



We Help Bring California's Goodness to the World

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California Air Resources Board
1001 I Street
Sacramento, CA 95814

FR: John Larrea, Director Government Affairs
California League of Food Producers

Date: March 29, 2019

RE: Comments on the Proposed 15-Day Changes on the Regulation for Criteria Pollutant and Toxic Air Contaminant Emissions Reporting

The California League of Food Producers (CLFP) appreciates the opportunity to provide comments on response to the Proposed 15-Day Changes on the Regulation for Criteria Pollutant and Toxic Air Contaminant Emissions Reporting (CTR).

CLFP represents forty-seven industrial food processors in California, twenty-one of which are subject to reporting requirements under the state's cap-and-trade regulation. Many CLFP facilities are already located in areas that are already subject to monitoring. CLFP recognizes that AB 617 requires CARB to establish a statewide emissions inventory reporting system and appreciates the efforts of staff to avoid duplication of reporting requirements already established through a wide variety of programs, federal, state, and local, designed to collect and monitor a variety of emissions.

CLFP supports CARB staff's concept of a two-phase approach in the development and implementation of a statewide reporting regulation allowing for a phase in for reporting requirements over a two-year period characterized as "business as usual" on reporting requirements and the utilization of "best available" reporting methods already employed by Air Districts.

Reporting schedules should take into account the business cycles and emissions profiles of the facilities to be monitored. Rural facilities, many of which are subject to seasonal dynamics, should not be lumped in with urban sources or local neighborhood communities when considering reporting deadlines. The timing and complexity of reporting schedules, unrelated to business cycles, may unnecessarily strain a business's resources. For instance, many food

processors are medium-sized, family-owned businesses or small operations lacking personnel assigned to exclusively deal with compliance issues. If seasonal, meeting a mid-season reporting requirement may be difficult and increase the potential for mistakes and exposing the company to penalties for noncompliance.

At present, CARB staff has indicated that it will not require facilities subject to the reporting requirement to provide third-party verification. CLFP supports this position and suggests that no verification be required for facilities subject to MRR in the future. Third-party verification is expensive and only adds to the costs of compliance without providing any additional benefits in emissions reductions. For smaller companies or facilities, it could become a secondary burden should it be necessary to employ help to meet future compliance reporting obligations.

Other considerations:

Enhanced Reporting Requirements - Should be confined to those facilities located within the borders of communities designated as high priority locations and subject to the community monitoring plans as required under AB 617 until statewide reporting requirements have been harmonized, tested, and the kinks worked out. Then determine the phased-in reporting of 202x data.

Internal Combustion engines (IC) – Facilities with IC engines used primarily as emergency or backup devices should be exempt from reporting requirements if hrs/used fall below a predetermined number of hours per year. Periodic testing hours, when required by regulation or statute, should not be counted in determining the total annual hours for such engines.

Criteria Pollutant Threshold – Only facilities located within the border of a designated community should be required to report annually on permitted criteria pollutants greater than 4 tons per year.

AB 2588 Air Toxics “Hot Spot” Reports – Only facilities located within the border of a designated community should be considered for annual reporting requirements or risk assessments. All other facilities subject to AB 2588 requirements should continue to report every four years.

Additional Concerns:

CLFP would like to express its concern over the use of a 15-day notice in light of the enormous changes being proposed the regulation adopted last December.

First, these proposed changes, a) extending the requirement to report beyond the legislative requirements, and b) lowering the levels of toxic contaminants required to be reported are likely to impose a significant cost increase on California businesses.



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Previous economic projections estimated costs at around \$10 million, affecting approximately 13,000 businesses located within the designated communities. The proposed changes would extend to 55,000 to 80,000 businesses with projected costs of nearly \$60 million well beyond the boundaries contemplated under AB 617.

Furthermore, the measurement of the contaminant levels was established as part of a compromise during the negotiations on AB 617. Changing those levels, absent clear legislative direction, is unfair to the parties who participated in that effort. Moreover, it undermines stakeholder confidence in this process.

CLFP also notes that the regulatory process in California is designed to provide an opportunity for affected stakeholders to participate in the development of a regulation. Employing a 15-day notice in this manner violates the spirit of the state's regulatory process, if not the actual law. CLFP members believe a full economic evaluation of the proposed amendments is needed and that potential stakeholders statewide deserve a reasonable opportunity to have their voices heard.

Conclusion

CLFP appreciates this informal process whereby issues and ideas can be discussed and shared prior to engagement in the formal rulemaking process. The decisions made by CARB on these future regulatory amendments will directly affect the CLFP members who have invested substantial amounts of capital in compliance costs and new technologies in an effort to comply with the state's ambitious environmental goals.

In addition, we urge CARB to reconsider addressing the proposed reporting amendments through the standard public review process. CLFP looks forward to working with CARB staff in the development of the regulation language as a part of this continuing stakeholder process.