



AIR ISSUES & REGULATIONS COMMITTEE

A Committee of the Bay Area Clean Water Agencies

Committee Meeting

September 18, 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



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:
 - Currently effective: Rule 4, Emissions Banking ($PM_{2.5}$)
 - Rules 1, 2 & 6 currently being reviewed by USEPA
 - USEPA & BAAQMD meeting “soon” for Q&A session
 - Likely BAAQMD approval & implementation in 2014
- 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



Local Regulatory News

Emission Limits for Gaseous- and Liquid-fueled Engines

NOx Engine Limits

- SCAQMD Rule 1110.2 has stringent NOx limits for gaseous- and liquid-fueled engines
- Will the BAAQMD adopt similarly stringent limits?
 - BAAQMD Regulation 9-8 already contains IC Engine limits for NOx and CO
 - BAAQMD recently released [BACT limits](#) for POC, NOx, CO, SO₂, and PM₁₀ from biogas-fired IC Engines
 - BAAQMD plans to evaluate SCAQMD Rule 1110.2 and evaluate whether it is economically-feasible for the Bay Area
 - It would take several years to implement



NOx Engine Limits

Dan Belik/BAAQMD:

“However, as a general guideline, I would be surprised if we could make an argument that a retrofit standard should be more stringent than a recent BACT determination.”



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State Regulatory News

State Regulatory News

**GHG Mandatory Reporting /
Cap-and-Trade**

GHG and Cap-and-Trade Deadlines

- September 3rd: Final verification statements were due for all GHG reports, except when:
 - Facility is subject to abbreviated reporting or
 - Facility emits < 25,000 MT/yr but includes a categorical operation (i.e., landfill) thus requiring full reporting
- October 24th: CARB will consider amendments to the GHG Reporting and Cap-and-Trade regulations for adoption

<http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-dates.htm>



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Amendments to the GHG Reporting Regulation

- Facilities emitting > 25,000 MT/yr (including biogenic emissions) must maintain a GHG Monitoring Plan
- Provides calculation methodology for hydrogen fuel cells
- Allows the use of Tier 1 or Tier 2 for estimating biogas emissions when mixed with fossil fuels
- Abbreviated reporters must:
 - Report the percent of aggregated fuel consumption to each unit type
 - Separately report electricity generating units from other general stationary combustion units
 - Include hydrogen fuel cell emissions



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<http://www.arb.ca.gov/regact/2013/ghg2013/ghg2013.htm>

Amendments to the Cap-and-Trade Regulation

- 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
 - *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
- Following CARB adoption, CWCCG will review the final amendments to identify impacts on POTWs



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State Regulatory News

Periodic Smoke Inspection Program and Smog Checks

Periodic Smoke Inspection Program (PSIP)

- Publicly-owned diesel vehicles with government license plates are not necessarily exempt from the PSIP
- Diesel vehicle PSIP smoke inspection requirements:
 - If it meets all the requirements below, it is required to obtain annual PSIP smoke inspections and is exempt from Smog Checks:
 - Vehicle is 1 of at least 2 vehicles not used exclusively for personal use
 - Vehicle operates at least 50% of its time in California
 - GVWR \geq to 14,001 lbs
 - Engine is \geq 4 years old, but newer than 1976
 - If it meets all the requirements above, but has a GVWR between 6,000 and 14,000 lbs, it is not required to comply with PSIP smoke inspections as long as it remains based in an air quality non-attainment area
- Diesel vehicles older than 1976 are exempt from the PSIP



http://www.arb.ca.gov/enf/hdvp/hdvp_psisp_info_package_01-09.pdf

California Smog Check Program

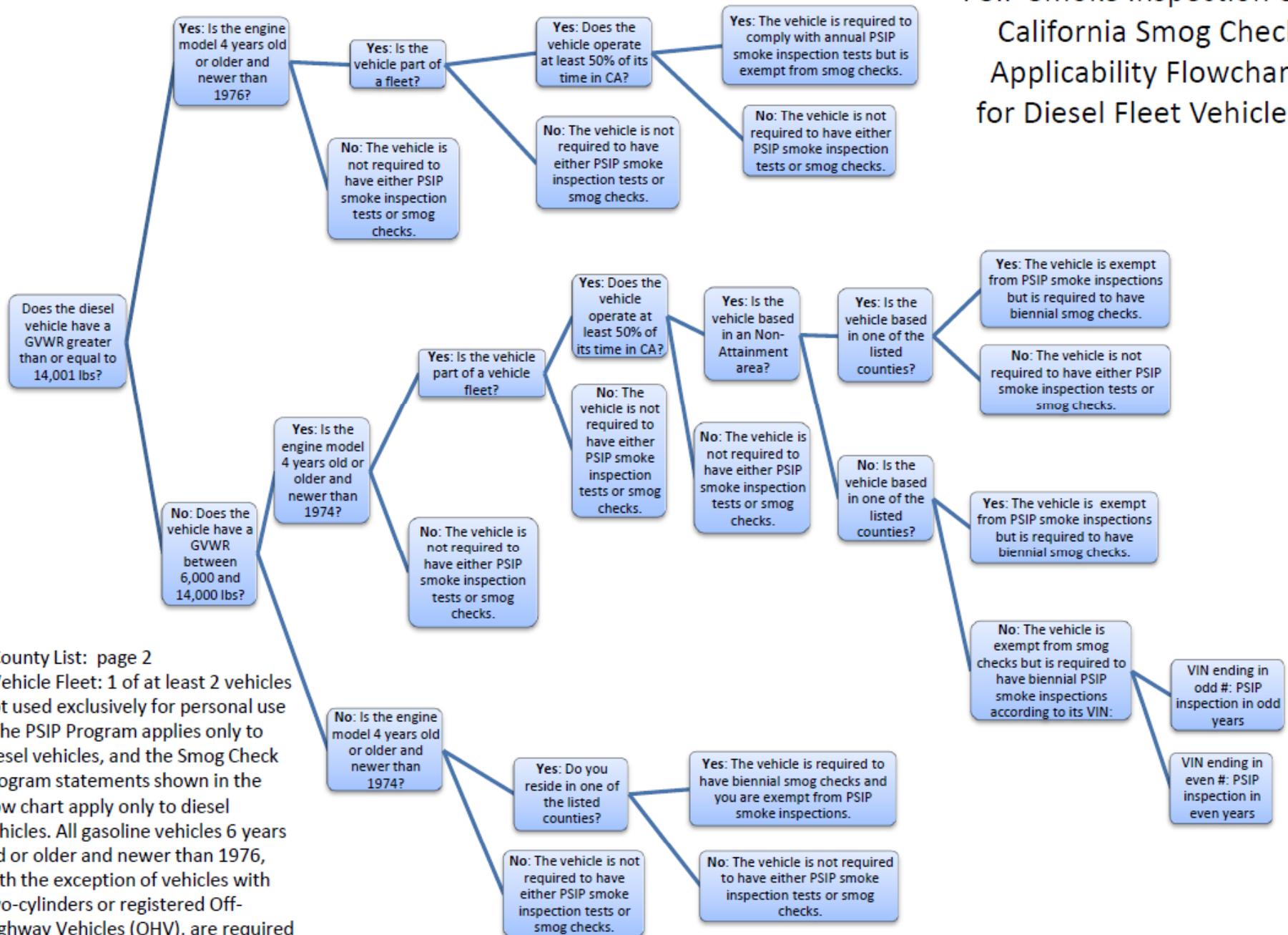
- Publicly-owned diesel vehicles with government license plates are not necessarily exempt from the Smog Check Program
- Biennial Smog Checks are required for your diesel vehicle if:
 - Engine is ≥ 4 years old
 - GVWR $< 14,000$ lbs
 - Based in one of the following BAAQMD counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano
- Smog Checks are not required for diesel vehicles older than 1976
- All publicly-owned gasoline vehicles are required to obtain biennial smog checks unless:
 - Engine is ≤ 6 years old or has a model year ≥ 1976
 - Two cylinder vehicles
 - Off-Highway Vehicles

http://www.bar.ca.gov/03_BARPrograms/Smog_Check.html



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PSIP Smoke Inspection & California Smog Check Applicability Flowchart for Diesel Fleet Vehicles



*County List: page 2

*Vehicle Fleet: 1 of at least 2 vehicles not used exclusively for personal use

*The PSIP Program applies only to diesel vehicles, and the Smog Check Program statements shown in the flow chart apply only to diesel vehicles. All gasoline vehicles 6 years old or older and newer than 1976, with the exception of vehicles with two-cylinders or registered Off-Highway Vehicles (OHV), are required to obtain biennial smog checks.

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
- Technical corrections have not yet been finalized
 - Public Comments: May 17, 2013
 - Final Rule: October 2013



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Additional Items

Additional Items

Technical Resources

CARB Diesel Training Courses

- **Course 504: In-Use Off-Road Diesel Vehicle Regulation**
 - Provides an overview of the regulation (applicability, current/future compliance requirements, etc.) and the Diesel Off-Road Online Reporting System
 - Scheduled for September 19th in San Jose and October 18th in Sacramento
- **Course 505: Large Spark-Ignition Fleet Regulation**
 - Provides an overview of the regulation, including applicability, requirements, compliance extensions, and enforcement activities.
 - Scheduled for September 19th in San Jose
- **Course 511: Diesel Exhaust After-Treatment Devices**
 - Discusses diesel PM health effects; diesel engine PM and NOx production and control strategies; and DPF types, applications, and regulations.
 - A 2-part webinar is scheduled for October 7th and 15th
- **Course 520: How to Comply with CARB Diesel Regulations**
 - Reviews inspection process, non-compliance consequences, and how to comply
 - Scheduled for October 16th in Paso Robles, October 17th in San Martin, October 21-23 as a 3-part webinar, and October 24th in Benicia

Western Industrial Energy Efficiency and Combined Heat and Power (CHP)

- Regional Dialogue Meeting:
 - Scheduled for October 29th in Salt Lake City, Utah
 - Intended for regional state utility commissioners, energy officials, and agency directors; utilities; and industrial corporate energy managers
- Key topics include:
 - Industrial energy efficiency and CHP successes, opportunities, and new approaches in the western U.S.
 - Developing and implementing western state best practice policies and investment models to address multiple barriers that inhibit greater investment in energy efficiency and CHP
- Advanced registration required at:

<https://ww2.eventrebels.com/er/Registration/StepRegInfo.jsp?ActivityID=9314&StepNumber=1>



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Climate Ready Water Utilities (CRWU) Initiative and Water Utility Climate Alliance (WUCA)

- Webinars will assist the water sector in:
 - Developing a better understanding of climate change
 - Managing impacts
 - Creating adaptation strategies
- Webinars will also:
 - Include presentations from utility representatives that have used the planning methods to make critical decisions
 - Provide tools and resources to facilitate the planning process
- Webinars currently scheduled for September 18th, October 9th, December 4th, and March 19th



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<http://water.epa.gov/infrastructure/watersecurity/climate/index.cfm>

USEPA Energy and Climate Webcast: Integrated Resources Planning (IRP)

- An IRP is a long-range utility plan for meeting the forecasted energy demand through a mix of resources that will minimize future energy system costs while ensuring safe and reliable system operation
- Webcast will highlight:
 - The purpose and use of an IRP
 - Recommendations for a successful IRP
 - Alternatives to an IRP
 - Examples of successful IRP efforts
 - How an IRP interacts with other energy efficiency policies/programs
- Webcast is scheduled for September 26th

<https://www3.gotomeeting.com/register/978449246>



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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
- *Center for Biological Diversity, et al. v. USEPA:*
 - 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
- Deadline to appeal the Court's decision was extended to 30 days after the U.S. Supreme Court decides whether it will hear lawsuits challenging USEPA's GHG regulations & permitting process
- Extension allows USEPA and affected industry groups to:
 - Find a solution that allows continued deferral of biogenic GHG emissions from the Title V and PSD permitting programs
 - Discuss specific impacts of any decisions on wastewater utilities
 - Work on a permanent exemption for these emissions



CalRecycle/CARB's Waste Management Sector Plan

- CWCCG submitted comments on July 12th suggesting that the Plan:
 - Emphasize the existing anaerobic digestion capacity available at POTWs as a means of meeting State waste diversion goals
 - Offer incentives to remove economic and regulatory barriers to building infrastructure with more certainty on processing waste streams
 - Include the GHG benefit of renewable energy production in the emissions reduction factor for anaerobic digestions
- “State Procurement Technical Paper” was released:
 - Procurement decisions are directly linked to the climate change goals of AB 32 and the recycling goals of AB 341
 - Food is identified as a Tier 1 priority product for evaluation with potential for waste and GHG reductions, which may result in opportunities to increase biogas production via diverted food waste
- Workshop to discuss the final Plan was held on September 17th



2013 Update to the AB 32 Scoping Plan

- CWCCG submitted comments on August 5th
- Comments urge CARB to take the following actions:
 - **GHG Emissions Trend:** Show the data associated with the downward trend from 2008 on and identify key contributors to the GHG emissions reductions
 - **Energy:** Develop necessary incentives, which address long-term risks to public agencies and reduce cost and regulatory barriers, to increase the production and use of biogas at POTWs
 - **Transportation:** Identify opportunities and barriers to installing on-site facilities for direct energy production from biogas and/or conversion of biogas to transportation fuel
 - **Agriculture:** Include land application of biosolids as a type of carbon storage
 - **Water:** Identify barriers and determine options for pushing water-related goals forward; goals include POTWs as renewable energy providers, suppliers of a sustainable water supply, and suppliers of a marketable renewable organic fertilizer/soil amendment product
 - **Waste:** Refer to Waste Management Sector Plan comments (previous slide)



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 September 24th in Visalia, September 26th in Cathedral City, and October 15th in 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
- Applications accepted on a first-come, first-serve basis
- 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)

- CVRP Program:
 - Accelerates the number of ultra-clean vehicles sold in California
 - Helps 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
 - Approximately 21% of funding still available
 - 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



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

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Carl Moyer Memorial Air Quality Standards Attainment Program

- BAAQMD's Carl Moyer Program:
 - Strives to reduce air emissions from local heavy-/ medium-duty engines
 - Approximately \$15 million is available for emission reduction projects
 - Accepting applications on a first-come, first-serve basis
- Grants:
 - Cannot be used for projects currently required by law
 - Can be used for equipment compliance at least 3+ years prior to laws
 - E.g., if state fleet rule requires engine's emissions be reduced by January 1, 2017, grants can be awarded to reduce those emissions as long as the funded equipment is operational by January 1, 2013.
 - Are available for projects that:
 - Install verified emission control devices
 - Replace older heavy-duty engines with newer and cleaner engines
 - Replace older equipment with newer and cleaner equipment
 - Purchase new equipment that is cleaner than the law requires
 - Install electric idling-reduction equipment
- Amendments being considered September 18th



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BAAQMD Voucher Incentive Program

- Program:
 - Provides funding to reduce on-road heavy-duty diesel truck emissions
 - Applies to owners and operators of fleets of < 10 vehicles
 - Applies to on-road trucks with a GVWR > 14,000 pounds
- Available funds:
 - Total of \$3 million available now
 - Up to \$45,000 towards the purchase of a new vehicle
 - Up to \$10,000 for purchase/ installation of retrofit device
- Applications accepted on a first-come, first-serve basis
- Amendments being considered September 18th

http://www.baaqmd.gov/?sc_itemid=3EC5FE3B-C1E4-419E-8922-97CC438C38DA



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Additional Items

AIR Business Items

BACWA AIR Budget Update

- Total Budget for FY 2013/2014: \$74,441
 - Spent: \$19,000+/- (through last Friday the 13th)



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BACWA Meetings

- Business Meetings
- Field Trips:
 - CCCSD in November
- Workshops:
 - See Workshop Survey Results on next slide
- Discuss upcoming meeting schedule

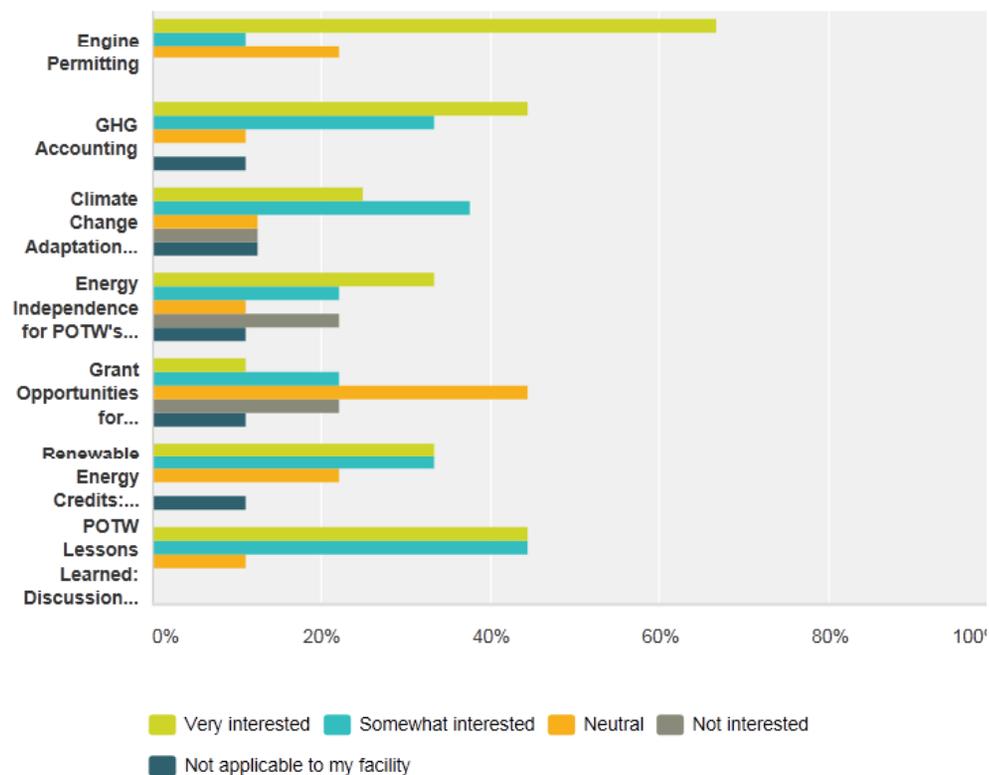


Workshop Survey Results

- Most Favored Topics:
 - Engine Permitting
 - POTW Lessons Learned
 - GHG Accounting
- Comments on Format:
 - Agreed with 2 Regulatory Meetings, 2 Field Trips, and 2 Workshops
 - Want 1 workshop to be with BAAQMD
 - Want focus to stay on regulatory updates

Please mark your interest level in the following topics for a technical round-table discussion with an expert at a BACWA Air meeting this year.

Answered: 9 Skipped: 0



Closing

Next Meeting: Wednesday, November 20, 2013

Additional Slides

The Climate Registry (TCR) Webinar: Setting a GHG Reduction Goal for Your Organization

- Strong GHG reduction goals help organizations:
 - Cut costs
 - Encourage innovation
 - Engage employees
 - Build reputation
- Webinar will discuss:
 - Best practices in GHG goal setting from TCR members and staff
 - How you can develop a comprehensive inventory
 - How you can develop aggressive GHG reduction goals
- Webinar is scheduled for September 26th
- Webinar is free for members and \$100 for non-members

<https://www2.gotomeeting.com/register/394907010>



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U.S. Water Alliance: One Water Leadership Summit

- Leadership Summit has been driving the notion of water as an integrating strategy for the urban environment
- 2013 Leadership Summit will feature:
 - Spotlight communities panels which invite cross-agency, cross-department, community, and business leaders to share their models of creative integration and innovative approaches
 - One half day focused on communities in Southern California
 - Multi-disciplinary and geographically diverse presentations which demonstrate the flexibility of green infrastructure to serve a multitude of needs
 - Strategic sidebar conversations which allow those at the cutting edge to compare notes and tackle obstacles
 - Roundtable discussions which shed light on emerging opportunities and challenges
- 2013 Leadership Summit is scheduled for September 23-26 in Los Angeles



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<http://www.uswateralliance.org/2013/06/06/registration-open-one-water-leadership-summit/>

A Committee of EPA and Clean Water Agencies

Renewable Energy Markets (REM) Conference

- REM is the clean energy industry's most important annual event focused on the states, businesses, organizations, and households that choose clean, renewable electricity every day
- Conference will cover every aspect of the renewable energy market, including:
 - Current state of the markets
 - Green buildings and renewable energy
 - Environmental decision making and communicating about climate change
 - Marketing utility programs and electricity products
 - Designing utility programs
 - Markets and trading
 - Special sessions on the fundamentals: Voluntary Renewable Energy Markets 101 and Carbon Offsets 101
- REM is scheduled for September 22-24 in Austin, Texas

<http://renewableenergymarkets.com/>



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GHG Protocol Webinar: Corporate Standard

- The Corporate Standard is the most widely-used standard for companies to measure and manage their GHG emissions
- Active participants will receive a certificate of course completion
- Learning objectives are:
 - Introduction to the GHG Protocol Initiative
 - GHG Accounting and Reporting Principles
 - Business Goals and Inventory Design
 - Setting Organizational Boundaries
 - Setting Operational Boundaries
 - Tracking Emissions Over Time
 - Identifying and Calculating GHG Emissions
 - Reporting GHG Emissions
- Webinar is scheduled for September 17-19 and will have an interactive format including case studies and exercises



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GHG Protocol Webinar: Corporate Value Chain (Scope 3) Standard

- Active participants will receive a certificate of course completion
- Learning objectives are:
 - Introduction
 - Review of the Corporate Standard Basics
 - Identifying Scope 3 Emissions
 - Setting the Boundary
 - Collecting Data and Assessing Data Quality
 - Calculation Guidance: How to Calculate Emissions for Each Scope 3 Category
 - Performing Allocation
 - Setting Reduction Targets and Tracking Emissions
 - Performing Assurance
 - Reporting Inventory Results
- Webinar is scheduled for October 15-17 and will have an interactive format including case studies and exercises



USEPA's Sewage-Sludge Incinerator (SSI) Rule

- On August 20th, a federal appeals court:
 - Remanded portions of the USEPA's 2011 SSI Rule for further review, citing that the USEPA methodology for setting emissions limits was flawed
 - Left the current maximum achievable control technology air emission limits in place until the USEPA revises its analysis
- This decision:
 - Caps a two-and-a-half year legal effort led by NACWA to push back on the SSI Rule and secure more environmentally and economically appropriate emission limits for SSI units
 - Upholds NACWA's position that USEPA must gather and analyze the appropriate data to reassess, justify, or potentially revise the SSI Rule



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USEPA's Co-Benefits Risk Assessment (COBRA) Screening Model

- USEPA has update COBRA to make its health impact and valuation functions consistent with USEPA's current PM_{2.5} health impact assessments
- COBRA is a free tool that can be used to:
 - Better understand the potential for clean energy to enhance air quality, health, and social well being
 - Design or select program options that maximize benefits
 - Build support for clean energy investments based on the air and health benefits
 - Narrow a list of policy options to those that should be evaluated using more sophisticated air quality models
 - Present information about localized health benefits in easy-to-interpret tables and maps
 - Support a balanced decision-making process that considers both the potential costs and benefits of policy options

<http://epa.gov/statelocalclimate/resources/cobra.html>



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Climate Action Reserve: Organic Waste Composting (OWC) Project Protocol (Version 1.1)

- OWC Project Protocol provides a standardized approach for quantifying and monitoring the GHG reductions from projects that avoid methane emissions to the atmosphere through the diversion and composting of municipal food waste and food soiled paper waste that would otherwise have been sent to a landfill
- Version 1.1 (released July 29th) includes technical updates that reflect feedback received, research conducted, and errata and clarifications released since the protocol's initial adoption in 2010
- Project developers have the option to submit new projects under Version 1.0 of the OWC Project Protocol until October 29th

<http://www.climateactionreserve.org/how/protocols/organic-waste-composting/>



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USEPA's Climate Change Website

- Climate change can increase or decrease rainfall, influence agricultural crop yields, affect human health, cause changes to forests and other ecosystems, or even impact the nation's energy supply
- Climate-related impacts are occurring across regions of the country and across many sectors of the U.S. economy
- USEPA's Climate Change website:
 - Provides relevant resources to those interested in learning more about expected climate change impacts and adaptation options
 - Lists impacts from climate change and adaptation efforts by region or sector
 - Provides a number of resources to assist public officials and others with climate change adaptation planning



<http://epa.gov/climatechange/impacts-adaptation/index.html>