



December 15, 2010

California Air Resources Board
Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California 95814
Submitted electronically to: <http://www.arb.ca.gov/lispub/comm/bclist.php>

RE: Amendments to the Regulation for Mandatory Reporting of Greenhouse Gas Emissions

To Whom It May Concern:

The Air Issues and Regulations (AIR) Committee is a coalition of San Francisco Bay Area Publicly Owned Treatment Works (POTWs) working cooperatively to address air quality issues, under the guidance of the Bay Area Clean Water Agencies (BACWA). Many of our member agencies also manage potable water treatment, distribution systems, wastewater treatment, and biosolids residual programs. The AIR Committee has 18 member agencies, including large metropolitan facilities such as East Bay Municipal Utility District, Union Sanitary District, Central Contra Costa Sanitary District, and the City of San Jose. Together, AIR Committee member agencies treat over ninety percent of the municipal wastewater in the Bay Area and BACWA's overall membership includes agencies that provide sanitary sewer services to the more than seven million people living in the nine county San Francisco Bay Area.

The BACWA AIR Committee's comments are as follows:

- The regulation should exclude biomass CO₂ emissions for consistency with the Federal rule and the cap-and-trade program.
- Facilities without a cap-and-trade-compliance obligation should not be subject to third-party verification requirements.
- We support the deletion of the cogeneration reporting category.
- We concur with the rule's exclusion of fuel cell emissions from mandatory reporting requirements.

Additional detail on these comments is provided below.

The regulation should exclude biomass CO₂ emissions for consistency with the Federal rule and the cap-and-trade program.

ARB has indicated that its intent in revising the state mandatory reporting rule is to align with the requirements of the Federal mandatory reporting rule adopted by the U.S. Environmental Protection Agency and the proposed cap-and-trade program. Section 98.2(b) of the Federal rule states that to calculate emissions, stationary fuel combustion units are to "Exclude carbon dioxide emissions from the combustion of biomass, but include emissions of CH₄ and N₂O from biomass combustion." This distinction stems from their exclusion of biogenic emissions, defined as follows: "Biogenic CO₂ means carbon dioxide emissions generated as the result of biomass combustion from combustion units for which emission calculations are required by an applicable part 98 subpart." Consistent with this approach, the

proposed cap-and-trade regulation also excludes biomass emissions from compliance obligations. Therefore, if ARB is truly seeking consistency between the state mandatory reporting program, the Federal mandatory reporting rule, and the cap-and-trade program, it should exclude biomass emissions from reporting requirements.

Facilities without a cap-and-trade compliance obligation should not be subject to third-party verification requirements.

In the amended regulation, ARB has proposed a streamlined reporting process for facilities emitting under 25,000 tonnes per year and has not required third-party verification for these facilities. In its Notice of Public Hearing for the proposed changes, staff states that, "This will minimize costs while providing ARB a means of monitoring what is happening 'below the cap' for the cap-and-trade program." This implies that a primary purpose of the rigorous reporting and verification is to support the cap-and-trade program, and that facilities outside the cap warrant a different set of reporting procedures that still provides information, but is less costly. Consistent with this approach, we recommend that all facilities without a cap-and-trade compliance obligation be exempt from verification requirements, regardless of whether they are over or under the 25,000 ton threshold.

All of the wastewater treatment facilities reporting under the current regulation have reported a combination of fossil fuel emissions and biomass emissions. While the total of this combination may be greater than 25,000 tonnes per year, emissions associated with biomass do not generate a compliance obligation under the cap-and-trade regulation as proposed. Therefore, these facilities do not trigger into the cap, but according to the proposed amendments to mandatory reporting, they still require third-party verification. If an exclusion for biomass emissions is not added, we suggest that the regulation language be modified to allow all facilities without a cap-and-trade compliance obligation to report under the streamlined reporting requirements, even if they exceed 10,000 tonnes per year. At a minimum, we believe facilities without a compliance obligation should not be required to undertake third-party verification.

We support the deletion of the cogeneration reporting category.

Several wastewater treatment agencies were subject to reporting under the current regulation because they operate cogeneration facilities with a nameplate capacity greater than 1 MW and have emissions greater than 2500 metric tonnes per year. This reporting requirement placed a significant administrative and cost burden on these public agencies, whose emissions were barely over the 2500 ton mark. We therefore strongly support the removal of this reporting category. This change will remove a disincentive associated with cogeneration, which runs counter to the state's goals of increasing efficient combined heat and power capacity.

We concur with the rule's exclusion of fuel cell emissions from mandatory reporting requirements.

Several wastewater agencies currently operate fuel cells fueled by digester gas, and others are contemplating their installation as a way of generating clean renewable energy. We agree with ARB's conclusion that emissions from fuel cells are relatively insignificant, as stated on page 71 of the Initial Statement of Reasons for Rulemaking. Accordingly, we support the rule's exclusion of fuel cell emissions from mandatory reporting requirements.

Thank you for your consideration. Please contact me if you have any questions at (925) 229-7333 or rschmidt@centralsan.dst.ca.us or Jim Sandoval at (510) 610-9301 or jim.sandoval@ch2m.com.

Sincerely,

A handwritten signature in black ink that reads "James Sandoval". The signature is written in a cursive, flowing style.

James Sandoval on behalf of Randy Schmidt
BACWA AIR Committee Co-Chair
Central Contra Costa Sanitary District

Cc:

Amy Chastain, Executive Director of BACWA

Stephanie Cheng, BACWA AIR Chair