



## **AIR ISSUES & REGULATIONS COMMITTEE**

**A Committee of the Bay Area Clean Water Agencies**

### Committee Meeting

April 16, 2014

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
- CalRecycle Webinar Overview
- AIR Business Items
- Closing



# Local Regulatory News

**Local Regulatory News**

**BAAQMD Permit Review**

# Suggestions for Expediting BAAQMD Permit Review

- POTWs pay higher fees to get their permit to the front of the line:
  - Would require a change to Regulation 3
  - Could not be offered strictly to POTWs
  - Could not guarantee faster service if demand is high
- Assignment of resource-specific permit engineers:
  - Can likely re-assign POTWs to a smaller group of permit engineers
  - Current changes being implemented to support this effort:
    - Reorganizing the Engineering Division
    - Implementing a training program within the Engineering Division
    - Updating the Permit Handbook and BACT/TBACT Workbook
- Consistency in POTWs' permit conditions:
  - Can expect similar limits when permitting similar equipment at the same time
  - Permit conditions are dependent on the regulations in place at the time of permitting
  - Assignment of resource-specific permit engineers should help



**Local Regulatory News**

**BAAQMD Database**

# BAAQMD Database: Extracting Emissions Information

- Facility information collected and submitted to BAAQMD:
  - 9 facilities included in the survey
- For each pollutant at each source, BAAQMD has provided:
  - Daily emission calculations (Excel format)
  - Emission factors (Notepad format)
- BAAQMD does not have a program that shows emissions and emission factors for the entire facility
- BAAQMD will distribute information to the 9 facilities





## Local Regulatory News

# BAAQMD Engines Follow-up

# BAAQMD Engines Follow-up

- BAAQMD presented information regarding several engine regulations during our February 26<sup>th</sup> meeting
- BACWA AIR raised several questions regarding implementation and definitions associated with the regulations:
  - USEPA's RICE NESHAP Rule:
    - Where and how are semiannual compliance reports submitted
    - What is the definition of local reliability
  - BAAQMD's Regulation 9-7 (Boiler Emission Limits):
    - What constitutes a year (i.e., calendar year vs. 12-month rolling year)
- CH2M HILL contacted BAAQMD to obtain answers to these questions, but is still waiting on a response



# Local Regulatory News

## BAAQMD Fees

# BAAQMD Fee Increase

## Effective July 1<sup>st</sup>

- Purpose: Help BAAQMD 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 hearing is scheduled for April 16<sup>th</sup>
- Regulation will be considered for adoption on June 4<sup>th</sup>
- Additional information is available at:

<http://www.baaqmd.gov/Divisions/Planning-and-Research/Rule-Development/Current-Regulatory-Public-Hearings.aspx>



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## Local Regulatory News

# BAAQMD Clean Air Plan & Climate Protection Strategy

# Clean Air Plan & Climate Protection Strategy

- BACWA AIR Comment Letter:
  - Responds to cross-media issues discussed during our February 26<sup>th</sup> meeting
  - Specifically addresses:
    - Nutrient removal contributing to increased GHG emissions
    - Conflicts between air quality regulations pushing POTWs to flare biogas and GHG regulations encouraging POTWs to increase the use of biogas as a renewable fuel
    - Encouraging incentives for green infrastructure
  - Provide written feedback to Elyse Engel by April 23<sup>rd</sup>



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# Clean Air Plan & Climate Protection Strategy (Continued)

- Update to the Clean Air Plan will serve as a framework for BAAQMD's Climate Protection Program
- BAAQMD's 10-Point Climate Action Work Program:
  - Expand enforcement and initiate development of GHG reduction regulations
  - Explore the Bay Area's energy future by investigating related technical issues
  - Encourage economic approaches and provide enhanced technical assistance to support GHG reduction goals
  - Launch climate change and public health impacts initiative
  - Update Bay Area GHG emissions inventory
  - Implement local GHG monitoring
  - Set GHG reduction goal



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# State Regulatory News



**State Regulatory News**

**Refrigeration Systems**

# Refrigeration Management Program

- Applicable to facilities with at least one refrigeration system with a full charge  $\geq$  200 pounds of high-GWP refrigerants:
  - Chlorofluorocarbons (CFCs)
  - Hydrochlorofluorocarbons (HCFCs)
  - Hydrofluorocarbons (HFCs)
- Registration deadlines (based on the quantity of high-GWP refrigerants in the facility's largest refrigeration system):
  - March 1, 2012:  $\geq$  2,000 pounds (large)
  - March 1, 2014: 200 – 1,999 pounds (medium)
  - March 1, 2016: 50 – 200 pounds (small)
- Annual reporting is required for large and medium facilities
- Air conditioning systems are exempt from reporting requirements
- Online registration and reporting tool: [www.arb.ca.gov/rmp-r3](http://www.arb.ca.gov/rmp-r3)



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## State Regulatory News

# Mandatory Reporting and Cap-and-Trade Regulations

(Slide Content Credited to CWCCG)

# Mandatory Reporting and Cap-and-Trade Regulation Updates

- Revised MRR, 95101(b)(2), reads:
  - “...if emissions captured within the...facility boundary, **including vented and fugitive emissions**, exceed the 25,000 metric ton CO<sub>2</sub>e threshold...must submit a GHG report pursuant to the full requirements...”
    - CWCCG met with CARB staff to discuss excluding municipal WWTPs
    - CARB attorney’s reviewed regulation
    - Submitted comment letters to CARB to exclude fugitive and process CH<sub>4</sub> and N<sub>2</sub>O emissions
  - CARB documented that municipal WWTPs are NOT required to report fugitive and process emissions in MRR Final Statement of Reasons
  - No exclusion inserted in the Cap-and-Trade Regulation
- 2014 GHG reporting:
  - Do NOT use revised GWPs for CH<sub>4</sub> (25) and N<sub>2</sub>O (298)
  - Reporting deadline was April 10<sup>th</sup> unless an abbreviated reporter
  - Abbreviated reporting deadline is June 1<sup>st</sup>



**State Regulatory News**

**In-Use Off-Road Diesel  
Vehicles**

# Compliance Tools for In-Use Off-Road Diesel Vehicles

- Reduces emissions from diesel-powered equipment with a power rating > 25 hp
- Fleet requirements:
  - Subject to restrictions on unnecessary idling
  - Subject to emission standards (based on fleet average)
  - Large fleets (> 5,000 total hp) subject to accelerated replacement/repower requirements beginning July 1, 2014
- Updates to Large Fleet Average Calculator:
  - Calculates fleet average index and targets based on equipment model year and power output
  - New features help owners plan compliance strategies
  - Includes all compliance years to January 1, 2023
  - Additional information is available at:

<http://www.arb.ca.gov/msprog/ordiesel/documents/documents.nfm>



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# National Regulatory News

**National Regulatory News**

**Federal GHG Regulations**



# GHG Reporting Rule

- Technical corrections to USEPA's GHG Reporting Rule:
  - Revise CH<sub>4</sub> GWP to 25 (from 21)
  - Revise N<sub>2</sub>O GWP to 298 (from 310)
- Implementation of revisions:
  - USEPA will NOT require facilities to revise previously-submitted reports
  - Prior year reports, using original GWPs, will remain publicly available
  - USEPA will also re-publish 2010, 2011, and 2012 reports using the revised GWPs
  - This will allow comparisons of GHG data trends using consistent GWPs and without placing additional burden on reporters
- Reporting deadline was March 31<sup>st</sup>



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# Biogenic Emissions

- Court ruled to vacate USEPA's "Deferral Rule" for biogenic CO<sub>2</sub> emissions under the GHG Tailoring Rule:
  - Supreme Court heard arguments February 24<sup>th</sup>
  - Supreme Court is considering whether USEPA correctly determined that its regulation of GHG emissions from new motor vehicles triggered permitting requirements for stationary sources
  - Decision is expected in summer
  - Vacature will not be affirmed until a decision is made
- NACWA Source: USEPA is leaning toward biogenic CO<sub>2</sub> exclusion for POTWs
- CWCCG is coordinating with NACWA's Biogenic Emissions Coalition to discuss their next steps



# Additional Items

**Additional Items**

**Technical Resources**

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

- Webinars will assist the water sector (includes wastewater) 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 April 23<sup>rd</sup> and May 28<sup>th</sup>
- Additional information is available at:

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



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# Diesel & LSI Vehicle and Equipment Training Courses

Course	Date	Location
#504: In-Use Off-Road Diesel Vehicle Regulation Training	May 1	Eureka
	May 2	Red Bluff
	May 14	Lompoc
#505: Large Spark-Ignition Fleet Regulation Training	May 1	Eureka
	May 2	Red Bluff
	May 14	Lompoc
#511.2: Overview of Diesel Emission Control Strategies	May 13	Lompoc

Additional course information is available at:  
<https://ssl.arb.ca.gov/training/courselist.php>



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# BACWA AIR Member Climate Action Plans

- City of Palo Alto:
  - Climate Protection Plan, December 2007
  - Available at: <http://www.cityofpaloalto.org/civicax/filebank/documents/9986>
  - Briefly mentions the sewage treatment plant
- East Bay Municipal Utility District:
  - Climate Change Monitoring and Response Plan, July 2011
  - Available at: <http://www.ebmud.com/water-and-wastewater/environment/climate-change>
  - Includes an article presenting a case study of strategies to deal with climate change mitigations and adaptations
- San Francisco Public Utilities Commission:
  - Departmental Climate Action Plan, Annual Report, Fiscal Year 2011-2012
  - Available at: [http://www.sfenvironment.org/sites/default/files/fliers/files/sfe\\_cc\\_2013\\_puc\\_cap\\_fy1112.pdf](http://www.sfenvironment.org/sites/default/files/fliers/files/sfe_cc_2013_puc_cap_fy1112.pdf)
  - Briefly mentions the wastewater enterprise



# 2014 California Bioresources Alliance (CBA) Symposium

- Symposium details:
  - Scheduled for June 3 – 4 at the UC Davis Buehler Center
  - Co-hosted by UC Davis Extension and USEPA Region 9
- Symposium will focus on renewable energy from organic residuals and include presentations on:
  - Biogas issues
  - Renewable fuels from organics
  - Local initiatives and projects involving biogas and products from municipal organics, forestry, and animal waste
- Registration includes a tour of a nearby organics residual processing center
- Additional information is available at:

[http://extension.ucdavis.edu/unit/land\\_use\\_and\\_natural\\_resources/cbas.asp](http://extension.ucdavis.edu/unit/land_use_and_natural_resources/cbas.asp)



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# CalRecycle Waste to Energy Workshop

- Workshop details:
  - Scheduled for April 29<sup>th</sup> in Sacramento
  - Hosted by CalRecycle with representatives from CARB and CEC
- First workshop in a series in response to longstanding concerns regarding the multiple barriers to siting waste to energy facilities
- Workshop will:
  - Introduce a policy approach supporting the recovery of energy, fuels, and chemicals from solid waste residuals that cannot be recycled
  - Discuss principles, regulatory safeguards, and incentives for moving forward
- Additional information is available at:

<http://www.calrecycle.ca.gov/Actions/PublicNoticeDetail.aspx?id=1173&aiid=1072>



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# USEPA Climate and Energy Strategy Guides

- USEPA released two climate and energy strategy guides:
  - On-site Renewable Energy Generation
  - Combined Heat and Power
- Provide information on implementing GHG reduction strategies:
  - Products/technologies and their applications
  - Environmental, energy, and economic benefits
  - Steps for designing procurement plans/installations
  - Key stakeholders to engage
  - Policy mechanisms for initiating programs
  - Implementation strategies for success
  - Costs and funding opportunities
- Key features include:
  - Case studies and examples from communities across the U.S.
  - Links to technical resources, analytical tools, and funding sources
- Available at: <http://www.epa.gov/statelocalclimate/resources/strategy-guides.html>



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# California Adaptation Forum

- Forum details:
  - Scheduled for August 19 – 20 in Sacramento
  - Co-hosted by the Local Government Commission and State of California
- Session proposals were due March 20<sup>th</sup>
- Sessions will focus on cross-cutting sector tracks, including:
  - Planning
  - Governance
  - Implementation Strategies
  - Monitoring and Evaluation
  - Innovation and Technology
  - Community Engagement and Communications
  - Funding, Financing, and the Economics of Adaptation
- Registration information is available at:  
<http://www.californiaadaptationforum.org/>



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# PG&E Pipeline Injection

- AB 1900 opens the door for injecting biogas into PG&E's gas network
- Jim spoke to PG&E on behalf of a client considering biogas end-use options
- Factors for injection of biogas into a PG&E gas line:
  - Biogas must be scrubbed to pipeline quality
  - Pipeline operating pressure must be matched
  - Volume/flow to be injected relative to pipeline's capacity
  - Pipeline flow schedules may vary on various times and days of the week; storage may be needed
  - PG&E builds, owns, and operates the interconnection station
  - Supplier responsible for all actual capital costs and formula-based O&M costs:
    - Until cost allocation rulemaking is completed by CPUC, all project costs are charged to the developer
  - Supplier will obtain all rights-of-way, permits, and easements needed for lateral pipeline, interconnection station, and access road



# PG&E Pipeline Injection (Continued)

- Capital Costs
  - \$15K: Initial pipeline system study
  - \$50K: Initial engineering and preliminary cost estimate
  - \$3M: High-level cost estimate to build station (variable)
  - \$1M: State and federal taxes = 35% of interconnection station capital cost
  - \$???: Costs for rights-of-way and easements purchases and permitting
  - \$???: Lateral pipeline design and construction
  - \$???: Biogas conditioning system
- O&M Costs:
  - Either 0.50% of interconnection station development cost per month, or
  - One-time, up-front charge of the station's NPV—historically 78% of station's capital cost
- PG&E has never executed an agreement with a POTW:
  - Point Loma POTW in Southern California



# Pipeline Injection: CARB Tool

- Biomethane Constituents of Concern Health Risk Calculator:
  - Excel-based calculator released by CARB
  - Helps biomethane producers determine the potential monitoring requirements of biomethane prepared for injection into the common carrier pipeline
  - Tool is available at: <http://www.arb.ca.gov/energy/biogas/biogas.htm>



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**Additional Items**

**Grant Opportunities**

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

- CWSRF Program:
  - Accepts applications on a continuous basis
  - Offers low interest financing 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
- CWSRF is currently focused on recycled water projects:
  - Create new water supplies as part of drought response
  - Recently approved \$800 million in 1% loans for eligible projects
  - Eligible projects must:
    - Apply for funding by December 2, 2015
    - Be completed by January 17, 2017
  - Program still offers 30-year extended term financing options
- Additional information is available at:  
[www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/srf/srf\\_forms.shtml](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/srf_forms.shtml)





# 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](mailto:Shahid.Chaudhry@energy.ca.gov)
- Additional information is available at: <http://www.energy.ca.gov/efficiency/partnership/>



# 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 zero-emission and plug-in hybrid electric vehicles:
  - 100% of FY13-14 funding has been used
  - Applications are still being accepted on a first-come, first-serve basis and put on a waiting list
  - CARB hopes to secure \$30 million in additional funding by September 2014
  - Rebates of up to \$2,500 per light-duty vehicle available for purchase or lease
- Additional information is available at:  
<http://energycenter.org/index.php/incentive-programs/clean-vehicle-rebate-project>



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# CARB's Truck Loan Assistance Program

- Truck Loan Assistance Program:
  - Helps small business fleet owners finance truck upgrades required under CARB's In-Use Truck and Bus Regulation
  - Helps truck owners purchase cleaner trucks, exhaust retrofits, and truck efficiency upgrades
- Program offers competitive-rate financing for fleets meeting the following criteria:
  - Company must be a small business (100 employees or less and less than \$10 million in annual revenue)
  - Fleet must operate in California a minimum of 51% of the total mileage
  - Fleet must be 10 or fewer heavy-duty trucks
- An additional \$18 million in funding is available
- Additional information is available at:  
[http://www.arb.ca.gov/msprog/truckstop/funding/loans\\_fa.htm](http://www.arb.ca.gov/msprog/truckstop/funding/loans_fa.htm)



# 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
  - 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
- Guidelines revised April 1<sup>st</sup> to update cost-effectiveness limit:

<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>



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# Voucher Incentive Program: On-road Heavy-Duty Vehicles

- 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 for the BAAQMD
  - Up to \$45,000 towards the purchase of a new vehicle
  - Up to \$10,000 for purchase and installation of a retrofit device
- Applications accepted on a first-come, first-serve basis
- On-road Heavy-Duty Vehicle Guidelines revised October 2013:  
<http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm>



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# Hybrid & Zero-Emission Truck & Bus Voucher Incentive Project

- Project:
  - Provides vouchers to help California fleets purchase hybrid and zero-emission trucks and buses
  - Fleets can order as many as 200 vouchers, with a limit of one voucher per vehicle
  - Only applies to heavy- and medium-duty vehicles
- Available funds:
  - Total of \$9.35 million available now
  - An additional \$4.675 million expected this summer
  - Up to \$55,000 towards the purchase of a new truck or bus
- Applications accepted on a first-come, first-serve basis
- Additional information is available at:  
<http://www.californiahvip.org/default.aspx>



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## Additional Items

**CalRecycle Webinar Overview  
(Webinar held February 6, 2014)**

# GHG Reduction Fund

- Established in 2012 by 3 bills:
  - [AB 1532](#) (Pérez, Chapter 807)
  - [Senate Bill \(SB\) 535](#) (De León, Chapter 830)
  - [SB 1018](#) (Budget and Fiscal Review Committee, Chapter 39)
- Receives auction proceeds and provides the framework for how the auction proceeds will be administered
- Disadvantaged communities:
  - 25% of the auction proceeds must be used for their benefit
  - At least 10% of the auction proceeds must be invested in projects located within those communities
- Additional information is available at:  
<http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm>



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# Governor's Proposed Budget

- Released on January 9, 2014
- Includes \$30 million in FY 2014/15 funding:
  - Targets capital investments that expand the waste management infrastructure to reduce GHG emissions, with a priority in disadvantaged communities
- Grants and loans:
  - Administered by CalRecycle
  - Intended to promote infrastructure development for facilities in California that divert more materials from landfills
  - Targeted to build or expand organics infrastructure, such as composting and anaerobic digestion, or reduce food waste in California
  - Other targeted activities include new or expanded infrastructure for manufacturing products with recycled content fiber, plastic, or glass
  - Grant funds must be encumbered within 1 year and spent within 3 years – NOW IS THE TIME TO START ACTING
- Additional information is available at:

<http://www.ebudget.ca.gov/FullBudgetSummary.pdf>



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# Current Status & Preliminary Schedule

- Comment period: Closed February 14, 2014
- Proposal with final criteria:
  - Discussed internally with Director
  - Posted before March 18, 2014
- Meeting to roll-out final program: March 18, 2014
- Notice of final award: Spring 2014
- Loans and grants:
  - Applications available May 2014
  - Applications due early Summer 2014
  - Grants awarded late Summer 2014
- Organics applications due: January 15, 2015
- Organics & other recyclable material applications:
  - Open beginning February 2015
  - Loans awarded early 2015



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# Allocation of Cap-and-Trade Revenue

- \$30 million proposed:
  - Organics Grants: ~ \$15 million
  - Fiber, Plastic, & Glass: ~\$5 million
  - GHG Reduction Loan Program: ~\$10 million
  - All programs competitive
- New or expanded infrastructure in California:
  - Infrastructure for green/food materials currently landfilled (commercial composting or anaerobic digestion)
  - Infrastructure for manufacturing products with recycled fiber, plastic, or glass feedstock
  - Existing facility upgrades must show increased throughput & GHG reductions



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# General Grants Information

- Eligible applicants:
  - Government entities: cities, counties, regional or local sanitation agencies, waste agencies & joint power authorities
  - State government agencies
  - Private, for-profit, and not-for-profit companies
- Grant details:
  - Maximum award per project: \$3 million
  - Applicants can apply for multiple grants
  - Grant funding paid in arrears (i.e., not paid upfront)
  - Project costs cannot be incurred prior to notice to proceed
  - Grant money can be combined with other grants or loans if it:
    - Is for different elements (no double funding)
    - Doesn't exceed max



# Grant Scoring Criteria

- GHG reductions (25 points; MT CO<sub>2</sub>e)
  - Measured in metric tons of CO<sub>2</sub>e
  - Must be permanent and measurable
  - Composters may use CERF or provide custom calculations
  - Others may use RERF or other methods
- Avoided landfill disposal (15 points)
  - Quantity of additional tons diverted, types of materials, and jurisdiction of origin
  - No preferential scoring of compost over anaerobic digestion
- Benefits to EBEV communities (10 points)
  - Benefit determined using OEHHA Enviroscreen
- Other environmental benefits (10 points)
  - Focused on air and water protection



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# Grant Scoring Criteria (continued)

- Project ready to move forward quickly (10 points)
  - Preference for sites with permits and environmental review complete
  - Advantageous for existing facilities with permitting capacity greater than current throughput
  - Project must be executed within the grant term
- Budget and financial strength (15 points)
  - Detailed budget
  - Fiscal soundness
  - Extra points given for matching funds
- Well-developed work plans and complete application (15 points)
  - Encourage that, for project description, draw boundary as wide as possible to account for upstream emissions and downstream products and by-products
  - Clear tasks and objectives
  - Letters of support are helpful



# Eligible vs. Ineligible Projects/Costs for Grants

	Organics Program	Fiber, Plastic & Glass Program
Eligible	<ul style="list-style-type: none"> <li>• New or expanded/modernized composting facility</li> <li>• New or expanded anaerobic digestion facility</li> <li>• Other digestion/fermentation</li> <li>• Food rescue partnered with other eligible projects (not eligible without partnership)</li> <li>• Design &amp; Engineering</li> </ul>	<ul style="list-style-type: none"> <li>• Construction, renovation, or expansion that increases output of manufacturing facilities (can partner with a processing facility)</li> <li>• Design &amp; Engineering</li> </ul>
Ineligible	<ul style="list-style-type: none"> <li>• Collection vehicles or containers</li> <li>• Dehydrators or liquefiers without additional composting/anaerobic digestion capacity</li> <li>• Feedstock purchase</li> </ul>	<ul style="list-style-type: none"> <li>• Collection vehicles or containers</li> <li>• Sorting or processing without additional in-state manufacturing</li> <li>• Purchase of feedstock</li> </ul>

# General Loans Information

- Eligible applicants:
  - Government entities: cities, counties, regional or local sanitation agencies, waste agencies, and joint power authorities
  - Private, for-profit, and not-for-profit companies
- Project criteria:
  - Costs cannot be incurred prior to notice to proceed
  - Must obtain all applicable federal, state, and local permits prior to loan approval
- Loans:
  - Modeled after RMDZ loans
  - Must be paid back by applicants (grants are not paid back)
  - Underwriting requirements include operator work and education experience, adequacy of collateral, and business owner guarantee
- Scoring criteria (for those submitted by January 15<sup>th</sup>):
  - GHG emission reductions
  - Tons of organic materials diverted from landfills
  - Benefits to EBEV communities





# Loan Projects & Costs

	Loan Projects	Project Costs
Eligible	<ul style="list-style-type: none"> <li>• Construction, renovation, or expansion of organic facilities &amp; other recyclable material manufacturing facilities to make recycled-content products</li> </ul> <p>Note: processing facility projects coupled with in-state manufacture of recycled products <u>are</u> eligible</p>	<ul style="list-style-type: none"> <li>• Purchase of equipment &amp; machinery</li> <li>• Real estate improvements</li> </ul>



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# Loan Details

- Interest rate: 4%
- Maximum loan amount: \$5 million (includes all outstanding CalRecycle loans)
- Required match: 25%
- Term:
  - Max 10 years with non-real estate assets
  - Max 15 years with real estate assets
  - Terms not to exceed useful life of equipment and machinery



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# Common Concerns

- Concerns:
  - How will small projects compete with big projects
  - How will rural areas compete with non-rural and EBEV areas
- Discussion topics:
  - Scoring criteria and weight of GHG component
  - Whether existing WWTP digesters (with excess capacity) can be eligible
    - Bottom-line: GHG reductions achieved with landfill diversion is a good candidate



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# Bottom Line

- Grant and loans overview:
  - CalRecycle is gearing up for grants and loans to total \$30 million
  - Will be awarded to compost, anaerobic digestion, and recycled materials manufacturing facilities
  - NEW and EXISTING facilities are eligible
  - Awarded on a competitive basis
- Action items:
  - Although budget not final, NOW IS THE TIME TO ACT
  - Districts and municipalities with potential eligible projects should:
    - Gain an understanding of the application process
    - Start gathering information



**Additional Items**

**AIR Business Items**

# BACWA AIR Budget Update

- Total Budget for FY 2013/2014: \$74,441
  - Spent: \$63,643 (through last Friday, April 11<sup>th</sup>)
  - 85% of budget
- Changes for FY 2015/2016:
  - Proposal to restructure the BACWA AIR Committee after upcoming FY 14/15
  - Expected impacts:
    - BACWA AIR budget would be reduced and rolled into the general budget
    - Members would no longer pay a special fee to participate in the BACWA AIR Committee
    - CH2M HILL would play a lesser role, focusing more on technical consultation rather than administrative and coordination
  - Change requires a vote from BACWA AIR Members



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# Distribution of BACWA AIR Information

- E-mails:
  - Collection of information from various agencies (CARB, CalRecycle, CEC, USEPA, BAAQMD, etc.)
  - Distributed to BACWA AIR within 3 days of initial receipt
  - Depending on agency activity, many relevant announcements may be collected and distributed within a short time period
- Website:
  - Updated 1-2 times per week
  - Includes copies of all e-mails distributed
  - Captures other important information (meeting materials, comment letters, etc.)
- Issues Matrix:
  - Updated once per quarter
  - Summarizes regulations most relevant to POTWs, including important deadlines and potential future actions
  - Posted to the website and distributed via e-mail when updated
- Suggestions for improvement?



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# Closing

Next Meeting: Wednesday, July 16, 2014

Field trip for next meeting?