

State of California
AIR RESOURCES BOARD

Notice of Public Availability of Modified Text

**PROPOSED MODIFICATION TO THE FUEL CELL NET ENERGY METERING
GREENHOUSE GAS EMISSION STANDARDS PROPOSED REGULATION ORDER**

Public Hearing Date: December 12, 2019
Public Availability Date: February 10, 2020
Deadline for Public Comment: February 25, 2020

At its December 12, 2019, public hearing, the California Air Resources Board (CARB or Board) approved for adoption the proposed sections 95408 to 95412, Title 17 California Code of Regulations which comprise the Fuel Cell Net Energy Metering Greenhouse Gas Emission Standard Regulation.

The Board directed the Executive Officer to determine if additional conforming modifications to the regulation were appropriate and to make any proposed modified regulatory language available for public comment, with any additional supporting documents and information, for a period of at least 15 days as required by Government Code section 11346.8. The Board further directed the Executive Officer to consider written comments submitted during the public review period and make any further modifications that are appropriate available for public comment for at least 15 days, and present the regulation to the Board for further consideration if warranted, or take final action to adopt the regulation after addressing all appropriate modifications.

The resolution and all other regulatory documents for this rulemaking are available online at the following CARB website:

<https://ww2.arb.ca.gov/rulemaking/2019/fuelcellnem19>

The text of the modified regulatory language is shown in Attachment A. The originally proposed regulatory language is shown in ~~strike through~~ to indicate deletions and underline to indicate additions.

In the Final Statement of Reasons, staff will respond to all comments received on the record during the comment periods. The Administrative Procedure Act requires that staff respond to comments received regarding all noticed changes. Therefore, staff will only address comments received during this 15-day comment period that are responsive to this notice, documents added to the record, or the changes detailed in Attachment A.

Summary of Proposed Modifications

The following summary does not include all modifications to correct typographical or

grammatical errors, changes in numbering or formatting, nor does it include all of the non-substantive revisions made to improve clarity.

1. In section 95411, Greenhouse Gas Emission Standards, the annual average greenhouse gas (GHG) emission standards were revised to reflect a more aggressive annual percent reduction. This change was made by staff as directed by the Board at the December 12, 2019, Board Hearing. Staff originally proposed a 2.5 percent annual reduction of the standards to align with 2030 electricity-sector GHG emission (IRP) targets set pursuant to SB 350 and taking into consideration the updated RPS target set by SB 100.

Staff has reevaluated the annual reduction of the standards and is proposing that the reduction should be based on the GHG emissions reduction goals of Senate Bill (SB) 32 (Pavley, Chapter 249, Statutes of 2016), which calls for statewide GHG emissions to be 40 percent below the State's 1990 GHG emission level by 2030. CARB staff calculated the new annual reduction percentage based on the equivalent of reducing the fuel cell NEM 2017 GHG emission standard (409 kg CO₂e/MWh) by 40 percent by 2030 (245 kg CO₂e/MWh). An annual reduction rate of 3.85 percent is needed to achieve this level of reductions, and this new percentage is used to calculate the GHG emission standards starting in the year 2018. Each year's emission standard is rounded to the nearest whole number before the subsequent year's emission factor is calculated. For instance, to calculate the 2018 emission factor, staff multiplied 409 CO₂e/MWh by .9615 (i.e., 1 minus 0.0385), resulting in a value of 393.2535. Staff rounded this to the nearest whole number, which is 393, and staff then used that value to calculate the 2019 emission factor (and so on). The 2018 to 2022 average annual GHG emission standard values have been modified to reflect these changes.

2. In section 95412, Greenhouse Gas Emission Standards Methodology, in subsections (a)(2), (a)(3), and (a)(4), the values in the "Adjustment to reduce annual GHG emission standard..." were changed from 0.975 (2.50 percent) to 0.9615 (3.85 percent). The change was made to ensure that the calculation method reflects the new reduction percentage, as explained above.

Staff also added text to specify the rounding method that will be used to determine the standards. Staff proposes to round the calculated annual GHG emission standards to the nearest whole number because additional precision is not necessary.

Agency Contacts

Inquiries concerning the substance of the proposed regulation may be directed to Carey Bylin, Manager, Energy Section, at (916) 445-1952 or (designated back-up contact) Mary Jane Coombs, Branch Chief, at (916) 322-7554.

Public Comments

Written comments will only be accepted on the modifications identified in this Notice. Comments may be submitted by postal mail or by electronic submittal no later than the due date to the following:

Postal mail: Clerks' Office, California 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 verbal 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.

In order to be considered by the Executive Officer, comments must be directed to CARB in one of the two forms described above and received by CARB no later than the deadline date for public comment listed at the beginning of this notice. Only comments relating to the above-described modifications to the text of the regulations shall be considered by the Executive Officer.

If you need this document in an alternate format or another language, please contact the Clerks' Office at (916) 322-5594 or by facsimile at (916) 322-3928 no later than five (5) business days from the release date of this notice. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Si necesita este documento en un formato alternativo u otro idioma, por favor llame a la oficina del Secretario del Consejo de Recursos Atmosféricos al (916) 322-5594 o envíe un fax al (916) 322-3928 no menos de cinco (5) días laborales a partir de la fecha del lanzamiento de este aviso. Para el Servicio Telefónico de California para Personas con Problemas Auditivos, ó de teléfonos TDD pueden marcar al 711.

CALIFORNIA AIR RESOURCES BOARD



Richard W. Corey
Executive Officer

Date: February 10, 2020

Attachment

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see CARB's website at www.CARB.ca.gov.