basis for reaching this conclusion is included in Chapter IV of the ISOR.

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envié un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California

AGENCY CONTACT PERSONS

Inquiries concerning the substance of the proposed regulatory action may be directed to the agency representative Brieanne Aguila, Manager, at (916) 324-0919, or (designated back-up contact) Patrick Gaffney, Staff Air Pollution Specialist, at (916) 322-7303, both of the Climate Change Reporting Section.

AVAILABILITY OF DOCUMENTS

ARB staff has prepared an ISOR for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled: Staff Report: Initial Statement of Reasons for Rulemaking – Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions.

Copies of the ISOR and the full text of the proposed regulatory language, in underline and strikeout format to allow for comparison with the existing regulations, may be accessed on July 19, 2016 on ARB's website listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

Further, the agency representative to whom non-substantive inquiries concerning the proposed administrative action may be directed is Nicole Hutchinson, Regulations Coordinator, (916) 322-6533. The Board staff has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the public hearing, the Board may vote on a resolution directing the Executive Officer to: make any proposed modified regulatory language that is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action, and to make any additional supporting documents and information available to the public for a period of at least 15 days; and to consider written comments submitted during this period; and make any further modifications as may be appropriate in light of the comments received available for further public comment. The Board may also direct the Executive Officer to: evaluate all comments received during the public comment periods, including comments regarding the CEQA determination above, and prepare written responses to those comments as appropriate; and present to the Board, at a subsequently scheduled public hearing, the final proposed regulatory language and staff's written responses to relevant comments.

The public may request a copy of the modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

FINAL STATEMENT OF REASONS AVAILABLITY

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on ARB's website listed below.

INTERNET ACCESS

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB's website for this rulemaking at http://www.arb.ca.gov/regact/2016/ghg2016/ghg2016.htm

CALIFORNIA AIR RESOURCES BOARD

Richard W. Corey
Executive Officer

Date: July 5, 2016