**Express Terms Summary** 

6 NYCRR Part 495, Sulfur Hexafluoride Standards and Reporting

The Department of Environmental Conservation (Department) proposes to create a new regulation, 6 NYCRR Part 495, Sulfur Hexafluoride Standards and Reporting. This proposal would adopt prohibitions and other controls on the use of sulfur hexafluoride (SF<sub>6</sub>), primarily in electrical power transmission and distribution equipment, as recommended by the New York State Climate Action Council Scoping Plan and in accordance with the requirements of the Climate Leadership and Community Protection Act.

Subpart 495-1 Requirements for Users of Gas-Insulated Equipment

Section 495-1.1 Purpose

Section 495-1.2 Applicability

Section 495-1.3 Definitions

Section 495-1.4 Sulfur Hexafluoride Phase-Out

Section 495-1.5 GIE Emissions Limit

Section 495-1.6 GIE and Insulating Gas Inventories

Section 495-1.7 Calculating Annual GIE Emissions

Section 495-1.8 Reporting Requirements

Section 495-1.9 Recordkeeping

Section 495-1.10 SF<sub>6</sub> Phase-Out Exemption and Failure Notification

Section 495-1.11 Emergency Event Reporting

Section 495-1.12 Treatment of Confidential Information

Section 495-1.13 Enforcement

Section 495-1.14 Severability

Section 495-1.15 Reference Material

Subpart 495-2 Requirements for Users and Suppliers of Regulated Substances and Products Containing Regulated

Substances

Section 495-2.1 Applicability

Section 495-2.2 Definitions

Section 495-2.3 Restrictions on Use, Sale, Possession, and Release of SF<sub>6</sub>

Section 495-2.4 Acceptable Uses of SF<sub>6</sub>

Section 495-2.5 Suppliers of Regulated Substances and Products Containing Regulated Substances

Section 495-1.1 Purpose

This section provides the purpose of the rulemaking, which includes the control of greenhouse gas emissions.

Section 495-1.2 Applicability

This section lists the regulated persons as those who own, install, and/or use SF<sub>6</sub> gas-insulating equipment (GIE) and additionally, for reporting requirements, those with a certain nameplate capacity.

Section 495-1.3 Definitions

This section lists the definitions to be used for this Subpart. "Covered Insulated Gas" is defined as an insulating gas with a 20 year Global Warming Potential (GWP20) greater than one or a substance that contributes to climate change, thus capturing both SF<sub>6</sub> and targeted SF<sub>6</sub> substitutes.

Section 495-1.4 Sulfur Hexafluoride Phase-Out

This section provides a use phase-out schedule for SF<sub>6</sub> GIE except in certain identified instances.

Section 495-1.5 GIE Emissions Limit

This section imposes emission limits on GIE owners and provides the equations needed for each GIE owner to calculate their baseline system capacity, baseline CO2e capacity, and emission limit.

Section 495-1.6 GIE and Insulating Gas Inventories

This section requires GIE owners to establish and maintain an annual inventory for each GIE device that uses covered insulating gas as well as an inventory of containers that contain covered insulating gas.

Section 495-1.7 Calculating Annual GIE Emissions

This section provides the equations needed for each GIE owner to calculate their annual GIE emissions.

Section 495-1.8 Reporting Requirements

This section requires GIE owners with annual GIE emissions exceeding 7,500 metric tons CO2e to submit an annual GIE emissions report, which includes information related to their GIE inventory and emissions limit calculation requirements. Additionally, this section includes an attestation requirement for all statements and/or information submitted to the Department.

Section 495-1.9 Recordkeeping

This section requires GIE owners to maintain specific records, including records pertaining to their GIE inventory and reporting requirements.

Section 495-1.10 SF<sub>6</sub> Phase-Out Exemption and Failure Notification

This section details an exemption request process for GIE owners who wish to acquire SF<sub>6</sub> GIE after the applicable phase-out dates and includes the information to be submitted to the Department and the applicable justifications.

This section also makes a use allowance in the event of a failure of a GIE device in active service provided that the GIE owner records and reports of such use.

Section 495-1.11 Emergency Event Reporting

This section details the process in which—including the information to be reported—a GIE owner may request that emissions from an emergency event are exempted from the calculation of their annual GIE emissions.

Section 495-1.12 Treatment of Confidential Information

This section notes that records containing trade secrets, confidential commercial information, or critical infrastructure information will be handled pursuant to section 616.7 of this Title.

Section 495-1.13 Enforcement

This section notes that all applicable penalties or sanctions set forth in Article 71 of the Environmental Conservation Law are available to the Department.

Section 495-1.14 Severability

This section establishes that the sections of the rule are severable.

Section 495-1.15 Reference Material

This section provides information on how to locate materials that have been incorporated by reference in this regulation.

Section 495-2.1 Applicability

This section lists the regulated persons as those that use or enter (or attempt to enter) into commerce in the State, SF<sub>6</sub> or equipment containing SF<sub>6</sub>. Additionally, regulated persons also include those that supply "regulated substances" as defined in this Subpart, or equipment and products containing such regulated substances.

### Section 495-2.2 Definitions

This section lists the definitions to be used for this Subpart, in addition to those provided in Subpart 495-1. "Regulated substance" is defined as a substance that contains a fluorinated greenhouse gas and has a GWP20 greater than 10 or a substance, if the GWP20 is unknown, that may be reasonably anticipated to contribute to climate change.

Section 495-2.3 Restrictions on Use, Sale, Possession, and Release of SF<sub>6</sub>

This section imposes a general restriction on the manufacture, production, distribution, sale, purchase, or use of  $SF_6$  in the State, except for specific uses identified in the next section. Except for these identified uses, this section also prohibits the ownership or possession of  $SF_6$  in the State after one year from the Subpart's effective dates. These dates are provided and are based on the type of  $SF_6$  application.

Section 495-2.4 Acceptable Uses of SF<sub>6</sub>

This section details the 10 uses of  $SF_6$  where the requirements of the previous section do not apply, such as use as a dielectric medium or research use in a research facility.

Section 495-2.5 Suppliers of Regulated Substances and Products Containing Regulated Substances

This section imposes general registration requirements on any supplier of bulk regulated substances or products containing regulated substances intended for sale or use in the State as well as on those who reclaim regulated substances collected in the State. Manufacturers of products containing a regulated substance have an additional

registration requirement. Furthermore, this section imposes annual reporting and record keeping requirements on
suppliers and reclaimers.

Regulatory Impact Statement Summary

6 NYCRR Part 495, Sulfur Hexafluoride Standards and Reporting

### 1. Statutory Authority

The statutory authority to promulgate this rulemaking is found in the Environmental Conservation Law (ECL) at Sections 1-0101, 1-0303, 3-0301, 19-0103, 19-0105, 19-0107, 19-0301, 19-0303, 19-0305, 71-2103, 71-2105, 75-0101, 75-0105, 75-0107, and 75-0109. Furthermore, this rulemaking also addresses the Department's statutory responsibility pursuant to Section 7(2) of the Climate Act to achieve the statewide GHG emission limits outlined in ECL Section 75-0107 and 6 NYCRR Part 496. The Climate Act further requires the Department promulgate regulations to achieve the statewide GHG emission limits and align with recommendations from the Climate Action Council Scoping Plan (Scoping Plan). ECL Section 75-0109. As discussed in more detail in the Legislative Objectives below, the proposed regulation reflects the findings and recommendations from the Scoping Plan.

## 2. Legislative Objectives

Fluorinated GHGs are among the most powerful forces of global climate change. The primary focus of this proposal is SF<sub>6</sub>, which is the most potent GHG currently known with a Global Warming Potential (GWP) 18,300-25,200 times that of carbon dioxide, according to the most recent Intergovernmental Panel on Climate Change Assessment Report. It is also one of the longest-lived GHGs, persisting in the atmosphere for 1,000 years once emitted. All fluorinated GHGs have high GWP values, and some persist for hundreds, thousands, or even tens of thousands of years. This means that even if these GHGs are emitted at low volumes, they are accumulating in the atmosphere, and they will continue to impact the climate for centuries. In the case of SF<sub>6</sub>,

<sup>&</sup>lt;sup>1</sup> Intergovernmental Panel on Climate Change. 2021. Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. [MassonDelmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L.Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T.Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. In Press: Cambridge University Press.

the abundance has increased more than 40% from 2011 to 2019.<sup>2</sup> Finally, because this gas persists in the atmosphere much longer than can be modelled, the costs to society from SF<sub>6</sub> emissions cannot be fully estimated (see Costs section).

The Climate Act directs the Department to promulgate regulations that, "reflect, in substantial part, the findings" of the Climate Action Council Scoping Plan (Scoping Plan)<sup>3</sup> in order to achieve the Climate Act's statewide GHG emission limits (promulgated as 6 NYCRR Part 496) and net zero goal. Recommendations regarding SF<sub>6</sub> emissions were identified in the Scoping Plan's "Electricity" chapter. Specifically, Strategy E7, "Invest in Transmission and Distribution Infrastructure Upgrades" states, "DEC should adopt regulations to reduce SF<sub>6</sub> emissions and establish a timeline for phasing out new SF<sub>6</sub> equipment. New York should also collaborate with other U.S. Climate Alliance states to align policies across the country to drive a market shift toward SF<sub>6</sub> alternative technologies nationwide. This will help New York's power grid remain one of the cleanest, lowest emission grids in the country." Additionally, there are a number of recommendations regarding hydrofluorocarbons (HFCs) in the "Building" and "Waste" chapters. Some uses and supply of HFCs may be addressed in the reporting requirements proposed in this rule. Finally, the recommendation in the "Industry" chapter, Strategy I5, "Establish Greenhouse Gas Registry and Reporting System", states, "DEC should promulgate regulations to establish new or expand the existing GHG reporting requirements, which may be a component of another regulatory program... [and] DEC should evaluate existing online reporting systems such as those established by EPA and the California Air Resources Board."

### 3. Needs and Benefits

The Department estimates that the proposed regulation will address the relevant recommendations from the Scoping Plan and reduce emissions in line with the requirements of the Climate Act. Fluorinated GHGs are

<sup>2</sup> ibid

<sup>&</sup>lt;sup>3</sup> Available at https://climate.ny.gov

inconsistently covered by international, national, and state-level policies. Many but not all fluorinated GHGs are regulated under the Clean Air Act, such as hazardous substances or volatile organic compounds, and some are included in annual reporting under the EPA's mandatory GHG reporting program (GHGRP; 40 CFR Part 98). The proposal in Subpart 495-1 to regulate GIE broadly aligns with CARB's Regulation for Reducing Sulfur Hexafluoride Emissions, with a few exceptions. The second Subpart of the proposed regulation would adopt provisions from a California regulation<sup>4</sup> related to the general use of SF<sub>6</sub> as well as certain GHG reporting requirements in place at the federal level and in California. The Department is proposing the same requirements as have been in place in California since 2009, with the primary goal of limiting the use of SF<sub>6</sub> as it is an extremely powerful pollutant.

The proposed regulation is intended to address the current emissions of SF6, avoid increases in SF6 emissions associated with ongoing adoption of new SF6 GIE or in non-essential uses, and to potentially avoid emissions of other fluorinated GHGs that may be used as substitutes for SF6. The reporting requirements proposed in the second Subpart of this rule are critical for the Department's enforcement and for the assessment of annual statewide emissions under the Climate Act. The Department also expects that the collection and communication of fluorinated gas emissions will lead to voluntary emission reductions through improved leak management or through the adoption of sustainable alternatives.

Based on publicly available data, the Department has estimated SF<sub>6</sub> emissions in the State to be 7.36 metric tons per year, or 134,799 or 185,625 metric tons of carbon dioxide equivalent emissions if using the 20 or 100-year GWP, respectively. This is equivalent to the carbon dioxide emissions from combusting 6,877-9,471 gallons of gasoline per year.<sup>6</sup> Absent the proposed rule, these emissions are expected to increase through 2050, which would be inconsistent with the requirements of Climate Act.

<sup>&</sup>lt;sup>4</sup> Regulation for Reducing Sulfur Hexafluoride Emissions, Subarticle 3, sections 95340-95346, of title 17 of the California Code of

<sup>&</sup>lt;sup>5</sup> DEC 2022 Statewide GHG Emissions Report, converted to CO<sub>2</sub>e using IPCC's AR6 values, op cit EPA Carbon Footprint Calculator, assuming 19.6lbsCO2/gal https://www3.epa.gov/carbon-footprint-calculator (last visited October 31, 2023).

### 4. Costs

The proposed regulation may marginally increase the costs of GIE to electric utilities or other users and to suppliers of fluorinated GHGs, but it is designed to minimize costs by providing adequate time for new alternatives to reach price parity. In the case of GIE owners, including State and municipally owned utilities, the regulation does not directly impose costs on these entities or require that they replace existing equipment. Instead, GIE owners may incur an incremental additional cost to an otherwise planned equipment replacement or expansion and this may be passed on to ratepayers. In the extensive cost modeling conducted by CARB, they found that total cost savings for non-SF6 equipment would grow to nearly match costs by the final year of the model, or 2036. Because these cost savings (or avoided costs) would then continue every year through the lifetime of the non-SF6 GIE, the transition away from SF6 will save money for the utilities and ratepayers. Notably, the avoided costs include the costs of complying with the regulation. This potential cost saving is higher in the proposed regulation as entities are not required to report if GIE emissions fall below 7,500 MTCO<sub>2</sub>e. That said, the Department expects that the costs of reporting under either Subpart of this rule are minimal, as the information is already collected and reported to EPA. There are no additional costs anticipated to the Department for implementing this regulation.

The societal benefits from the mitigation of SF<sub>6</sub> and other fluorinated GHG emissions far outweigh those from participating in reporting programs or from the adoption of alternative technologies. These costs are also externalized; the users of SF<sub>6</sub> do not pay these costs, they are incurred on the public. The Department recently issued an update to the State's Value of Carbon guidance to enable State agencies to estimate the societal damages of SF<sub>6</sub> emissions alongside the other GHGs. The total cumulative, or net present value, of emissions 2024-2050 would result in damages costing \$326.62 million to \$3.69 billion dollars, or \$889.58

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<sup>&</sup>lt;sup>7</sup> As summarized in CARB 2020 Final Statement of Reasons. op cit.

million dollars at the central 2% discount rate. Avoiding these emissions in the future would represent a significant benefit.

## 5. Paperwork

The proposed rule will impose minimal additional paperwork on regulated entities, but it is not expected to be unduly burdensome as the majority of records are already subject to federal requirements. Stakeholders demonstrated in outreach meetings that this information is tracked and readily available.

### 6. Local Government Mandates

This rulemaking will not create any mandates for local governments as compared to other entities. Municipally owned electric utilities will not be affected by reporting requirements of the regulation as their emissions are below the threshold of 7,500 MTCO2e due to their relatively small SF<sub>6</sub> capacity.

## 7. Duplication

This proposal does not conflict with any other existing federal or State regulations or statutes. The proposed action is designed to align with federal policy, other non-overlapping State regulations, and international treaties to ensure consistency with a global phasedown of the regulated substances as much as practicable.

### 8. Alternatives

The Department considers a no action alternatives infeasible because of the requirements of the Climate Act. Model regulations in other jurisdictions were provided to stakeholders as an alternative and the Department considered feedback on these alternatives in developing the proposed regulation.

## 9. Federal Standards

This proposal would adopt federal minimum standards where applicable such as by adopting either the exact same standards as EPA, standards that are in line with the federal law, or standards in line with other US Climate Alliance states. Additionally, information to be collected are designed to align with records that are maintained per EPA regulations and voluntary programs.

## 10. Compliance Schedule

Notwithstanding the following compliance schedule, pursuant to ECL Article 19, Part 495 will be effective 30 days after filing the Notice of Adoption with the Department of State. This regulation will adopt a compliance schedule under Subpart 495-1 for owners of GIE to maintain an annualized inventory of equipment and insulating gas starting in 2025, for owners with annual GHG emissions above 7,500 MTCO2e to report on this inventory starting one year later, and then for the phase-down in the availability of SF<sub>6</sub> GIE based on certain characteristics through 2033. Furthermore, starting in 2028, GIE owners must maintain total GIE emissions below an emissions limit that will be determined by the owner's baseline capacity. Under Subpart 495-2, the State will restrict the use of SF<sub>6</sub> to certain essential uses and establish a registration requirement on suppliers (manufacturers, producers, and distributors) of fluorinated greenhouse gases, both starting in 2025. In 2026, these suppliers will begin reporting annually on total volumes supplied to the State.

Job Impact Statement

6 NYCRR 495, Sulfur Hexafluoride Standards and Reporting

# 1. Nature of Impact:

The New York State Department of Environmental Conservation (Department) is proposing to adopt prohibitions and other controls on the use of sulfur hexafluoride (SF<sub>6</sub>) and other fluorinated greenhouse gases, as recommended by the New York State Climate Action Council Scoping Plan and in accordance with the requirements of the Climate Leadership and Community Protection Act. Specifically, Subpart 495-1 would adopt limits to the emission rate of SF<sub>6</sub> in existing gas-insulated equipment (GIE), a phase-out schedule for new SF<sub>6</sub> GIE, inventory requirements of SF<sub>6</sub> GIE, and record keeping and annual reporting requirements for certain entities. Subpart 495-2 would further limit SF<sub>6</sub> sale and usage to certain essential uses and impose registration, record keeping, and reporting requirements for suppliers of fluorinated greenhouse gases within the State. The proposed regulation applies statewide.

## 2. Categories and Numbers Affected:

Part 495 is not expected to negatively impact jobs or employment opportunities in New York State. Potential job impacts of Subpart 495-1 would be in relation to those associated with SF<sub>6</sub> GIE manufacturing, installation, and/or maintenance that could not otherwise be supplemented by SF<sub>6</sub> alternative technology. SF<sub>6</sub> GIE replacement may provide new potential job opportunities. Any impacts to SF<sub>6</sub> manufacturing would occur outside of New York State. Pursuant to Subpart 495-2, SF<sub>6</sub> sale and usage would be limited to certain essential uses. A secondary goal is to phase SF<sub>6</sub> usage down in areas where new alternatives are being developed and SF<sub>6</sub> is not required, i.e., in the use of SF<sub>6</sub> as a tracer gas in research activities. The electricity sector accounts for 99% of SF<sub>6</sub> emissions in New York State Statewide GHG Inventory. Therefore, since SF<sub>6</sub> emissions outside the electricity sector only account for 1%, limiting SF<sub>6</sub> to only certain essential uses is not expected to negatively impact jobs in New York State.

# 3. Regions of Adverse Impact:

The proposed regulation applies statewide. There are no regions of the State where jobs or employment opportunities are expected to be adversely impacted by this rule.

# 4. Minimizing Adverse Impact:

As detailed above, this rule is not expected to have a significant adverse impact on jobs or employment.

Rural Area Flexibility Analysis

6 NYCRR Part 495, Sulfur Hexafluoride Standards and Reporting

1. Types and Estimated Numbers of Rural Areas:

The New York State Department of Environmental Conservation's (Department) proposed regulation will apply statewide, and there are no requirements in the proposed rule that would apply only to rural areas.

2. Reporting, Record Keeping and Other Compliance Requirements; and Professional Services:

The proposed regulation primarily establishes sulfur hexafluoride (SF<sub>6</sub>) use limits and controls on SF<sub>6</sub> gasinsulated equipment used by the electricity sector and imposes reporting and record keeping obligations on certain
entities. In addition, SF<sub>6</sub> sale and usage would be limited to certain essential uses as part of the proposed
regulation. There are no specific prohibitions in the proposed regulation that apply exclusively to rural areas, and
the compliance requirements apply regardless of whether the regulated entity is located in a rural area. There is
also no specific requirement or need for entities, rural or otherwise, to contract for professional services to comply
with the proposed regulation.

### 3. Costs:

The proposed regulation is primarily directed at SF<sub>6</sub> emissions associated with the transmission and distribution of electrical power, the costs of which will be borne by the electricity sector statewide. Due to existing federal mandatory and voluntary SF<sub>6</sub> reporting programs as well as the nature of the targeted SF<sub>6</sub> GIE, much of the regulated community already maintains the data sought from the reporting requirements. As such, reporting costs should be relatively low. In addition, the reporting requirements fall primarily on larger entities—owners of gasinsulated equipment with emissions over 7,500 MTCO2e and manufacturers, producers, or distributors of SF<sub>6</sub> and SF<sub>6</sub>-containing GIE. Therefore, utilities with less than 7,500 MTCO2e, such as smaller municipally-owned utilities and cooperatives are not required to report. This rulemaking seeks to reduce greenhouse gas emissions to avoid the significant economic impacts of societal damages caused by climate change. Overall, the Department

does not anticipate any significant costs to rural areas.

# 4. Minimizing Adverse Impact:

The Department has considered the issues and determined that Part 495 will not have an adverse impact on rural areas.

# 5. Rural Area Participation:

The Department initiated pre-proposal, stakeholder outreach in 2023. The Department also sought to specifically notify municipally owned electric utilities and cooperatives. Two public webinars were held on May 23 and 24, 2023 to discuss the likely provisions of Part 495. The May 24<sup>th</sup> webinar focused on municipally-owned electric utilities and cooperatives. A stakeholder meeting was also held on June 28, 2023, which was attended by representatives from the regulated community (primarily utilities), the industry group, Environmental Energy Alliance of New York, and the New York State Department of Public Service. The Department also put out requests for stakeholder feedback. Additionally, the proposed regulation reflects recommendations in the Climate Action Council Scoping Plan, for which there was extensive outreach through 2020-2022, including a formal public comment period from December 2021 through July 2022. The Department will hold public hearings on Part 495 that will be accessible to all entities, including rural stakeholders, and will notify interested parties of the proposed regulation. All parties will be able to comment on the proposed rule during the notice and comment period.

Regulatory Flexibility Analysis for Small Businesses and Local Governments 6 NYCRR Part 495, Sulfur Hexafluoride Standards and Reporting

### 1. Effect of Rule:

The New York State Department of Environmental Conservation (Department) is proposing to adopt prohibitions and other controls on the use of sulfur hexafluoride (SF<sub>6</sub>) and other fluorinated greenhouse gases, as recommended by the New York State Climate Action Council Scoping Plan and in accordance with the requirements of the Climate Leadership and Community Protection Act. Specifically, Subpart 495-1 would adopt limits to the emission rate of SF<sub>6</sub> in existing gas-insulated equipment (GIE), a phase-out schedule for new SF<sub>6</sub> GIE, inventory requirements of SF<sub>6</sub> GIE, and record keeping and annual reporting requirements for entities above a certain SF<sub>6</sub> nameplate capacity. Subpart 495-2 would further limit SF<sub>6</sub> sale and usage to certain essential uses and impose registration, record keeping, and reporting requirements for suppliers of fluorinated greenhouse gases within the State. The proposed rulemaking applies statewide. The proposed phase-out timeline accounts for differing GIE characteristics and provides for a phase-out exemption to avoid imposing overly burdensome requirements on smaller electrical power distribution entities, such as municipally-owned electric utilities and cooperatives.

# 2. Compliance Requirements:

The proposed regulation does not impose obligations unique to local governments and municipalities. The 49 municipally-owned electric utilities and cooperatives spread throughout the state will not be affected by GIE reporting requirements as their emissions are below the threshold of 7,500 MTCO<sub>2</sub>e due to their relatively small SF<sub>6</sub> capacity, but they will be required to comply with the SF<sub>6</sub> phase out, inventory, and recordkeeping requirements for GIE. Small businesses may need to comply with the registration and reporting requirements to the extent that they are suppliers of SF<sub>6</sub> or equipment or products containing SF<sub>6</sub>.

## 3. Professional Services:

There is no specific requirement or need for entities to contract for professional services in order to comply with

the proposed regulation.

## 4. Compliance Costs:

The proposed regulation is primarily directed at SF<sub>6</sub> emissions associated with the transmission and distribution of electrical power, the costs of which will be mainly borne by the electricity sector statewide. Current market prices for the relevant SF<sub>6</sub> alternative equipment are higher than legacy SF<sub>6</sub> equipment, but as novel equipment, it is anticipated that this may change over time as manufacturing is scaled up and R&D costs are recouped. Cost analysis done by the California Air Resources Board indicate a lower cost barrier for technology replacement. Furthermore, the New York State Department of Public Service has indicated that SF<sub>6</sub> supplies are increasingly expensive, while alternative technologies may have lower overall costs (e.g., lifetime operation and maintenance costs). Due to existing federal mandatory and voluntary SF<sub>6</sub> reporting programs as well as the nature of the targeted SF<sub>6</sub> equipment, much of the regulated community already maintains the data sought from the reporting requirements. As such, reporting costs should be relatively low. In addition, the reporting requirements fall primarily on larger entities—owners of gas-insulated equipment with emissions over 7,500 mtCO2e and manufacturers, producers, or distributers of SF<sub>6</sub> and SF<sub>6</sub>-containing equipment. This rulemaking seeks to reduce greenhouse gas emissions to avoid the significant economic impacts of societal damages caused by climate change.

# 5. Economic and Technological Feasibility:

Compliance with this rule is technologically feasible for all entities, including small businesses and local governments. Subpart 495-1 includes several ways to minimize impacts on all regulated entities, including municipally-owned electric utilities and cooperatives due to certain technological feasibility constraints. For instance, there is a delayed implementation date for the proposed emissions limit as well as a phase-out timeline for new GIE acquisition to provide flexibility and enable utilities to properly plan for the purchase of non-SF6 GIE. In addition, the proposed regulation contains numerous exemptions for use of SF<sub>6</sub> GIE, as well as the ability for GIE owners to purchase SF<sub>6</sub> equipment for certain equipment failures and emergency events, and

excludes emissions from emergency events for purposes of meeting the emissions limit. In terms of economic feasibility, the costs are reasonable and there is an overall economic value added in transitioning to SF<sub>6</sub> alternative technologies. Reporting requirements are limited to larger GIE owners with baseline emissions in the first year equal to or greater than 7,500 metric tons of carbon dioxide equivalent.

### 6. Minimizing Adverse Impact:

The Department has considered the issues and determined that Part 495 will not have an adverse impact on small businesses or local governments. The ability to comply will not be influenced by whether the regulatory provisions apply to a local government or small business as compared to some other entity.

### 7. Small Business and Local Government Participation:

The Department initiated pre-proposal, stakeholder outreach in 2023. The Department also sought to specifically notify small businesses through regional trade organizations, as well as to directly notify municipally-owned electric utilities and cooperatives. Two public webinars were held on May 23 and 24, 2023 to discuss the likely provisions of Part 495. The May 24<sup>th</sup> webinar focused on municipally-owned electric utilities and cooperatives. A stakeholder meeting was also held on June 28, 2023, which was attended by representatives from the regulated community (primarily utilities), the industry group, Environmental Energy Alliance of New York, and the New York State Department of Public Service. The Department also put out requests for stakeholder feedback. Additionally, the proposed regulation reflects recommendations in the Climate Action Council Scoping Plan, for which there was extensive outreach from 2020 to 2022, including a formal public comment period from December 2021 through July 2022. The Department will hold public hearings on Part 495 that will be accessible to all entities, including local governments and small businesses, and will notify interested parties of the proposed rulemaking. All parties will be able to comment on the proposed rule during the notice and comment period.