Developing New York State's Economywide Cap-and-Invest Regulations

Compilation of questions from the First Phase of Pre-Proposal Outreach

Obligated and Non-obligated

The concept of obligated and non-obligated sources is being considered for the New York cap-and-invest (NYCI) program. Obligated sources will be defined by the regulation and each obligated source will be required to provide allowances equal to its GHG emissions in metric tons of carbon dioxide equivalents). Non-obligated sources or sectors also contribute to GHG emissions and must be accounted for in the overall cap. Non-obligated emissions sources or sectors would have their emissions calculated and allowances retired on their behalf by the State. Emissions retired for non-obligated sources would be deducted from the overall cap. In other words, and to address a question that also came up last week in our overview webinar, these allowances would be permanently retired and would never become available in the system.

- Obligated sources could include the electricity sector, industrial sources, other stationary sources such as large refrigerant utilization facilities, the waste sector, and transportation and heating fuel supply sectors.
- What should be considered when establishing which source categories should be obligated?
- What, if any, special considerations should be given for assigning upstream out of state emissions to obligated sources? Are there any sources of data that New York State should consider in determining obligated sources?
- Non-obligated sources might include aviation, direct emissions from livestock, and emissions from very small sources below an established threshold. At this point we have not made any final determinations and we welcome input.
- What considerations should be applied to establishing which sectors are non-obligated?
- How might the regulation clearly represent emissions from non-obligated sources that are difficult to monitor? (e.g., non-fossil fuel agricultural emissions)

Applicability and Thresholds - Defines which sources and at what thresholds sources are covered by the regulations: who must report emissions; defines what entities must obtain and surrender allowances equal to their GHG emissions; establishes obligated and non-obligated sources.

- What considerations should be considered in determining if a source is obligated and or has a compliance obligation to surrender allowances or report emissions? Should consideration for defining an obligation be at the facility level (entire building or plant, or industrial park under contiguous common ownership) or every emissions point or stack, at the rack or utility level for fuel suppliers?

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- What thresholds should be used to determine a compliance obligation under the cap-and-invest regulation (proposed to be under 6 NYCRR Part 252)? What thresholds should apply under the reporting regulation (proposed to be under 6 NYCRR Part 253?
- Compliance thresholds will determine which entities must provide allowances equal to their emissions. *Emissions reporting thresholds are covered in the reporting rule questions and answers section of this document*. Thresholds may be set by emissions or operational criteria.
- What should be considered when establishing thresholds for obligated emission sources?
- How significant is consistency of the threshold between emission source categories?

Applicability & Thresholds: Electricity Sector

- What considerations should be evaluated when setting applicability and thresholds for the electricity sector?
- The existing Regional Greenhouse Gas Initiative or "RGGI" program is a multi-state cap-and-invest program for the electric power sector, RGGI covers CO2 emissions from fossil fuel-fired power units 15 that are MW or larger. Should RGGI serve as the compliance mechanism for the electricity sector under the Climate Act, should electricity be obligated under NYCI, or should it have some type of obligation under a combination of both?
- What considerations should be evaluated for establishing the compliance requirements for natural gas utilized by energy generating facilities. Are there unique fuel supply characteristics (ownership, delivery, infrastructure) can inform the establishment of applicability and thresholds?
- What should be considered when evaluating how to address non-CO_2 emissions and upstream out of state emissions due to fuel utilization at electric generating facilities?
- What should be considered when establishing emission factors for upstream out of state fossil fuel emissions?
- What information about the source of natural gas can fuel suppliers provide, what information about the infrastructure serving electricity source can be provided by infrastructure owners?
- Emissions from imported electricity are also an important part of the GHG inventory. What considerations related to natural gas and other fuels should inform decisions about addressing emissions from imported power? What should we consider when

addressing emissions associated with imported electricity? Are there specific considerations for emissions from RGGI sources outside of NY?

- What consideration should be given to establishing the importer, as the entity with the first point of delivery in the state, as described in a North American Electric Reliability Corporation (NERC) e-tag?
- How should the State assign responsibility for emissions from imported electricity to properly differentiate the emissions character (i.e., hydroelectric imports vs fossil fuel generated electricity imports)?
- What consideration should be given to non RGGI electricity generating sources? Should non RGGI electricity generators be considered separately from other stationary combustion sources? What consideration should be given to having emissions from natural gas utilization at non RGGI electricity generators be part of natural gas supplier's obligation?

Applicability & Thresholds: EITE

- Energy intensive and trade exposed or EITE may be used to define a facility or facilities in New York that use large amounts of energy or fuels and are more exposed to cost competition outside of the state than other sources. Some examples may include cement, steel, and paper manufacturers.
- It is important to emphasize that qualifying EITE sources would be obligated sources – meaning they are subject to the NYCI program and have an allowance compliance obligation – but the sources may receive allowances directly from the State.
- The Climate act scoping plan provides additional conceptual details in Chapters 14, 17, and Appendix C. The scoping plan recommends that the State develop a mechanism to allocate allowances to qualifying obligated EITE emission sources based on public input and we are looking for your input on what that mechanism could be.
- What should the state consider when establishing regulatory definitions for EITE facilities? Should the definitions apply to a general type of facility such as determined by a North American Industrial Classification system (NAICS) code. Should there be consideration of an eligibility determination for each facility or grouping of facilities by sector, based on a formula or analysis described in the regulation? What consideration should be given to natural gas infrastructure as a potential EITE facility?
- What should be considered when establishing applicability criteria and thresholds for potential EITE facilities, which emissions should be compared to this threshold? Combustion emissions are the result of burning fuels, upstream out of state emissions are the emissions associated with the production and transportation of fossil fuels used

in NY. Process emissions are created from non-fuel combustion operations at a facility. Examples may include carbon dioxide emissions from cement or secondary lead smelting or emissions of fluorinated gases during the production of electronics.

- How might either identification method be incorporated into regulation for the timely evaluation of allowance allocation and compliance determination?

Applicability & Thresholds: Other Stationary Sources

- In determining applicability criteria and thresholds for other stationary sources or industries what considerations should be given to emission sources at large industrial, commercial and residential buildings that combust fuels for water or space heating and do not have process emissions?
- What should be considered when determining if the facility or the fuel supplier should have the allowance obligations for the combustion and upstream emissions?
- What should be considered when establishing emission factors for upstream out of state fossil fuel emissions?
- Are there types of stationary sources that are not typically thought of as industrial which might be considered EITE? In determining EITE applicability what considerations should be given to large emission sources such as hospitals, universities, commercial and residential buildings that combust fuels for water or space heating and do not have process emissions?
- Should there be considerations for facilities that receive fuels by barge or interstate pipeline, should these considerations be separate from fuel purchased from other fuel suppliers?
- Are there any guiding ideas the state should consider when determining applicability?
- What should be considered when establishing an emissions-based threshold compared to an operational threshold? Does either type of threshold provide greater clarity on who the allowance requirements for stationary sources would apply?

Applicability & Thresholds: Waste Sector

- Emissions are produced from a diverse group of sources in the waste sector. Notable sources of emissions in this sector may include but are not limited to landfills, exported waste, waste combustion, and wastewater.
- As we move forward with the development of this program, we will be looking for feedback on what applicability criteria and thresholds should be applied to

landfills. How might landfill type (Municipal waste, Construction and Demolition, Land clearing, industrial, or hazardous waste) be included in the program?

- What considerations should be used to account for emissions due to waste exported to other states?
- How might waste transfer stations and direct haulers be part of the program?
- What considerations should be used to inform the compliance requirements for waste combustion facilities?
- How should applicability for wastewater treatment facilities be structured?
- Should the presence of anerobic digesters or other treatment systems be determining factors?
- What should be considered when evaluating if the fuel utilization at wastewater facilities should be covered by the fuel supplier rather than the treatment facilities as a stationary source?
- When considering thresholds, should emission generation potential be the primary consideration? Could landfill capacity, combustion facility throughput, annual waste transfer tonnage, or population served by treatment facility serve as a reasonable proxy for emission generation potential, or should other threshold metrics be evaluated?

Applicability & Thresholds: Hydrofluorocarbons (HFCs)

- Emissions of high global warming potential gases, typically HFCs, used in refrigeration processes at supermarkets, refrigeration warehouses and data centers are a substantial part of the GHG inventory. What should be considered when establishing requirements for these emission sources?
- How should thresholds for this emission sector be established?
- Could the number of supermarkets operated by the same owner within the state, or the amount of refrigerant in a cooling system, or system design specifications be used to inform the applicability criteria and thresholds?
- Are there specific refrigeration systems and refrigerants that should have no allowance requirements?

Applicability & Thresholds: Fuels

- Fuels being considered for cap-and-invest may include gasoline, diesel, heating oil, propane, and natural gas used for heating and vehicles.

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- Fuel suppliers are anticipated to have allowance obligations for all non-aviation fuel delivered to end users in the state and it is anticipated that they will have allowance obligations for both emissions from combustion of that fuel and for the upstream out of state emissions from the production and delivery of that fuel. Individual end users (vehicle owners and households) are not anticipated to have allowance compliance for fuels.
- The compliance obligation associated with fuel consumption at EITE, other industrial or power generation facilities may be covered by those facilities rather than by the fuel suppliers. This may be due to the facility being the first owner of the fuel within the state or considerations about how the cap and invest program interacts with the RGGI program.
- What should be considered when assigning emissions associated with the use of biogas or renewable natural gas produced at a landfill or anaerobic digester?
- What should be considered when establishing the emissions allowance obligations at the fuel supplier or at a waste managing facility for fuel utilized at the facility?
- What should be considered when structuring applicability so that the obligation for the fuel consumed at a facility is clear to both the facility and fuel supplier?
- How should the applicability be structured for fuels delivered by interstate pipeline or by barge, where the fuels are not owned instate before they are received by a facility?
- What tracking and reporting characteristics and systems exist to identify fuel supplier and facility fuel ownership?
- What should be considered when establishing thresholds for fuel suppliers?
- NY has very complex fuel distribution systems and there is a diverse set of suppliers delivering fuel within the state, what consideration should be given to establishing thresholds for transportation and heating fuels? Thresholds for natural gas suppliers and liquid fuels suppliers may be different from each other and different from other source types. As background, programs in other jurisdictions have a variety of thresholds. Linked programs such as the California and Quebec programs have different thresholds for the same sectors.

Allowance Allocation - Defines how allowances are made available: auctions, set asides, and direct allocations.

- How should allowances be allocated and what if any considerations should be given to establishing allowance set asides for EITE sources?

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- With regard to EITE definitions, what should be considered when evaluating California's cap and trade regulatory language on industrial allowance allocation (subarticles 8 and 9) for compatibility with NY's goals and program ambition? How might the California or other jurisdictions industrial allowance allocation mechanisms be utilized in the NYCI program?
    - What consideration should be given to identifying industries in NY which might not have been identified in California's regulation?
    - What should be considered when evaluating the product-based efficiency and NAICS code-based allocation methods?
    - What should be considered when developing the allocation methods? Considerations about EITE facility allowance obligations discussed earlier, are anticipated to inform the design of this set aside.
    - What additional consideration should be given to reducing this pool of allowances as the cap declines? How might adjustments be made to the size of the EITE set aside or allocation methods due to changes in industrial emissions in New York.
- Should allocation measures besides auction be considered for distribution of allowances to cover obligated emissions?

Program Ambition - Defines the cap and the allowance budget for how many allowances will be available year-by-year to reach the Climate Act GHG limits.

- The cap sets the upper limit for emissions and includes economywide GHG emissions from obligated sources and non-obligated sources and sectors. The regulation must set a starting point and downward trajectory for the cap in order to reach the GHG emission limits established in the Climate Act
- How should the starting point for the cap be set? For example, should it be based on current emissions, or an emissions surrogate?
- The current GHG inventory is generally published two years after the end of the inventory year (the 2020 GHG emissions inventory was published in 2022). Should this information be used to set the starting cap at the most recent inventoried emissions, should an average of emissions over multiple years be considered or should the cap be informed by available data trends or analysis?

- In determining the cap decline from that starting point to the CLCPA emissions limits, should we consider a linear trajectory, or should reductions be aligned with a step-down period that might reflect the timing of other emission reduction strategies?

Non-Obligated Sources - To ensure achievement of the CLCPA's Statewide emission limits, in addition to obligated sectors, the state will need to retire allowances for all non-obligated emission sources and sectors. Retired allowances are permanently deducted from the system and not available for obligated sources to cover emissions

- To better inform the creation of the set-aside or set-asides for allowances to cover non-obligated emissions, we are looking for feedback on how the set-aside or set-asides should be designed.
- What information should be used to inform the size of the set-aside or set-asides? Should the most recent inventoried emissions be used, should an average of emissions over multiple years be considered or should the set-aside(s) be informed by available data trends or analysis?
- Should there be mechanisms to adjust the number of allowances based on annual data and if so, what data should inform these adjustments?
- If non-obligated emissions are larger or smaller than the number of allowances in the set aside in any year or series of years where should additional allowances come from or flow to if at all?
- What considerations should there be on the timing of the retirement of allowances to cover non-obligated emissions relative to the compliance deadlines for obligated emissions?

Allowance budget - The budget establishes the number of allowances available for obligated sources. A set-aside account or accounts will be established to hold allowances to be retired by the State to account for GHG emissions from non-obligated sources.

- What should be considered when designing the set-aside process and in creating the allowance budget for obligated sources so that the program addresses emissions, consistent with the NYS GHG annual inventory, up to the cap?

- Are there specific considerations that would provide flexibility in covering the non-obligated emissions and establishing the allowance budget?

Program Stability Mechanisms - Defines the automatic and planned program adjustments to moderate costs and sustain program ambition if emissions are higher or lower than anticipated. A Cost Containment Reserve (CCR), Emission Containment Reserve (ECR), Auction Reserve Price (RP) and bank adjustments are being considered for this program.

- Feedback on the use of a CCR, ECR, and RP under the program is requested.
- A CCR, if established, could be designed to provide additional allowances at an auction if the price becomes higher than anticipated.
    - What information should be used in the determination of the price that additional allowances become available?
    - Where should these allowances come from (from a tranche of allowances under the cap, from future years, should there be multiple price tiers)?
    - What information should be used to determine how large a CCR could be (% of Cap or Budget, modeled amount to meet specific price point)?
- An ECR, if established, would withdraw a number of allowances at an auction if the price fell below a specific value.
    - What should inform the determination of this price point?
    - Should the ECR be the same size as the CCR? Should the design mirror the design of the CCR?
- An RP establishes the lowest price at which allowance may be awarded during a particular auction. What factors should be considered in setting an RP?
- Banking refers to retainage of allowances by market participants beyond the near-term compliance needs. There may be a variety of economic or planning decisions sources or market participants take to decide if they maintain a bank of allowances.
    - What information should the state consider when determining the impact of banking?
    - A banking adjustment could remove allowances from the future auctions. Should a banking adjustment be considered?
    - If so, what considerations should go into establishing a banking adjustment? What should trigger a bank adjustment?

Compliance Process Enforcement and Compliance Mechanisms - Defines compliance periods and types of enforcement mechanisms.

- Compliance under a cap-and-invest program refers to the surrendering of allowances for retirement for each metric ton of CO_2e emissions from a source. A multiyear compliance period may offer flexibility to sources needing to acquire allowances to cover emissions fluctuations when compared to a single year compliance period. In this

example, at the end of a multiyear compliance period all three years' worth of emissions would have to be covered by allowances at the end of the third year. An option to consider, similar to RGGI, is that during the preceding two years of a three-year compliance period, part of the emissions would have to be covered in what is called an interim year compliance obligation.

  - How many years should a compliance period cover?
  - If a multiyear compliance period is utilized, should an interim compliance period be considered. If so, what percent of emissions should have a compliance obligation in the interim year?
  - What information should be considered when establishing the compliance date? Should the compliance date be the same for all emission sources? Should any consideration be given to timing the compliance date and auctions?
  - Is there a need for substantial time between reporting deadlines on compliance date? If yes, what amount of time should be given between reporting of emissions and surrender of allowances?

- Enforcement and penalties are key components of any regulatory program and would be utilized in a cap-and-invest context when a source fails to surrender the necessary number of allowances to cover their emissions.
  - What approaches to enforcement a should be considered?
  - What should be considered when establishing penalties for this program? How could the application of multiple types of enforcement mechanisms (e.g. surrender additional allowances and monetary penalties) be structured?

Auction Rules – Defines structure and mechanics of allowance auctions.

- It is anticipated that the majority of allowances will be made available for purchase at regular auctions that the State will administer according to rules that will define their structure and mechanics. Many jurisdictions, including those participating in the existing RGGI program for example, employ single-round, sealed bid, uniform price auctions.

- What auction format should be used (e.g., single-round or multi-round auctions; a uniform price applicable to all awarded allowances; or allowance pricing based on as-bid prices, frequency of auctions)?

- Should participation in the allowance auctions be limited to obligated entities or be open to market participants without program obligations
- Should different types of participants be subject to different requirements?
- While allowances could be set-aside and allocated directly from the State to EITE sources, we are also seeking feedback on potentially using consignment for EITE allowances. Under a consignment approach, EITE sources would be assigned ownership of allowances which would then be auctioned as part of general state auctions, with proceeds from the sale of consigned allowances accruing to EITE sources. We would anticipate that under this structure, EITE sources would be bidders for allowances at the same time but would cover the cost of the acquisition from the sale of consigned allowances. If an EITE source needs to buy fewer allowances than are consigned to it, the EITE would keep the difference in proceeds. This measure could increase liquidity in the market, while helping address costs of compliance for EITEs.
- We are also seeking input on what requirements should entities fulfill to be able to register for participation in auctions? These may include corporate information, contact information for key staff designees, attestation that participants are not engaging in prohibited activities, and provision of financial security for bidding, among other requirements.
- Should the auction mechanics contemplate the inclusion of allowances from linked jurisdictions?
- What measures should be considered (e.g., disclosure requirements) to uphold market integrity and protect against collusion or other market manipulation?

Market Rules – Defines rules for participation in market and trading of allowances.

- Rules may also be put in place regarding the trading of allowances in secondary markets and the purchase and holding of allowances by market participants. These types of measures may help prevent concentration of market power among a subset of participants.
- We are interested in input on whether any constraints should be adopted regarding trading of allowances?
- We are seeking input on whether any allowance purchase, holding limits, or minimum allowance holding periods should be applied, and if so, should these apply only to market participants other than obligated entities?

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Reporting and Verification – Defines what sources must report, when reporting will begin and how often, how reporting should be verified, and how to leverage existing reporting programs

- The applicability and thresholds for reporting may be different than those of the cap-and-invest regulation and there may be entities that have reporting requirements but have no allowance requirements.
- What should be considered when establishing reporting requirements? What if any emissions information or activity data can be extracted or leveraged from other existing regulatory programs? What should the state consider when evaluating whether to develop plain language requirements within this regulation, compared to incorporating by reference another program's reporting requirements?
- What considerations should be given towards using reported data to inform the allocation of EITE allowances?
    - If benchmarking or product-based efficiency provisions are utilized under the cap-and-invest program as part of the considerations on how to allocate certain allowances, such as EITE allowances, how might these provisions be constructed?
    - Should the provisions be based on international best practices, or each facilities performance as determined by formula's established in regulation?
    - How might past facility performance be used to establish emissions intensities?
    - What should be considered when developing language to adjust a facility's allocation as its emissions and operational data change?
    - What should be considered to determine the fuel supplier reporting requirements to inform facility (EITE, waste managing, electricity, other station source) emissions calculations?
- What should be considered when establishing how often sources report emissions and whether all sources have the same reporting schedule?
- Third party verification of emissions reports and activity data may be required for most or all sources.
    - What should be considered when setting verification requirements?
    - How might thresholds or compliance with the cap-and-invest regulation be used to determine verification requirements?
    - How often should emissions reports and activity data be verified?

- What considerations should inform the establishment of verification timing?
- What steps should be taken to ensure that emissions verifiers understand the particular requirements of NYCI program and have the capacity to responsibly verify emissions?
- Should verification training be provided or is an application for accreditation sufficient mechanism to indicate verifiers understand program requirements?
- What specific considerations should inform the timing of verification for (EITE, waste managing, electricity, other station source) facilities?

Energy-Intensive and Trade-Exposed Industries (EITE) – Emissions Reporting

- The EITE concept may be used to define a facility or facilities in New York that use large amounts of energy or fuels and are more exposed to cost competition outside of the state than other emission sources.
- Applicability in the reporting regulation is anticipated to be similar to the applicability in cap-and-invest regulation for EITE sources. What should be considered when establishing emission thresholds for reporting at EITE facilities? Is there value in identifying EITE facilities that have emissions below a cap-and-invest threshold?
- Combustion emissions, upstream out of state emissions associated with the extraction and transportation of fossil fuels utilized at the facility, process emissions, along with vented and fugitive emissions are anticipated to be reported by the facility.
- What operational or production data should be reported and utilized to support allocation of EITE allowances and compliance with the cap-and-invest program?
- What should be considered when determining reporting requirements for facilities which have benchmarks compared with facilities which are eligible by a NAICS code determination? What should be considered when determining if all types EITE facilities should report similar data?
- How should fuel suppliers identify emissions associated with EITE facilities? What considerations should be given to having both the EITE facility and fuel supplier report emissions and activity data related to fuel utilization and supply?
- How might specific reporting by fuel suppliers be used to inform the facility's calculation of emissions?

Electricity – Emissions Reporting

- Under existing cap-and-invest programs, electricity generators typically report certain data aligned with EPA requirements under 40 CFR Part 75 and 40 CFR Part 98. To align with the requirements of the NYCI program, how should electric generating facilities with RGGI source units report their emissions and fuel utilization? What consideration should be given to utilizing data from one or more of the existing reporting programs to support NY GHG reporting requirements?
- Upstream out of state emissions are anticipated to be identified through fuel utilization reporting at the facility level. How should considerations of potential differences between RGGI source unit fuel utilization and facility fuel utilization be incorporated into the reporting requirements? What considerations should be incorporated into the reporting regulation to allow fuel suppliers to identify fuel delivered to RGGI sources? How should the reporting regulation incorporate facility identification of its fuel supplier?
- What should be considered when evaluating reporting requirements for imported power, should North American Electric Reliability Corporation (NERC) e-tags be used to identify facility specific information? What considerations should be used to evaluate if reporting emissions at a regional emission rate is appropriate?
- Are there other importer identification systems which should be considered when developing reporting requirements?
- What should be considered when establishing the point along the electricity delivery pathway at which imported power emissions are reported?
- How should emissions be reported when the importer, potentially the entity who is the first point of delivery in the state, is unable to determine the specific facility that generated the electricity?
- What should be considered when establishing reporting requirements for electricity generating facilities in NY which are not RGGI source units? What should be considered for reporting behind the meter or on-site utilization of electricity and its associated emissions?
- If imported power is from a region with a GHG emission trading program how should that power be identified, and how should the emissions reported by the importer be determined?

Solid Waste – Emissions Reporting

- In order to properly identify emissions from landfills and waste exporters, how might existing reporting, including the US GHG reporting program be leveraged to support the NY reporting regulation? What enhancements to these existing requirements should be

considered to ensure facilities are reporting the most accurate and useful information? How should NY consider the proposed changes to the US GHG reporting for landfills?

- GHG emissions from landfilled waste are related to the organic content of the waste. How might the organic fraction of waste be determined by the landfill operator, transfer station, or waste hauler? How should local organics diversion programs be considered when establishing emission factors for wastes disposed in landfills?
- Besides municipal solid waste landfills, what other types of landfills should be considered for reporting requirements (construction and demolition, land clearing debris, hazardous waste landfills, ash landfills)?
- If non-msw landfills are covered by this regulation what considerations should be given to establishing thresholds, should thresholds be the same for all landfills?
- What considerations should be evaluated for composting or standalone digester facilities? Should special considerations be given for thresholds or applicability for these facilities?
- What should be considered when evaluating reporting requirements for waste hauled to an out of state destination? What existing reporting systems can be leveraged to support reporting of exported waste?
- How might transfer stations and direct haulers identify their waste characteristics and report emissions based on the destination of the hauled waste?
- What reporting should be considered for waste combustion facilities? How might reporting of waste characteristics and emissions monitoring better inform program decisions?

Wastewater - Emissions Reporting

- What should be considered when establishing reporting requirements for wastewater treatment facilities? How might the presence of anerobic digesters and other treatment infrastructure inform the reporting requirements of a facility?
- What consideration should be given to facilities that treat only sewage rather than combined sewage and stormwater?
- How might provisions to track the offsite utilization of digester gas be incorporated into wastewater treatment facility reporting?
- When establishing thresholds for reporting what consideration should be given to population served or flow rate design capacity?

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HFCs - Emissions Reporting

- What should be considered when establishing the reporting requirements related to utilization of refrigerants at chained supermarkets, ice rinks, cold storage warehouses, and data processing centers? How should consideration of independently owned facilities be used to establish reporting requirements?
- How might a facilities equipment and refrigerant characteristics inform the reporting requirements? How might the equipment characteristics and differing global warming potentials of refrigerants be incorporated into the regulatory requirements?
- What consideration should be given to exempting certain refrigerants? E.g., ammonia, or iso-butane from any reporting.

Fuel Suppliers – Emissions Reporting

- To ensure emissions from fuels utilized in NY are correctly identified, reporting of liquid fuel ownership and natural gas ownership by all suppliers to the point of sale to end user may be necessary.
- What reporting information should be considered to properly track gasoline, diesel, and heating oil used in NY? What existing data reporting systems could inform these considerations?
- What should be considered when developing reporting requirements to address fuel diversions taking place between the terminal rack and point of sale to an end user?
- What reporting information should be considered to properly track all the natural gas used in NY? What existing data reporting systems could inform these considerations?
- Are there additional considerations that should be applied to interstate pipeline deliveries or localized distribution systems?
- Are there additional considerations that should be applied to smaller suppliers, or to suppliers of coal pellets or propane?
- What considerations should inform the setting of reporting deadlines? What amount of time should be given for reporting deadlines to allow informed decisions about allowance compliance where applicable?
- What considerations should be given to having both the facility and fuel supplier report emissions and activity data related to fuel utilization and supply?

- Are there specific types of fuel deliveries such as from interstate pipeline or by barge which may be best reported by a facility rather than a fuel supplier?
- The majority of fuels used by landfills and wastewater treatment facilities are anticipated to be natural gas and distillate fuels, what should be considered when establishing requirements for fuel suppliers to identify deliveries to these facilities? What existing reporting system might be evaluated to establish reporting requirements that show the connection between fuel supplier and facility?
- What considerations should inform the establishment of upstream out of state emission factors related to the extraction and transmission of natural gas. How might these emission factors be informed by natural gas supplier reporting?
- What considerations should inform the emissions reporting thresholds in this sector?

Natural Gas Infrastructure – Emissions Reporting

- In addition to reporting from fuel suppliers and facilities on the utilization of gaseous fuels, reporting requirements for emissions from infrastructure are being considered. How might the US GHG reporting program for distribution infrastructure be leveraged for NY reporting? What consideration should be given to reporting beyond the meter emissions from leaky appliances?
- How might the NY part 203 reporting provisions be used to inform GHG reporting in NY between the well and city gate? What additional areas of reporting should be considered?
- What type of reporting system would give infrastructure owners the best opportunity to report progress on leak detection and repair or other emission reduction strategies?
- What should be considered when establishing thresholds for natural gas infrastructure emissions sources?

Reviewing California Reporting Rule

The highlighting of the California Air Resources Board's (CARB) reporting regulations is offered to further inform these questions and this outreach and does not indicate a preference for its use. Are there any considerations in the California Reporting Rule which NY should take special notice of?

- CARB subarticle 2 contains the specific provisions for natural gas suppliers, suppliers of transportation and heating fuels, electric generating units and electric power entities

including importers of electricity, among other sources. This is an area where provisions of the CARB regulation could be identified and used to inform considerations for NY''s program.

- Since there are no fossil fuel refineries in NY, how might California's requirements for position holders and suppliers of fuel outside the bulk transfer/terminal system be considered for comparison with NY's suppliers?
- What consideration should the State give to the detailed reporting requirements related to emissions from electricity generating units and electricity importers identified in this subarticle?
- The reporting criteria for individual industrial sources such as cement or aluminum production generally aligning with the US EPA reporting program. What should be considered to develop reporting requirements for similar sources in NY? What consideration should be given to including regulatory language for EITE facilities that may not be present in NY? What consideration should be given to designing reporting to anticipate new industrial facilities?
- Additionally, we would welcome your thoughts on how provisions of the US GHG reporting program are utilized in the CARB regulation and if these elements would be applicable to NY's emission sources.
- CARB reporting rule contains reporting requirements for industrial landfills and industrial wastewater treatment facilities. What should be considered when reviewing these definitions, applicability, thresholds, and other provisions to help design the NYCI program. What other programs in California or other Jurisdictions should be evaluated to inform the design of NY's reporting requirements. What are the best steps to establish reporting for waste managing facilities?
- CARB subarticle 3 contains additional reporting requirements. Like other portions of the CARB reporting regulations there are many references to the US GHG reporting program (40 CFR Part 98). This subarticle contains requirements related to calculating emissions for missing data, should there be special considerations related to these provisions for NY's EITE facilities, electricity generating facilities, power importers, or fuel suppliers? What additional considerations can inform our understanding of how this regulation can inform the NY program?
- CARB subarticle 4 identifies verification and accreditation provisions. What should be considered when evaluating this language and the needs of NY's program? What should be considered when establishing verification requirements for natural gas and liquid fuel

suppliers and infrastructure owners? How might the diversity of fuel suppliers or facilities in NY influence the verification requirements?

- CARB subarticle 5 identifies natural gas and petroleum infrastructure reporting requirements. What should be considered for NY when establishing similar provisions? While there are no fossil fuel refineries in NY what consideration should be given to other petroleum infrastructure? What type of provisions are not needed in NY?
- CARB appendix A of their Mandatory Reporting Rule (MRR) sets default activity data and emission factors for natural gas and petroleum infrastructure. What should be considered when establishing similar elements in NY's reporting regulation? What consideration should be given to establishing emission factors that change over time and what information should inform those updates?
- CARB appendix B of their MRR identifies specific test methods for emissions from specific sources. What should be considered when evaluating the need for similar provisions in the NYCI program?