

Public Workshop to Discuss Proposed Regulation for Energy Efficiency and Co-Benefits Audits for Large Industrial Facilities

June 9, 2009 - Sacramento

California Environmental Protection Agency



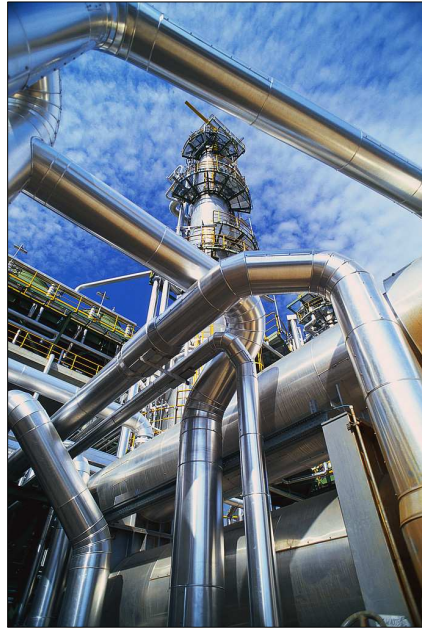
Air Resources Board



Overview

- ◆ Background
- ◆ Regulatory Concepts
- ◆ Next Steps
- ◆ Contacts





Background

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Background

California Global Warming Solutions Act of 2006 (AB 32)

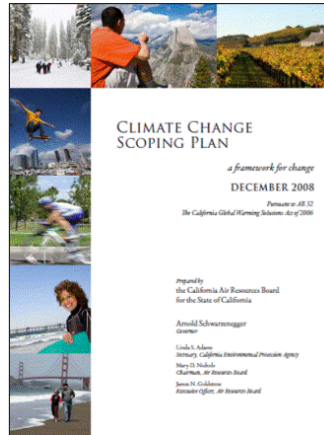
- ◆ Set the 2020 greenhouse gas (GHG) emissions reduction goals into law
- ◆ Directed the ARB to begin developing discrete early actions to reduce greenhouse gases
- ◆ Directed the ARB to prepare a Scoping Plan to identify how best to reach the 2020 limit



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AB 32 Scoping Plan

- ◆ Approved by the Board December 2008
- ◆ Outlines a comprehensive set of actions to reduce California's GHG emissions
- ◆ Proposes an energy efficiency and co-benefits audits measure



Scoping Plan's Energy Efficiency and Co-Benefits Audits Measure

- ◆ Set a facility threshold of 0.5 MMTCO₂E for inclusion in the measure
- ◆ Require facility "to conduct an energy efficiency audit... to determine the potential [GHG] reduction opportunities, including criteria air pollutants and toxic air contaminants."

Regulatory Concepts



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Regulatory Concepts Q&A



- ◆ Applicability
- ◆ Requirements
 - efficiency audit
 - assessment
- ◆ How results will be used
- ◆ Confidentiality
- ◆ Regulatory schedule

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To whom will the regulation be applicable?

- ◆ Facilities in California emitting ≥ 0.5 MMTCO₂E annually
 - based on 2009 reporting
- ◆ Also include
 - all refineries producing transportation fuels released into commerce
 - all cement plants

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Which industry sectors are impacted?

- ◆ 5 sectors:
 - power plants
 - refineries
 - oil & gas production/transmission facilities
 - cement and mineral plants
 - industrial gas production facilities (i.e., hydrogen plants)

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What's the framework?

- ◆ The regulation will be a general guidance for facilities to conduct an energy efficiency audit and assessment
 - maintain consistency where possible without step-by-step instructions
 - allow site-specific variation where appropriate

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What will the proposed regulation require?

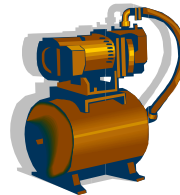
- ◆ Three elements:
 - energy efficiency audit to identify facility's energy consumers
 - assessment of energy use reduction opportunities and associated impacts
 - comprehensive report to ARB



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Will the audits and assessments include only direct GHG sources?

- ◆ Include both direct (i.e., fuel combustion) and indirect (i.e., electricity consumption) stationary sources



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What is the purpose of the energy efficiency audit?

- ◆ Identify significant energy consumers (processes/equipment) within facility
- ◆ Focus the energy use reduction assessment on the largest energy consumers



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What information will be required for the energy efficiency element?



- ◆ Overview of facility operations
 - process flow diagram
 - description of processes
 - equipment used in processes
- ◆ Data required:
 - energy consumption
 - associated production volume
 - directly emitted CO₂
- ◆ Required for:
 - entire facility
 - processes/systems
 - equipment

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What if my facility has already conducted an audit?

- ◆ Results can be provided but must include the information required by the regulation



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How will ARB ensure data consistency?

- ◆ Specify data collection and submission requirements
- ◆ Require use of consistent emission factors where appropriate
- ◆ Specify time period for data collection



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Will the regulation have a de minimis allowance for equipment and/or processes?

- ◆ Considering different approaches for defining de minimis levels
 - may require identifying all processes/units but only including a subset in the audit and assessment
- ◆ Open to suggestions

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What information will be required for the assessment element?

- ◆ Identify potential energy efficiency improvement options for each significant energy consumer

Examples:

- replacing older, less efficient process units
 - recovering heat or electricity
 - using renewable energy
- ◆ Evaluate impacts associated with implementation
 - costs
 - time
 - facility impacts
 - permitting impacts
 - impacts on health/safety
 - emissions impacts (GHG, criteria pollutants, TACs)
 - CEQA
- ◆ Can include ongoing and planned programs

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Who conducts the audit and prepares/submits report?

- ◆ May be either:
 - source (facility operator); or
 - third party



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What will ARB do with the reports?

- ◆ ARB will summarize the findings for each sector in a public document
 - discuss feasible, cost-effective energy efficiency improvement opportunities
 - provide information to support decision making related to overall GHG program

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Will the completed audits and assessments be publicly available?

- ◆ ARB's report will summarize findings and append the individual facility reports
- ◆ Will include data as permitted by law
- ◆ Proprietary or "trade secret" information maintained confidential

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What is the regulatory schedule?

- ◆ Draft regulation early July 2009
- ◆ Staff report early September 2009
- ◆ Board meeting October 2009
- ◆ Audit and assessment reports submitted early 2011
- ◆ ARB summary report mid-2011



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Next Steps



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Next Steps



- ◆ Next public workshop in July and/or August – draft regulation
- ◆ Workgroup meetings
- ◆ Board meeting October 2009

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