



AIR ISSUES & REGULATIONS COMMITTEE

A Committee of the Bay Area Clean Water Agencies

Summer Committee Meeting

July 17, 2013

10:00 am – 1:00 pm

Introductions & Opening

Agenda

- Introductions and Opening
- Regulatory Updates
 - I. Local Regulatory News
 - II. State Regulatory News
 - III. National Regulatory News
- Technical Resources
- Grant Opportunities
- AIR Business Items
- Closing



BACWA AIR Budget Update

- Total Budget for FY 2012/2013: \$74,437
 - Spent: \$66,149
- Total Budget for FY 2013/2014: \$74,465



Local Regulatory News

Local Regulatory News

BAAQMD Regulation 2

BAAQMD Regulation 2 Amendments

- Amendments will allow issuance of PSD and NSR permits
- On December 19, 2012, BAAQMD adopted amendments:
 - Effective immediately: Rule 4, Emissions Banking (PM_{2.5})
 - Pending USEPA approval:
 - Rule 1, General Requirements
 - Rule 2, New Source Review
 - Rule 6, Major Facility Review
- Key Changes
 - New PM_{2.5} NSR requirements
 - Revised NSR applicability test for “Modifications”
 - GHGs included as regulated pollutant
 - New/revised PSD provisions
 - New “NAAQS Protection” requirement



State Regulatory News

State Regulatory News

GHG Mandatory Reporting

GHG Mandatory Reporting Deadlines

- September 3rd: Final verification statements due for all reports, except when:
 - Facility is subject to abbreviated reporting or
 - Facility emits less than 25,000 MT/yr but includes a categorical operation (i.e., landfill) thus requiring full reporting
- End of 2013: CARB intends to update the AB 32 Scoping Plan & GHG Reporting and Cap-and-Trade regulations



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Meter Accuracy & Calibration Requirements

- If entity is not subject to the CARB Cap-and-Trade Regulation (i.e., anthropogenic emissions are less than 25,000 MT/yr), fuel meters are not subject to accuracy and calibration requirements in 17 CCR 95103(k)(1)-(10)
- Fuel meters may still be required to be calibrated according to manufacturer's recommendations per 40 CFR 98.3(i)
- Calibration records are not required to be provided if associated emissions are reported as *de minimis*



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Proposed Revisions to GHG Reporting Regulation

- Proposed revisions:
 - Requires reporting at the “sub-ID” level to clarify emissions associated with a single facility
 - Stationary Combustion
 - Requires inclusion of fuel cell emissions in the threshold determination to assess the amount of natural gas used in California
 - Collect additional information on biomethaneproducers to increase verification transparency.
 - Requires abbreviated reporters to report fuel use by unit type to ensure reporting compatibility with full reporters
- Upcoming dates:
 - Considered for adoption October 24, 2013
 - Effective January 1, 2014



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Amendments to Cap-and-Trade Regulation

- Amendment topics that may impact POTWs:
 - *Combined Heat and Power*: Exempt steam and waste heat emissions for facilities that would not be in the Cap-and-Trade Program “but for” their investment in combined heat and power
 - *New Offset Protocols*: Provide methodologies for two new compliance offset protocols, including rice cultivation practices
 - *Cost Containment*: Ensure allowance prices do not exceed the highest price tier of the Allowance Price Containment Reserve
 - *Waste-to-Energy*: Propose an exemption of emissions from waste-to-energy facilities
- Upcoming dates:
 - July 18: Workshop to discuss amendments
 - September: Amendments released for public comment
 - October: Amendments considered for adoption

<http://www.arb.ca.gov/cc/capandtrade/2013summary.pdf>



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State Regulatory News

Amendments to Diesel Engine Regulations

Amendments to the Verification Procedure, Warranty, and In-Use Strategies to Control Emissions from Diesel Engines

- Key dates:
 - Rulemaking package was filed on July 3, 2013
 - OAL to make a determination by August 15, 2013
- Key amendments address concerns voiced by verification applicants regarding the testing costs associated with the Procedure's in-use compliance requirements:
 - Replace one phase of in-use emissions testing with field testing
 - Provide for functionality testing of supporting components
 - Provide pathway to complete the required in-use testing using only one phase of emissions tests
 - Streamline the in-use compliance process

<http://www.arb.ca.gov/regact/2012/verdev2012/verdev2012.htm>



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State Regulatory News

Alternative Diesel Fuel Regulation

Proposed Alternative Diesel Fuel (ADF) Regulation

- ADF is defined as: any fuel used in compression ignition engines that is liquid at ambient conditions & does not consist solely of HCs
- ADF Regulation (13 CCR 2293) would apply to any person who sells, offers for sale, or supplies ADF beginning July 1, 2014:
 - ADF must be registered with USEPA under 40 CFR 79
 - ADF must meet applicable Division of Measurement Standards fuel regulations
 - Diesel portion of an ADF-CARB diesel blend must meet CARB diesel standards (sulfur limit of 15 ppm, aromatic HC blend content limit of 20% by volume, etc.)
 - ADF producers and importers shall provide quarterly and annual reports on sales volume, blend levels, and feedstocks used for production
- Upcoming dates:
 - Draft Staff Report released to public August 1, 2013
 - Public workshop scheduled for mid-August
 - Considered for adoption September 26, 2013

<http://www.arb.ca.gov/fuels/diesel/altdiesel/20130613adfregoutline.pdf>



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State Regulatory News

Vapor Recovery Systems Amendments

Amendments to Certification and Test Procedures for Vapor Recovery Systems (VRS) at Gasoline Dispensing Facilities (GDFs)

- Public hearing to discuss amendments on July 25, 2013
- Key revisions include:
 - Identification of conditions specific to Aboveground Storage Tanks (ASTs)
 - Provides flexibility in AST testing configurations
 - Requires one annual compliance test for cargo tank operators
 - Removes requirement for cargo tank operators to install certified VRS equipment
- The following test & certification procedures are affected:
 - TP-201.1, Volumetric Efficiency for Phase I Systems
 - TP-206.2, Determination of Emission Factor for Standing Loss Control VRS Using Processors at GDFs Using ASTs
 - TP-204.1 and TP-204.2, Determination of Five and One Minute Static Pressure Performance of VRS of Cargo Tanks, respectively
 - TP-204.3, Determination of Leak(s)
 - CP-204, Certification of Cargo Tank VRS



State Regulatory News

Advisory 351: Periodic Smoke Inspection Program

Advisory 351: Periodic Smoke Inspection Program (PSIP)

- PSIP applies to vehicle fleets that operate > 50% of the time within California
- PSIP was revised in July 2013 as follows:
 - Diesel vehicles (passenger cars and trucks) manufactured after 1997 with a gross vehicle weight rating (GVWR) \leq 14,000 lbs must be included in the California Smog Check Program
 - Heavy-duty diesel vehicles with a GVWR \geq 6,000 lbs and an engine > 4 years old are subject to annual PSIP inspections
 - Diesel vehicles (model year 1997 or earlier) with a GVWR of 6,000-14,000 lbs are subject to annual PSIP inspections
 - Annual inspections must be completed by December 31st



National Regulatory News

National Regulatory News

GHG Mandatory Reporting

Proposed Technical Corrections to GHG Mandatory Reporting

- Retroactive application of revised GWPs:
 - Revise GWPs for currently listed GHGs to match IPCC's Fourth Assessment Report
 - Add GWPs for fluorinated GHGs not currently listed
- Options to apply revisions:
 - Reporters resubmit prior year reports using revised GWPs
 - USEPA recalculates emissions using revised GWPs
- CH₄ & N₂O emissions results & reporting impacted

<https://federalregister.gov/a/2013-06093>



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National Regulatory News

President Obama's Climate Action Plan

President Obama's Climate Action Plan

- Released June 25, 2013
- By 2020, reduce GHG emissions 17% below 2005 levels using the following tactics:
 - Cut Carbon Pollution (*Mitigation*)
 - Develop carbon pollution standards for new & existing power plants
 - Offer \$8 billion in loans for biofuel and efficiency technology investments
 - Develop post-2018 fuel economy standards for heavy-duty trucks
 - Develop comprehensive interagency methane strategy
 - Prepare U.S. for Climate Change Impacts (*Adaptation*)
 - Provide agency grants, technical assistance & local/state task force
 - Help prepare communities for drought, wildfire, and flood
 - Lead International Efforts to Address Global Climate Change
 - Expand bilateral initiatives with China & India
 - End public financing of new coal-fired power plants overseas



National Regulatory News

Stationary RICE NESHAP

Stationary RICE NESHAP

- RICE NESHAP:
 - Applies to all engine sizes not used for local reliability
 - Does not apply to existing emergency engines used or obligated to be available ≤ 15 hrs/yr for emergency demand response
- April 1, 2013 amendments:
 - Emergency engine operation for demand response and peak shaving
 - Requirements for existing 4-stroke SI RICE at area sources
 - Total HC compliance option for 4-stroke rich burn SI RICE
 - Tier 1/Tier 2 certified CI RICE scheduled for replacement
 - Tier 3 certified CI RICE

<http://www.epa.gov/ttn/atw/rice/ricepg.html>



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Definitions

- Major vs. Area Source:
 - Major: Emits ≥ 10 tpy of any single HAP or 25 tpy of any combination of HAPs
 - Area: Not a major source
- Existing vs. New Engine:
 - > 500 hp at major sources:
 - Existing: Before December 19, 2002
 - New: After December 19, 2002
 - ≤ 500 hp at major sources and all hp at area sources:
 - Existing: Before June 12, 2006
 - New: After June 12, 2006



Engine Compliance Requirements

Engine Subcategory	Compliance Requirements
<p>Existing non-emergency:</p> <ul style="list-style-type: none"> • CI ≥ 100 HP at major source • CI > 300 HP at area source • SI 100-500 HP at major source 	<ul style="list-style-type: none"> • Initial emission performance test • Subsequent performance testing every 8,760 hours of operation or 3 years for engines > 500 HP (5 years if limited use) • Operating limitations - catalyst pressure drop and inlet temperature for engines > 500 HP • Notifications • Semiannual compliance reports (annual if limited use) <p>Existing non-emergency CI > 300 HP:</p> <ul style="list-style-type: none"> • Ultra low sulfur diesel (ULSD) • Crankcase emission control requirements
<p>Existing non-emergency SI 4SLB/4SRB > 500 HP at area source used > 24 hr/yr and not in remote area</p>	<ul style="list-style-type: none"> • Initial and annual catalyst activity checks • High temperature engine shutdown or continuously monitor catalyst inlet temperature • Notifications • Semiannual compliance reports

Engine Compliance Requirements (cont'd)

Engine Subcategory	Compliance Requirements
<p>Existing emergency/black start:</p> <ul style="list-style-type: none"> • ≤ 500 HP at major source • All at area source <p>Existing non-emergency:</p> <ul style="list-style-type: none"> • < 100 HP at major source • CI ≤ 300 HP at area source • SI ≤ 500 HP at area source • SI 2SLB > 500 HP at area source • SI LFG/DG > 500 HP at area source • SI 4SLB/4SRB > 500 HP at area source used ≤ 24 hours/year or in remote area 	<ul style="list-style-type: none"> • Operate/maintain engine & control device per manufacturer's instructions or owner-developed maintenance plan • May use oil analysis program instead of prescribed oil change frequency • Emergency engines must have hour meter and record hours of operation • Keep records of maintenance • Notifications not required • Reporting and ULSD for emergency engines used for emergency demand response or local reliability

Compliance Requirements (cont'd)

Engine Subcategory	Compliance Requirements
<p>Existing non-emergency:</p> <ul style="list-style-type: none"> • SI 4SRB > 500 HP at major source <p>New non-emergency:</p> <ul style="list-style-type: none"> • SI 2SLB > 500 HP at major source • SI 4SLB > 250 HP at major source • SI 4SRB > 500 HP at major source • CI > 500 HP at major source 	<ul style="list-style-type: none"> • Initial emission performance test • Subsequent performance testing semiannually (can reduce frequency to annual)* • Operating limitations - catalyst pressure drop and inlet temperature • Notifications • Semiannual compliance reports
<p>New emergency/limited use > 500 HP at major source</p>	<ul style="list-style-type: none"> • Initial notification • Reporting and ULSD for emergency engines used for emergency demand response or local reliability
<p>New non-emergency LFG/DG > 500 HP at major source</p>	<ul style="list-style-type: none"> • Initial notification • Monitor/record fuel usage daily • Annual report of fuel usage

*Subsequent testing required for 4SRB engine complying with formaldehyde % reduction standard only if engine is $\geq 5,000$ HP

Additional Items

CWCCG Workgroup Update

- USEPA GHG Mandatory Reporting Technical Corrections:
 - Updates affect applicability, GWPs for CH₄ and N₂O, and the verification deadline
 - Timeline:
 - June: Released Draft Proposed Amendments to Regulation
 - July: Will host a Draft Proposed Amendments to Regulation Workshop
 - CWCCG submitted comments May 17, 2013
- AB 32 Scoping Plan Update Workshop: **July 30, 2013**
 - Discussed 6 focus areas: Energy, Transportation, Agriculture, Water, Waste, Natural and Working Lands
 - No detail was provided on individual control measures
 - Timeline:
 - August 5, 2013: Written public comments due by 5:00 p.m.
 - End of August: Release of updated language
 - Presentations are posted at:
http://www.arb.ca.gov/cc/scopingplan/meetings/061313/spe_workshop_presentation_final.pdf



CASA Energy Workgroup Update

- Low Carbon Fuel Standard (LCFS) Protocols Development:
 - Meeting was held on June 5, 2013
 - CARB is planning to finalize the protocols by 2014
 - CARB is also developing protocols for wastewater digester gas
- LCFS includes three initiatives to reduce oil dependence and decarbonizes transportation:
 - Improve vehicle efficiency
 - Reduce vehicle use
 - Decarbonize fuels by enabling trading of emission credits among fuel suppliers, which may be of interest to POTWs



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Additional Items

Technical Resources

CARB Diesel Training Courses

- **Course 504: In-Use Off-Road Diesel Vehicle Regulation**
 - Provides an overview of the Off-Road Regulation (applicability, current/future compliance requirements, etc.) and the Diesel Off-Road Online Reporting System (DOORS)
 - Scheduled for July 18, 2013 in Sacramento and via webcast
- **Course 511: Diesel Exhaust After-Treatment Devices**
 - Discusses diesel PM health effects; diesel engine PM and NOx production and control strategies; and diesel particulate filter types, applications, and regulations
 - Scheduled for July 10 & 11, 2013 in Lompoc and Ventura, respectively
- **Course 520: How to Comply with CARB Diesel Regulations**
 - Reviews fleet inspection process, consequences of non-compliance, and how to comply
 - Scheduled for July 31 and August 13, 2013 in Alhambra and Davis, respectively



CEC Workshops

- Challenges to Procuring Biomethane in California:
 - Workshop held May 31, 2013
 - Workshop focused on AB 1900 & public comments
 - Presentations are posted at energy.ca.gov/2013_energypolicy/documents/2013-05-31_workshop/presentations/
- Status of Bioenergy Development in California:
 - Workshop held June 3, 2013
 - Workshop discussions will be used to develop the 2013 Progress-to-Plan for the Bioenergy Action Plan
 - Presentations are posted at: energy.ca.gov/2013_energypolicy/documents/2013-06-03_workshop/presentations/
- WebEx recordings of both workshops are posted at:
http://www.energy.ca.gov/2013_energypolicy/documents/#06032013



Energy Efficiency in Water and Wastewater Facilities: A Guide to Developing & Implementing GHG Reduction Programs

- USEPA's Guide includes information on planning and implementing energy management programs for water and wastewater facilities, such as:
 - A step-by-step approach to energy management
 - Key participants to engage
 - Investment and financing opportunities
 - Federal, state, and other program resources
 - Case studies and examples from communities across the U.S.
 - Links to analytical tools, sources of funding, and technical resources



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Adaptation Strategies Guide for Water Utilities

- USEPA's Guide provides:
 - Drinking water and wastewater utilities with a basic understanding of how climate change can impact utility operations and missions
 - Examples of actions utilities can take (i.e., adaptation options) to prepare for these impacts
 - A step-through process for understanding:
 - Climate information at your location
 - What challenges you may expect to see
 - What adaptation options you can use to address each climate challenge



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Silicon Valley 2.0 Project

- Regional 18-month effort managed by the Santa Clara County Office of Sustainability and funded by the Strategic Growth Council
- Project will use a risk management framework to:
 - Evaluate the exposure of community assets (i.e., infrastructure, populations, and landscapes) to likely climate impacts
 - Examine the potential consequences to the economy, society, and environment of this exposure
 - Develop preemptive adaptation strategies (i.e., climate change adaptation plan, decision-support tool, etc.) that improve community resiliency
- Questions: demetra.mcbride@ceo.sccgov.org



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Biogenic Emissions Coalition Update

- Current Clean Air Act PSD and Title V permitting requirements will apply to CO₂ emissions from POTW treatment processes and the combustion of biosolids and biogas starting in July 2014
- Coalition activities:
 - NACWA met in May to discuss strategies for Congress and USEPA to exclude short cycle CO₂ emissions from Clean Air Act permitting programs
 - Coalition is currently drafting a petition for rulemaking and accompanying technical report to submit to USEPA later this year
- *Center for Biological Diversity, et al. v. USEPA*: deferral rejected
 - Court ruled against the 3-year deferral of GHG standards for biomass burning
 - Court's decision should add urgency to USEPA's effort to amend its tailoring rule
 - Coalition may seek Congressional action to prevent inclusion of biogenic emissions in Clean Air Act permitting programs



California Bioresources Alliance 8th Annual Symposium

- Symposium will be held September 18 & 19, 2013 in Sacramento, California
- Topics of potential interest to POTWs include:
 - Production and use of biogas
 - Use of biosolids for superfund mine reclamation
 - California legislation addressing bioresources
 - Field trip to see the biogas enhancement project at the Sacramento Wastewater Treatment Plant
- CPUC Commissioner, Carla Peterman, will give the keynote speech on the future of bioenergy
- Questions: gkester@casaweb.org



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2014 Climate Leadership Awards

- Climate Leadership Awards call national attention to exemplary corporate, organizational, and individual leadership in response to climate change
- Award categories include:
 - *Leadership*: Organizational, Individual, & Supply Chain
 - *Excellence in GHG Management*: Goal Achievement Award & Goal Setting Certificate
- Upcoming dates:
 - August 7, 2013: Early bird deadline
 - August 16, 2013: Early bird applicants receive requests for application clarifications
 - September 13, 2013: Final deadline for all 2014 awards
 - December 2013: Application status notification
 - February 25, 2014: Climate Leadership Awards Dinner in San Diego, California

<http://www.epa.gov/climateleadership/awards/>



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CalRecycle/CARB's Waste Management Sector Workshop Update

- CalEPA/CARB held a workshop on June 18, 2013
- Follow-up workshop is scheduled for July 29, 2013
- Refer to the slides provided by R. Schmidt/CCCSD for more details



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Additional Items

Grant Opportunities

California Financing Coordinating Committee (CFCC) Funding Fairs

- CFCC is hosting free funding fairs to:
 - Educate public and potential customers about different member agencies and the financial and technical resources available
 - Provide opportunities for economic development professionals and local government officials to obtain information about grant, loan, and bond financing options that are available for critical infrastructure projects
- Fairs to be conducted between April and October in West Sacramento, Ukiah, Salinas, Visalia, Cathedral City, and Sacramento
- Eligible infrastructure projects include wastewater, water use efficiency, water quality, and water supply

http://www.cfcc.ca.gov/funding_fairs.htm



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State Water Board's Clean Water State Revolving Fund (CWSRF) Program

- CWSRF Program:
 - Accepts applications on a continuous basis
 - Offers low interest financing agreements for water quality projects
 - Disburses \$200 - \$300 million annually
- Any city, town, district, or other public body created under State law is eligible for funding
 - Eligible projects include Wastewater Treatment Facility Construction Projects, local sewers, etc.



Free Energy Audits

- California Energy Commission's Energy Partnership Program:
 - Provides up to \$20,000 of technical support to identify energy projects and their technical and economic viability
 - Available to both water and wastewater utilities
- Questions: Shahid Chaudhry at (916) 654-4858 or Shahid.Chaudhry@energy.ca.gov

<http://www.energy.ca.gov/efficiency/partnership/>



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CARB's Clean Vehicle Rebate Project (CVRP)

- Program goals:
 - Accelerate the number of ultra-clean vehicles sold in California
 - Help establish a sustainable market
- CVRP offers rebate funding for Hybrid and Zero-Emission Vehicles
 - \$12.5 million in funding secured for FY13-14, available through 2015 on a first-come, first-serve basis
 - Rebates of up to \$2,500 per light-duty vehicle available for purchase or lease of new eligible zero-emission or plug-in hybrid electric vehicles
- Public Hearing:
 - Scheduled for July 25, 2013 in Sacramento, California
 - Will approve AB 118 Air Quality Improvement Program Funding Plan for FY13-14, which includes funding for the CVRP



<http://energycenter.org/index.php/incentive-programs/clean-vehicle-rebate-project>

USEPA's National Clean Diesel Funding Assistance Program

- Program to achieve reductions in emissions produced by diesel engines and diesel emissions exposure
- \$9 million in funding is available, to be awarded by the USEPA
- USEPA will fund up to 100% of the cost of verified, eligible engine configurations and technologies, including:
 - Emission Control Technologies (i.e., exhaust controls, cleaner fuels, and engine upgrades)
 - Aerodynamic technologies and low rolling resistance tires
 - Vehicle or equipment replacement
 - Idle reduction technologies
 - Engine repowers
- Application period is now closed
- Notification of selection by August 31, 2013



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Additional Items

AIR Business Items

BACWA Meetings

- Business Meetings
- Field Trips:
 - Santa Rosa in September
 - CCCSD in November
- Potential Workshop Topics:
 - Engine Permitting
 - GHG Accounting
 - Renewable Energy Credits: Evolution & Impact for POTWs
 - Grant opportunities for infrastructure development and sustainability
 - Energy Independence for POTWs
 - Renewable energy development
 - Energy efficiency
 - Energy recovery
 - Climate Change Adaptation
 - Other?



Closing

Next Meeting: Wednesday, September 18, 2013