



Sabasteanski, Karen &lt;karen.sabasteanski@deq.virginia.gov&gt;

---

## Revised Comments on Proposed GHG Regulation

1 message

---

**Lockard, Phillip E** <Phillip.E.Lockard@dupont.com>

Wed, Mar 6, 2019 at 4:49 PM

To: "Karen.sabasteanski@deq.virginia.gov" &lt;Karen.sabasteanski@deq.virginia.gov&gt;

Cc: "YANOSCHAK, CHERYL G" &lt;Cheryl.G.Yanoschak@dupont.com&gt;

Dear Ms. Sabasteanski,

I am submitting the attached comments on the proposed GHG regulation on behalf of DuPont Specialty Products USA, LLC. These comments were initially submitted to you on March 4, 2019. However, they are being resubmitted to correct a few minor errors, which were discovered after the initial submission.

Please feel free to contact me if you have any questions.

Regards,

*Phillip Lockard*

DuPont Spruance Site

Sr. Environmental Consultant

Office: 804-383-2286

Mobile: 804-316-4028

[phillip.e.lockard@dupont.com](mailto:phillip.e.lockard@dupont.com)

This communication is for use by the intended recipient and contains information that may be Privileged, confidential or copyrighted under applicable law. If you are not the intended recipient, you are hereby formally notified that any use, copying or distribution of this e-mail, in whole or in part, is strictly prohibited. Please notify the sender by return e-mail and delete this e-mail from your system. Unless explicitly and conspicuously designated as "E-Contract Intended", this e-mail does not constitute a contract offer, a contract amendment, or an acceptance of a contract offer. This e-mail does not constitute a consent to the use of sender's contact information for direct marketing purposes or for transfers of data to third parties.

Francais Deutsch Italiano Espanol Portugues Japanese Chinese Korean

[http://www.DuPont.com/corp/email\\_disclaimer.html](http://www.DuPont.com/corp/email_disclaimer.html)**Revised DuPont Comments on Proposed GHG Regulation 03062019.pdf**

462K



Safety & Construction  
P.O. Box 27001  
Richmond, VA 23261

March 6, 2019

**Via Email**

Karen G. Sabasteanski  
Office of Regulatory Affairs  
Virginia Department of Environmental Quality  
P.O. Box 1105  
Richmond, VA 23219

**Re: Comments on Proposal of Regulation for Emissions  
Trading Programs (9 VAC 5-140) (the “GHG Regulation”)**

Dear Ms. Sabasteanski:

On behalf of DuPont Specialty Products USA, LLC, I am writing to provide comments on the proposed GHG Regulation that was recently published in the Virginia Register.

DuPont owns and operates the Spruance Plant, which is a large manufacturing facility located in Chesterfield County that is interconnected with an adjacent cogeneration plant that provides steam to the Spruance Plant. DuPont has recently entered into a long-term agreement with Veolia to operate and maintain the cogeneration facility. Veolia is significantly modifying the cogeneration plant to convert the fuel from coal to natural gas, as well as performing other efficiency upgrades. After the modifications, the electricity generating capacity of the cogeneration plant will be reduced and it will primarily operate as a steam plant that makes only a small amount of electricity.

The GHG Regulation was initially issued for public comment in the spring of 2018 and, by letter dated April 6, 2018, DuPont provided comments to that initial draft regulation. Chief among the prior DuPont comments was a request that the “industrial exemption” contained in that initial draft regulation be clarified and broadened to better reflect the realities of industrial power generation.

DuPont is pleased that DEQ took the time to address the public comments about the industrial exemption concept and for the reasons set forth below, DuPont supports the GHG Regulation as re-proposed in February.

The GHG Regulation provides two paths to qualify for the industrial exemption and introduces the concept of “total useful energy,” which includes either electrical energy or thermal energy. The conditions that allow an entity to qualify for the industrial exemption are:

**9VAC5-140-6040. B.** Exempt from the requirements of this part is any CO<sub>2</sub> budget source that is an electric generating unit located at or adjacent to and physically interconnected with a manufacturing facility, and in every calendar year governed by this rule:

March 6, 2019

Page 2

- (i) supplies less than or equal to 10% of its annual net electrical generation to the electric grid, or
- (ii) supplies less than or equal to 15% of its annual total useful energy to any entity other than the manufacturing facility to which the CO<sub>2</sub> budget source is interconnected; and
- (iii) prior to January 1, 2019, met the requirements of (i) or (ii).

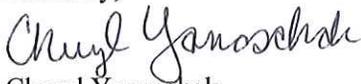
The addition of the second standard involving a threshold on total useful energy rather than just electrical generation is the key to addressing the concerns of a facility like the Spruance Plant. At the Spruance Plant most of the energy generated and used by the plant is thermal, but 100% of the electrical production (which is a small amount of the overall energy production) is supplied to the grid. DuPont has consulted with Veolia and confirmed that the cogeneration plant can meet the less than or equal to 15% standard.

We also appreciate DEQ broadening the scope of the industrial exemption by removing the previous language requiring that the industrial facility and the power-generating unit serving the facility had to be under common ownership in order to qualify for the exemption. The new standard provides flexibility for operating arrangements when the power-generating unit and the industrial facility have been split up to gain operational and economic benefits.

DuPont appreciates the work DEQ has done to complete the GHG Regulation and supports the Commonwealth's goal of achieving meaningful reductions in greenhouse gas emissions.

Please contact me at 804-383-4776 if you have any questions regarding DuPont's comments.

Sincerely,



Cheryl Yanoschak  
Environmental, Health and Safety Manager  
DuPont Spruance Plant

113761934\_1