The Electric Transmission & Distribution SF_6 Coalition

Position Paper

Nameplate Adjustment Reporting Protocols

The undersigned coalition of companies, comprised of producers and distributors of SF_6 and SF_6 alternatives, manufacturers of gas-insulated equipment (GIE), California utilities using GIE, and other SF_6 stakeholders, support the California Air Resources Board's (CARB) proposal to allow nameplate adjustment when the manufacturer's GIE nameplate capacity is determined to be imprecise by the GIE owner. Our general support for the concept of nameplate adjustment notwithstanding, we express our concerns related to the nameplate adjustment reporting protocols related to amending prior reports and providing advance notice to CARB.

Amending Prior Reports

CARB's strawman includes a requirement for reporting utilities that undergo a nameplate adjustment to revise prior annual reports to reflect the new nameplate figure and emission rate. This requirement would be tremendously burdensome for a variety of reasons. First, retroactively amending the CARB reports could necessitate similar revisions in several other reports, including to the US EPA, The Climate Registry, The Carbon Disclosure Program, as well as publicly available sustainability reports. Some of these reports are voluntary and not all utilities in California provide all of them, but we hope CARB can understand the importance of reporting consistency between each report to each organization. And unlike CARB and US EPA reports, some organizations require third party review and certification at the cost of the reporting utility.

We appreciate that CARB is recognizes the effort it takes to file annual emissions reports. While a revision process is not likely to be as resource intensive as the annual filing, it is clear that undergoing a revision will require a material amount of dedicated resources. Add to this that all prior reports involving the GIE at issue would need to be amended (at a minimum that means that three reports would require revision, since that is how many prior year reports the regulation requires utilities to retain), and the workload nearly triples. Informal industry estimates are that a report revision involving 20 GIE would take approximately 30 man hours for one report and 80 hours for three years' worth of reports. Add to this the level of effort and resources required to amend non-CARB reports mentioned above, along with coordinating and paying for third party review and re-certification, and it is easy to see how the figure escalates and becomes overly burdensome.

We understand that there may be value from CARB's perspective to increase the accuracy of prior reports, as well as future reports. While we do not disagree, we submit that the burden and resources outlined above far outweigh any value for CARB associated with a more accurate historical picture beginning in 2015. And further, we submit that the historical picture will only be *slightly* more accurate. Mathematically speaking, changes to the denominator of the emission rate formula (i.e. total nameplate capacity) have a much, much smaller impact on the emission rate than the numerator (i.e. total pounds of SF_6 emitted). The only way a nameplate adjustment in a given year would impact the numerator of the prior year's report is if the GIE at issue were installed in the prior year; GIE *retired* in a prior year would never undergo a nameplate adjustment in the current year for obvious reasons. So, prior year revisions would be far more likely to change the denominator in the emission rate formula. But, as mentioned above, the resulting impact on the emission rate itself would be minimal and the additional information would not contribute materially to the overall historical accuracy.

In light of the above, we recommend that CARB remove the requirement to revise prior year reports. If CARB still feels there is value to increasing the accuracy (albeit slightly) of prior years, we recommend CARB extrapolate data from the nameplate adjustments in the first year after the regulatory revisions take effect (i.e. number of nameplates adjusted in relation to number of pounds of adjustment) and apply the delta proportionally to the prior years. This would give CARB a better sense of actual emission levels in recent history, without the added reporting burden to regulated entities.

Date of Nameplate Adjustment Filing

It is not clear from the strawman when utilities would be allowed to submit the documentation for and execute a nameplate adjustment. We request that CARB clarify in the final rule that utilities be allowed to submit nameplate adjustment documentation in conjunction with the annual emissions report.

Standardized Template

CARB's strawman would require utilities to submit documentation supporting the calculations and measurements associated with the nameplate adjustment to the "Executive Officer" within 30 days. We recommend that CARB develop a standardized template for utilities to use to complete this process. A standardized template would provide regulatory certainty for submitting utilities and ease of review for CARB. We also request that CARB facilitate this submission via a secure, online submission platform.

60-Day Notification Requirement

The requirement to notify CARB of the intent to determine a new nameplate capacity 60 days prior to performing the nameplate adjustment process is unnecessarily restrictive and counter-intuitive. It is overly restrictive because it seems to add little, if any, regulatory value; if CARB wants to be notified when this process is used, then utilities should simply be required to report to CARB after its use. It also presupposes that utilities will know 60 days in advance and with 100% certainty when and where the nameplate adjustment process will be utilized, which often is not the case. Operational realities requiring unexpected removal of old GIE, installation of new GIE, and servicing of current GIE occur routinely, and may result in a need for nameplate adjustment as well.

The 60-day notice requirement is also counter-intuitive because it assumes that utilities know well in advance that a new nameplate capacity will be required. This is impossible, since it is this very process that utilities will use to know if an adjustment is necessary. In other words, utilities are unable to notify CARB of an "intent to determine a new nameplate capacity" until they know that the current nameplate requires adjustment. And utilities are unaware that the current nameplate requires adjustment until they undertake the steps outlined in the process.

We understand that CARB would like to be notified in advance when this process is used and when a new nameplate request is forthcoming. However, we believe that this purpose is best served by a written notification within ten (10) business days after the process occurs.

Permanently Affixed Nameplate

We have concerns with the proposed requirement to permanently affix the new nameplate figure to the GIE and associated parameters for several reasons. First, we recommend that utilities be given the option to either track the nameplate capacity adjustment digitally or to physically affix the adjusted capacity figure. As CARB is aware, the original nameplate contains a broad range of information. In light of the amount and range of information, it is very helpful to have a physical nameplate present for inspection and servicing. But

in the event of a capacity adjustment, utilities are certainly capable of tracking the new capacity (e.g. only one item of information) digitally, thereby obviating the need for a new, permanently affixed nameplate, and utilities should be given a choice to do so.

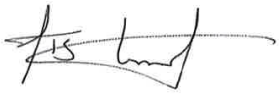
Second, we are concerned with CARB's use of the word "permanent" to describe how the new nameplate should be affixed to the GIE. Under a strict definition of the term, no manner of affixation is truly permanent. No matter what method is used to affix the new nameplate, it can be reversed. In the event a utility opts to affix a new nameplate (as opposed to digitally tracking the adjustment), we recommend the following language: "The new nameplate capacity shall be continuously affixed to the device until permanent decommissioning."

Third, in the event a utility opts to affix a new nameplate, we recommend further requirements to standardize information on this nameplate. In order for utilities to comply with the 30-day deadline in CARB's proposed language, they will have to forego the current process of ordering a new nameplate – similar in size and material to the GIE's current nameplate – from the OEM because this process takes much longer than 30 days. Rather, utilities would need to source the nameplate material (which would likely vary from the original nameplate provided by the OEM) and printing service directly. For the sake of conformity and consistency across the industry, affixed nameplate capacities should all be required to include the adjustment date, GIE serial number and the phrase: "Adjusted Nameplate Capacity."

Finally, we anticipate that a material number of the nameplate adjustments will occur at decommissioning of the GIE. The current language would require that the utility affix a new nameplate to retiring GIE, only to discard the GIE shortly thereafter. The language should be amended to clarify that this requirement does not apply to nameplate adjustments that occur during decommissioning.

We appreciate CARB's willingness to engage with industry on this and related issues. For questions or further discussion, please contact Jonathan Stewart at jonathan.stewart@nema.org.

Sincerely,



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National Electrical Manufacturers Association, on behalf of

The Electric Transmission & Distribution Coalition
Airgas USA LLC
Concorde Specialty Gases
DILO Inc.
Electronic Fluorocarbons, LLC
G&W Electric Company
Power Engineers
Mitsubishi Electric Power Products Inc.
S&C Electric Company
San Diego Gas & Electric
Solvay Fluorides
Sacramento Municipal Utility District
Toshiba International Corporation

About the Coalition

The Electric Transmission and Distribution SF_6 Coalition, hosted by the National Electrical Manufacturers Association (NEMA), is an industry organization for discussion of SF_6 related issues focused on electric transmission and distribution equipment as well as a forum for industry interaction with public officials surrounding SF_6 reporting and emissions reduction regulations. Current Coalition membership includes representatives of electrical T&D equipment manufacturers, SF_6 and alternatives producers and distributors, utilities, regulatory agencies and industry-related service companies.