

JANUARY 30, 2014 – BACWA ANNUAL MEMBERS' MEETING

Air Regulatory Update: California Wastewater Climate Change Group (CWCCG)




Engineers...Working Wonders With Water®

What is CWCCG?

- Statewide group representing municipalities collecting and treating over 90 percent of municipal wastewater
- Mission:
 - “address climate change policies, initiatives, and challenges through a unified voice advocating for wastewater community perspectives”*
- What are we doing to help you?
 - Track climate change regulations and legislation
 - Meet with regulators, participate in workshops/hearings, and comment/testify as needed
 - Meet monthly to stay ahead of upcoming issues across the State

Meet with regulators and others to build relationships and discuss key issues



Tracking key State and Federal issues

California

- Air: AB 32, Global Warming Solutions Act
 - Scoping Plan Update
 - GHG Mandatory Reporting
 - Cap-and-Trade Program
- Energy:
 - SB 1122 – Bioenergy Projects
 - AB 1900 – Pipeline Biomethane
- Solids:
 - AB 341 – Waste Diversion

Federal

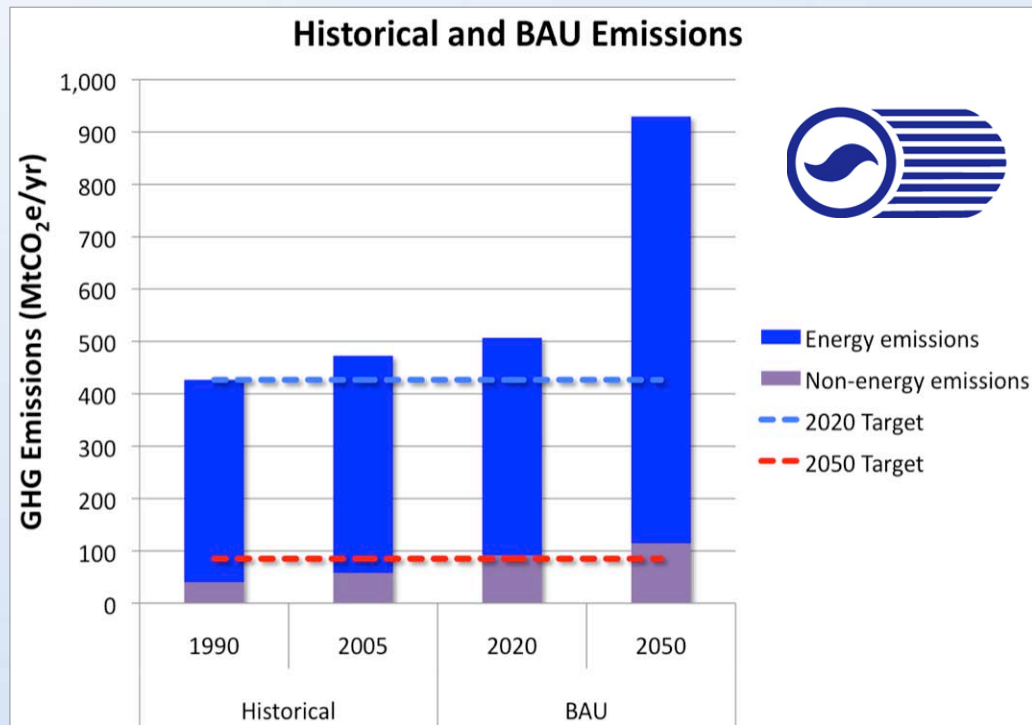
- Air: Prevention of Significant Deterioration and Title V GHG Tailoring Rule

Senator Pavley introducing bill by February 21st for the Air Resources Board to study what the statewide 2050 targets for GHG reduction should be

State Regulations

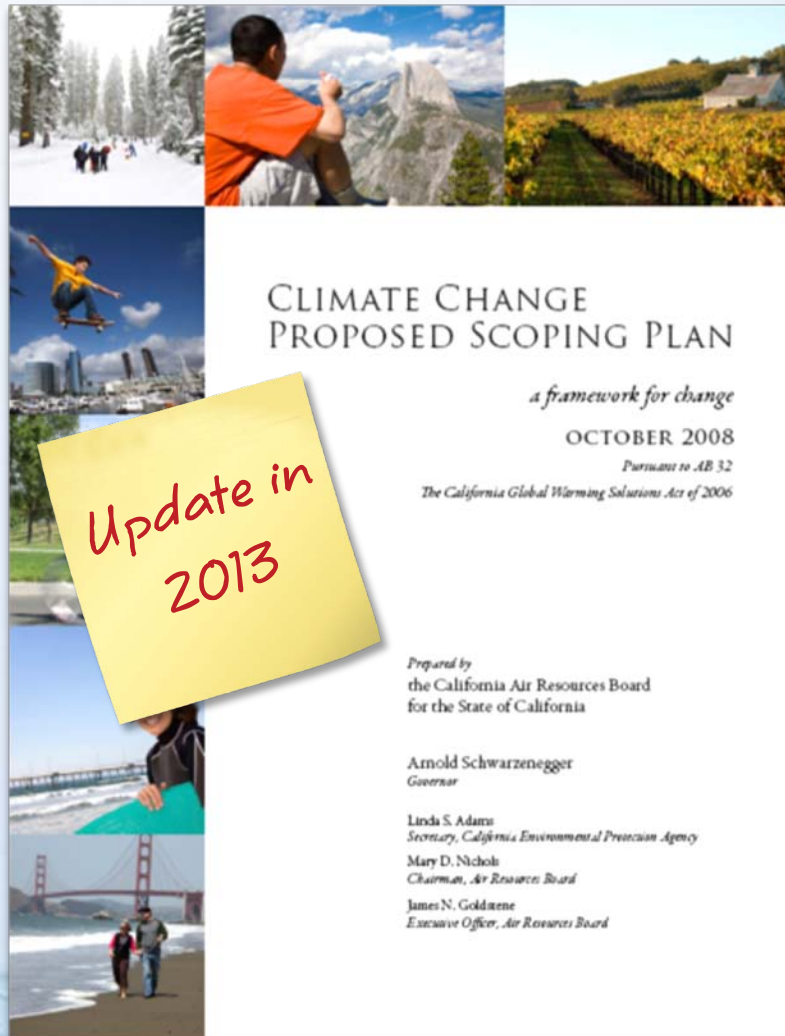
Air: Assembly Bill 32 requires some POTWs to report greenhouse gases (GHGs)

- First Act in U.S. regulating GHGs
- Enforced by the California Air Resources Board
- Sets targets for future statewide GHG emissions levels:



- 2020: 1990 levels
- 2050: 80% below 1990 levels

Key elements to achieve statewide GHG reduction targets are outlined in the Scoping Plan



- Vehicle reductions
 - Low carbon fuel standard
 - Raise average fuel economy
- Renewable portfolio standard of 33% by 2020
- Cap-and-Trade Program
- Energy efficiency
- Enforce existing regulations

POTWs can contribute toward many State 2020 targets including...



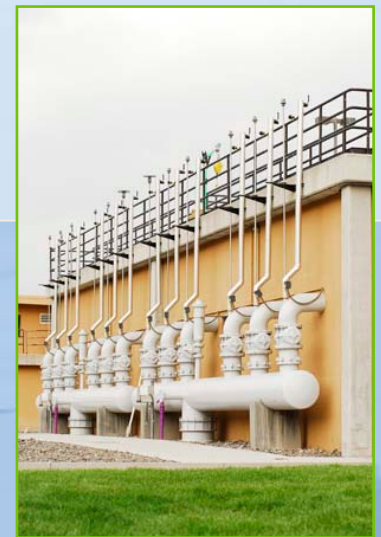
- ↓ Greenhouse gases (1990 levels)
- ↑ Renewable energy (33%)
- ↓ Carbon intensity of fuel (10%)
- ↓ Waste to landfill (75%)

And POTWs can contribute toward goals set for these elements simultaneously

- “Wastewater to Energy” projects
 - Biogas to energy
 - Biogas to transportation fuel (biofuel)
 - ↓ GHG emissions
 - ↑ renewable energy production
 - ↑ low carbon fuel production
- Land application of digestate/biosolids
 - Store carbon
 - Displace synthetic fertilizer
 - ↓ GHG emissions
 - Increase soil’s carbon retention
 - Replacing energy-intensive synthetic fertilizer

Air: AB 32 GHG Mandatory Reporting Rule and Cap-and-Trade Regulations

- **Issue:** Revised Mandatory Reporting Rule stated
 - “...if emissions captured within the...facility boundary, **including vented and fugitive emissions**, exceed the 25,000 metric ton CO₂e threshold...must submit a GHG report pursuant to the full requirements...”
- **Actions:**
 - CWCCG met with ARB staff and provided comments
 - ARB documented in the Final Statement of Reasons that municipal WWTPs are NOT required to report fugitive and process emissions
 - Specific exclusion may be inserted in the cap-and-trade regulation, draft to be released late February



Air: Cap-and-Trade Auction Proceeds and Investment Plan

- 5 auctions complete since 2012
- GHG Reduction Fund has \$532M and Governor is taking a loan of \$500M (\$100M payback in 2014/15)
- **Issue:** Wastewater community projects should be eligible to receive \$ from GHG Reduction Fund
 - \$30M to CalRecycle for waste diversion
 - \$200M to low carbon transportation
- **Action:** ARB requested Bioenergy Association of California to draft a cap-and-trade investment plan for bioenergy projects - CWCCG is providing input on wastewater projects



Energy: Bioenergy Projects and Biomethane

SB 1122 – Bioenergy Projects

- **Issue:** Directs electrical corporations to procure ≥ 250 MW of generating capacity from bioenergy projects (110 MW to come from “new” urban waste or wastewater digesters)
- **Action:** Energy Workgroup working on getting existing digester capacity to be eligible

AB 1900 – Biomethane

- **Issue:** Requires CPUC to facilitate the injection of biomethane into the common carrier pipeline by establishing standards which will protect public health and pipeline integrity
- **Action:** Energy Workgroup working with and providing comments to CPUC on:
 - Pipeline Integrity
 - Health Impacts
 - Interconnection Costs

Solids: Waste Diversion from Landfills

AB 341 – Solid waste diversion

- **Issue:** Requires 75% of solid waste to be source reduced, recycled, or composted (i.e., diverted from landfills) by the year 2020 with a report to Legislature providing strategies to achieve this policy goal
- **Action:** CWCCG and Energy Workgroup continue to develop comment letters and meet with regulators on...
 - whether the use of biosolids as alternative daily cover (ADC) or the allowance for burial of biosolids will continue



Federal Regulations

Federal GHG emission regulations were adopted and in effect in 2011



EPA Prevention of Significant Deterioration and Title V GHG Tailoring Rule

- **Issue:** Defines when permits under New Source Review are required for new and existing industrial facilities – tailors thresholds for GHGs
 - 2011: Deferred inclusion of biogenic carbon dioxide emissions for 3 years *Decision expected by mid-year*
 - 2013: Deferral vacated, Supreme Court to decide if EPA properly determined the need to regulate GHGs from stationary sources
- **Potential Impact:** If biogenic carbon dioxide included...
 - May have to obtain permits based on potential-to-emit
 - Demonstrate use of best practices and technologies to minimize GHG emissions
 - Report other air pollutants covered by the permit

Questions?

Next CWCCG meeting: February 18th



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AIR ISSUES & REGULATIONS COMMITTEE

A Committee of the Bay Area Clean Water Agencies

**BACWA Annual
Members' Meeting**

January 30, 2014

Annual Meeting - BAAQMD and BACWA AIR Committee

- Wednesday, February 26th, 10:00 am – 1:00 pm
- Bay Area Air Quality Management District Headquarters
- Agenda
 - BAAQMD GHG Climate Protection
 - Engine Presentation – Review of stationary engine regulations
 - Particulate Matter (PM) Presentation
 - Brief discussion regarding:
 - Permitting application review process & timelines
 - Updating facility data in the BAAQMD database



BAAQMD Meeting: Climate Protection Resolution

- On November 6th, BAAQMD passed a climate protection resolution, which commits the BAAQMD to:
 - Developing a regional climate protection strategy
 - Setting a goal of reducing GHG emissions to 80% below 1990 levels by 2050
- BAAQMD will prepare a *Bay Area Climate Protection Work Program* to guide climate protection activities and identify necessary resources for future action
- Additional information is available at:
http://www.baaqmd.gov/~media/Files/Communications%20and%20Outreach/Publications/News%20Releases/2013/climateres_131106.ashx?la=en



BAAQMD Meeting: NESHAP for Stationary RICE

- National Emission Standards for Hazardous Air Pollutants (NESHAP) for stationary reciprocating internal combustion engines (RICE)
- Emission standards and compliance requirements
 - RICE located at Major Sources
 - RICE located at Area Sources
- Emergency engines compliance



BAAQMD Meeting: Adoption of PM_{2.5} Emissions Inventory

- Potential impacts to BACWA POTWs:
 - BAAQMD will list PM_{2.5} as a criterion pollutant
 - BACT for any new project with PM_{2.5} > 10 lbs./day
 - Most of the changes will affect major facilities
 - Facilities that apply for new or modified permits for sources of PM_{2.5} will be subject to a new BACT



BAAQMD: Fee Increase

Effective on July 1, 2014

- Purpose: help District recover greater share of the costs of implementing and enforcing regulatory programs for stationary sources of air pollution
- 3% Fee Increase:
 - new and modified source filing
 - Banking
 - alternate compliance plans
 - permit to operate renewals
- Fee increases associated with various schedules in Regulation 3 would vary between 2% and 9%
- Public workshop to discuss proposed fees – Feb. 18, 2014 at 10am
- <http://www.baaqmd.gov/Divisions/Planning-and-Research/Rule-Development/Rule-Workshops.aspx>.



Deadline to Register Refrigeration Systems

- Facilities with a single largest system with a full charge ≥ 200 pounds of high global warming potential refrigerants:
 - chlorofluorocarbons (CFCs)
 - hydro chlorofluorocarbons (HCFCs)
 - hydrofluorocarbons (HFCs)
- Facilities must register their refrigeration system with the California ARB by March 1, 2014
- Facilities with 50-200 lbs of high-GWP refrigerant must register in 2016
- Online registration and reporting tool:
www.arb.ca.gov/rmp-r3



Grant Opportunities

CalRecycle Organics Grants/Loans Workshop

- Promote infrastructure development for facilities in California that divert more materials from landfills, achieving greenhouse gas emissions reductions
- Grants/loans targeted to build or expand organics infrastructure, such as composting and anaerobic digestion, or reduce food waste in California
- Thursday, February 6th, 9:00 am – noon
- Workshop will be webcast
- Agenda and meeting details will be available at <http://www.calrecycle.ca.gov/default.asp> by January 31st



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 wastewater and water utilities
- Applications accepted on a first-come, first-serve basis
- Questions: Shahid Chaudhry at (916) 654-4858 or Shahid.Chaudhry@energy.ca.gov
- Additional information is available at: <http://www.energy.ca.gov/efficiency/partnership/>

