

BACWA AIR Committee Meeting

October 21, 2009 Oakland, CA



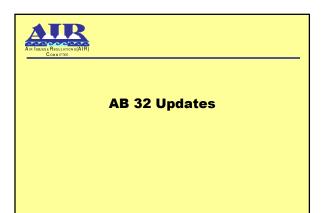
Agenda

- I. Introductions & Announcements
- II. AB 32 Updates
- III. State Updates
- IV. National Updates
- V. CARB Fleet Updates
- VI. Grant and Loan Opportunities
- VII. Local Regulatory Updates
- VIII.Climate Change News
- IX. General Discussion
- X. Closing

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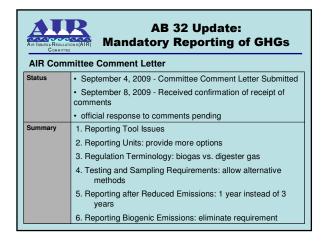


Introductions & Announcements



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AB 32 Update: Mandatory Reporting of GHGs Planning for Next Year: Verification! Planning for Next Year: Verification! • Verification required for next year's reports • Complete verification 6 months after report submission 2009 Reports Due: April 1, 2010 • Verification required every 3 years (most sources) A Certification and Verification Webinar — September 2009 Presentation and video available: http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm





AB 32 Update: **Mandatory Reporting of GHGs**

Training Videos and FAQs Posted Online

http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg_rep_faqs.pdf - Sector-specific Reporting Tool training videos available on

You may submit additional or clarifying questions to ghgreport@arb.ca.gov

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AB 32 Update: **Mandatory Reporting of GHGs**

Planning for Next Year: Workshop

Planned workshop being hosted by BACWA for this year's new updates to the Mandatory Reporting process

- Would include verification process information
- Combined with Climate Change 101
- Seek partnership with SCAP & CVCWA
- Date/Timing Suggestions?

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AB 32 Update: Cap-and-**Trade EAAC Meeting** October 8, 2009 - Economic and Allocation Advisory Committee (EAAC) Meeting Status Meeting Topics - Allocation Methods - Allowance Value Provision - Economic Impacts Report (AB 32 in general) More Info Meeting Material: v.climatechange.ca.gov/eaac/meetings/2009-10-07/presentations/ Jon Elam (TCSD) attended this meeting.

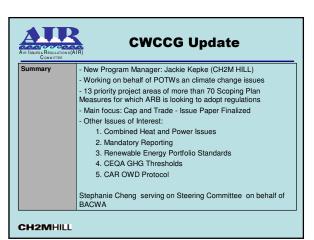
AB 32 Update: Implementation Fee	
Purpose	Will cover the agency's administrative costs associated with implementation of the statute. - 15.5 cents/ton of GHGs (FY 2010-2011) - will generate ~ \$63.1 million
Applicability to WWTPs	
Status	- September 25, 2009 – Fee Reg. Passed by ARB - January 2010: Fee Determination Notices sent - March 2010: Fee due
More Info	http://www.arb.ca.gov/cc/adminfee/adminfee.htm

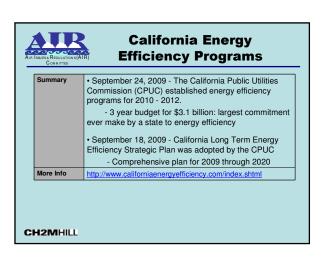


State Updates

Low Carbon Fuel Standard Standard		
Status	September 23, 2009 - Modified Regulation Order posted Effective – January 2010	
POTW Relevancy	GHG standard for transportation fuels for alternative fuel research and GHG emissions reduction	
	Requires blend of renewable fuels in transportation fuels to increase from 9 billion gallons in 2008 to 36B gals by 2022 Specifically cites:	
	- Biogas (also called biomethane): natural gas derived from processes including anerobic digestion, etc.	
	- Processes are applied to biodegradable biomass materials, including sewage, to produce digester gas	
Future Opportunities	Opportunity to gain funding to research transportation fuel opportunities using biogas.	
More Info	http://www.energy.ca.gov/low_carbon_fuel_standard/	

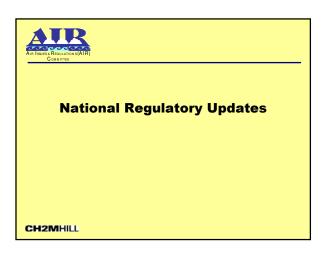
Status	- September 28, 2009 - Final Protocol Released - October 7, 2009 - Considered for adoption at CAR Board Meeting Commenting Agencies: Dublin San Ramon, EBMUD
Summary	Protocol requires quantifying GHG emission reductions associated with: - organic waste/wastewater - anaerobic treatment and disposal systems
More Info	http://www.climateactionreserve.org/how/protocols/protocols-in-progress/co-digestion-project-protocol/





UES& REGULATIONS (A	Survey
Summary	CEC is conducting a survey of renewable energy development potential co-located with water and wastewater systems.
	- conducted in partnership by: SCAP, CASA, BACWA, ACWA, MWD, SCE & PGE
Purpose	- understand potential for additional renewable development in these sectors
	- publicize the ongoing voluntary efforts to incorporate renewable energy and energy efficiency practices - white paper will be published on CEC website
More Info	Please complete the survey at your earliest convenience! http://www.surveymonkey.com/s.aspx?sm=JCK_2bleCjPIVX 6mA8K87kxw 3d 3d

Air Issues & Reducation Committee	AB 1613: Waste Heat and Carbon Emissions Reduction Act
Purpose	Encourage development of new combined heat and power (CHP) systems in CA Establish policies and procedures for the purchase of electricity from CHP systems by electricity utilities to meet renewable portfolio minimums Report GHG emissions reduction
Status	January 1, 2010 – Guidelines to be finalized End of 2011 – Report GHG emission reductions
POTWs Applicability	Latest version of Guidelines: 260% efficiency – Combo. of Topping and Bottoming Cycles Performance Standard: 1,100 lb CO2eg/MWh. *NOTE THAT CEC CONSIDERS BIOGENIC FUEL TO BE CARBON NEUTRAL. 215% minimum thermal output requirement Application for Certification and Annual Reporting Requirements specified on website
More Info	http://www.energy.ca.gov/wasteheat/index.html



Air Issues & Reo Comm	EPA Updates: Mandatory Reporting of GHGs Finalized!
Status	• Final Rule Signed: September 22, 2009
	Monitoring to begin January 1, 2010
	Annual reports begin to be submitted 2011
Relevancy	- Same reporting thresholds as CARB: GSC >25,000 CO2-e annually
	- Gases regulated: CO2, CH4, N2O, HFC, PFC, SF6, fluorinated gases
	Related Source Categories: General Stationary Fuel Combustion, Electricity Generation, Municipal Solid Waste Landfills
	- <u>for now,</u> WWTFs are excluded from reporting (unless GSC > 25,000 CO2-e annually)
	- <u>Excluded</u> : Combustion of biogenic emissions and emergency generators
	Biogenic CO2 will be reported separately from general category, EPA would like to see data. Will not count toward reporting threshold.
	- Anthropogenic emissions distinguished from biogenic
More Info	http://epa.gov/climatechange/emissions/ghgrulemaking.html

R Issues a Reducations (All Committee	
NACWA Co	mments on Reporting Rule
Timeline	NACWA met with the White House Office of Management and Budget (OMB) on September 11, 2009 to discuss comments submitted in June
	- OMB reviewed the economy impacts of the rule
Comments Supported	Suggestion: An "opt out" clause for facilities once they have shown emission reductions below the threshold for a consecutive number of years.
	Supported: Page 38 of the final rule allows for facilities to discontinue reporting if:
	1. under the threshold of 25,000 CO2-e for 5 yrs
	2. under 15,000 CO2-e for 3 yrs
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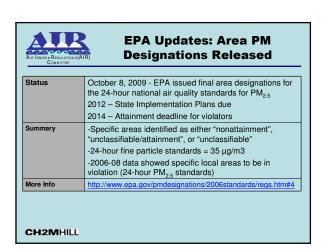
AIR ISSUESA REGULATION COMMITTEE	EPA Updates: Comment Letter - NESHAP for RICE
Reg. Status	March 5, 2009 – Proposed NESHAP for Reciprocating Internal Combustion Engines (RICE) - Final Rule still pending
Summary	NESHAP: National Emissions Standards for Hazardous Air Pollutants RICE: Reciprocating Internal Combustion Engines
	Proposal to limit HAP emissions for any previously unregulated engines through CO emission standards Includes Landfill/Digester Gas Stationary RICE
	- greater than 50 HP - "major" (i.e., Title V) & "area" sources • Landfill/Digester 50>HP: 177 ppmvd CO limit • Exception: RICE that generates 10 % or more of gross heat
More Info	input annually http://www.epa.gov/ttn/atw/rice/ricepg.html

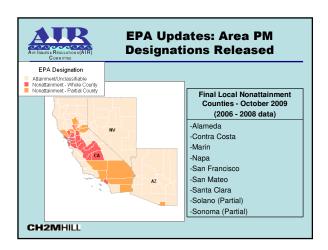
EPA Updates: Comment Letter - NESHAP for RICE Status - Second EPA Response Pending - October 19, 2009 - Submitted Response Letter to EPA - August 19, 2008 - Submitted Original Comment Letter to EPA Proposed Rule publication: April 10, 2009 - Final rule still being developed Letter Summary 1. Exclude existing cogen engines - costly to retrofit and/or replace, discourages alternative fuel use 2. A CO limit may not affect HAPs levels at all - Provide the option to meet alternative NMHC limit, directly related to HAPs destruction 3. Work practice standards not necessarily more desirable than emission limits - consider cross-media impacts of options 4. Requested time and funding to retrofit or replace engines http://www.epa.gov/ttn/atw/rice/ricepg.html

AIR ISSUES A REQULATIONS (COMMITTEE	EPA Updates: Renewable Fuel Standard (RFS) Program
Summary & Status	Established under the Energy Policy Act of 2005 (EP Act) Increase the volume of renewable fuel required to be blended into gasoline May 2009 – Revised 2010 Program proposed
Relevancy	November 2009 – 2010 Program to be finalized Updates:
recevancy	biomass-based diesel - advanced biofuel total renewable fuel - feedstock limitations new GHG emission thresholds for renewable fuels. will apply to domestic and foreign producers and importers Opportunity LACSD comments:
	include waste-derived feedstocks/biosolids in program Digester gas to energy technology advancement support
More Info	http://www.epa.gov/OMS/renewablefuels/

Clean Energy Jobs and American Power Act	
Status	Introduced May 15, 2009 by Rep. Henry Waxman (D-CA) and Rep. Edward Markey (D-CA) Passed the House - June 26, 2009 October 1, 2009 - Sen. Boxer (D-CA) and Sen. Kerry (D-MA) introduced a new Senate version of the bill
Background	A comprehensive energy bill, that includes a cap-and-trade plan. To reduce GHG emissions by 20% by 2020 and 80% below 2005 levels by 2050.
Applicability to WWTFs	Act includes provisions for: Water Efficiency Programs, Grants Program for Renewable Energy Projects, R&D for Advanced Biofuels, Water System Mitigation and Adaptation Partnership Program
More Info	http://www.opencongress.org/bill/111-h2454/show

NACWA-AMWA: Climate Change Adaptation Cost Assessment		
Status	Report Publication pending	
Summary	Report on the effects and impacts of climate change on Water & Wastewater sectors In partnership with NACWA-AMWA Includes: Climate change impacts by region Total adaptation measures costs by region and grand total Case study summaries, incl. costs from recent catastrophic events PURPOSE: Gain Federal adaptation funding for WW/water sectors	
More Info	Contact Jim Sandoval (<u>Jim.Sandoval@ch2m.com</u>) for further details	





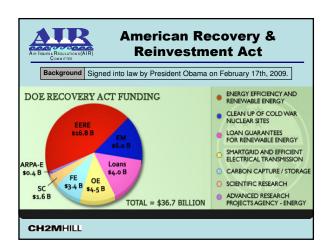


R Issues & Regulations (Committee	
Applicability	Any fleet of 4 or more forklifts (or other LSI powered equipment must comply with emissions standards requiring retrofit or replacement of engines out of compliance
	Applies to: LSI engines of 25 hp or higher
	Exempt: Smaller fleets & Low-use fleets (i.e. < 250 hr/yr.)
Status	January 2009 – Effective date
	April 1, 2009 – Enforcement commences
	September 15, 2009 – Tutorial posted on website
More Info	http://www.arb.ca.gov/msprog/offroad/orspark/orspark.htm

IR ISSUES & REQULATIONS COMMITTEE	In-Use, Off-Road Diesel Regulation Updates
Regulation Applicability	Applies to any self-propelled, diesel fueled vehicles that cannot be registered and licensed to drive on-road with ≥ 25 hp (Loaders, Forklifts, Backhoes, etc.)
	Note: requirements vary by fleet size
Updates	Amendments approved (July 23, 2009): 1. Credits for reduced vehicle activity and/or fleet size 2. Delay some of the 2011 and 2012 requirements until 2013 3. Incentives for early compliance efforts
	Updated Fleet Calculators (October 8, 2009):
	Very easy to use – Excel based
	Projects fleet compliance measures through 2026
More Info	General website: http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm
	Helpful Regulation Fact Sheet:
	http://www.arb.ca.gov/msprog/ordiesel/faq/ordoverview.pdf



Grant & Loan Opportunities



SSUES & REGULATIONS (A	Reinvestment Act
Funding Breakdown	• \$16.8 B through the Office of Energy Efficiency and Renewable Energy (EERE)
	• \$6.0 B through the Office of Environmental Management (EM)
	• \$4.5 B through the Office of Electricity Delivery & Energy Reliability (OE)
	• \$4.0 B through the Loan Guarantee Program Office (LGPO)
	• \$3.4 B through the Office of Fossil Energy (FE)
	• \$1.6 B through the Office of Science (SC)
	• \$400 M through the Advanced Research Projects Agency - Energy (ARPA-E)



American Recovery & Reinvestment **Act: Relevant Programs**

Of the Office of Energy Efficiency and Renewable Energy's (EERE) \$16.8 billion designation, relevant Programs include:

- State Energy Program \$3.1 billion
- Energy Efficiency & Conservation Block Grants \$3.2 billion
- Industrial Technologies Program \$256 million

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American Recovery & Reinvestment Act: Relevant Programs

Of the Office of Energy Efficiency and Renewable Energy's (EERE) \$16.8 billion designation, relevant Programs include:

State Energy Program - \$3.1 billion

CA Allocation Remaining: \$113 million

Applicability: Municipal Financing District Program

(AB-811-type programs)

IMPORTANT DATES:

- Solicitation Released: October 8, 2009
- Applications due: November 30, 2009

Website: http://www.energy.ca.gov/contracts/recovery.html#eecbg

- Energy Efficiency & Conservation Block Grants \$3.2 billion
- Industrial Technologies Program \$256 million

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American Recovery & Reinvestment **Act: Relevant Programs**

Of the Office of Energy Efficiency and Renewable Energy's (EERE) \$16.8 billion designation, relevant Programs include:

- State Energy Program \$3.1 billion
- Energy Efficiency & Conservation Block

Grants - \$3.2 billion

CA Allocation under current solicitation: \$35.5 million

- Applicability: *Small Counties and Cities
 Municipal Financing Program & Collaborative Applicant
 IMPORTANT DATES:
- Release of Solicitation: October 8, 2009
 Application Deadline: Ongoing until January 1, 2010

Website: http://www.energy.ca.gov/contracts/recovery.html#eecbghttp://www.eecbg.energy.gov/

• Industrial Technologies Program - \$256 million



American Recovery & Reinvestment **Act: Relevant Programs**

CEC Solicitation Workshop

October 22, 2009

9 a.m. - 1 p.m.

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street First Floor, Hearing Room A Sacramento, CA

This workshop will be webcast.

Website: http://www.energy.ca.gov/contracts/recovery.html#eecbg All Current Solicitations Website: http://www.energy.ca.gov/contracts/index.html

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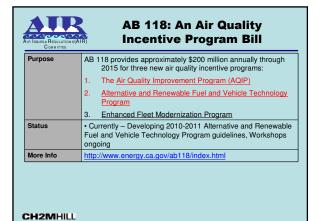
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- 1. Combined Heat and Power
- 2. Waste Energy Recovery Systems
 - Allocation: \$156 million
- > No current solicitations for applications

Website: http://apps1.eere.energy.gov/news/daily.cfm/hp_news_id=168 http://www1.eere.energy.gov/industry/



AIR ISSUES & REGULATION COMMITTEE	
Background	The AQIP will provide about \$50 million per year for grants to fund clean vehicles and equipment, air quality research, and workforce training
Status	No current applicable solicitations.
More Info	http://www.arb.ca.gov/msprog/aqip/solicitations.htm
Future Opportunities	Applicable Programs to Monitor: 1. Hybrid Truck and Bus Voucher Incentive Project Website: http://www.arb.ca.gov/msprog/aqip/hvip.htm 2. Clean Vehicle Rebate Project Website: http://www.arb.ca.gov/msprog/aqip/cvrp.htm

AIR ISSUES & REQULATION COMMITTEE	AB 118: Alternative and Renewable Fuel and Vehicle Technology Program
Background	Annual program budget: \$100 million - Alternative and renewable low-carbon fuels - Optimize alternative and renewable fuels for engine technologies - Produce alternative and renewable low-carbon fuels in California - Retrofit fleets
Status	No current applicable solicitations.
More Info	http://www.energy.ca.gov/altfuels/index.html
Future Opportunities	Workshop held regarding Biofuels Waste-Stream & Biomethane topics Opportunity to comment and support funding for POTW alternative fuel options

Air Issuesa Regulations Committee	AB 118: Truck Loan Program
Background	Under the AQIP, the PLACE program has been developed to address fleet emissions reduction.
Relevance to WWTPs	Truck Loan Program (PLACE) - For both on and off-road fleets - Financing Options:
	> Loan guarantees, Interest-rate buy downs, Lease buy-backs, Extended repayment periods, etc. Eligibility Requirements:
	For small businesses: 100 or fewer employees and < \$10 million annual revenue (on 3 yr. average) Off-Road: Fleets of all sizes (small, medium, large, as defined by the
	off-road rule) are eligible On-Road: Fleets of 20 or fewer heavy-duty vehicles are eligible Loan Applications are now available and being accepted by participating CalCAP lenders.
More Info	http://www.arb.ca.gov/ba/loan/loan.htm

In Issues Required (AIR) Committee Applicability Provides interest free bonds to local governments for	
эррноадшіу	renewable energy developments and provides tax benefits to investors
Status	- No current solicitation
	- Track for future application availability
More Info	http://www.irs.gov/pub/irs-drop/n-09-33.pdf

Applicability	- heavy-duty vehicles and equipment
	- install particle filters
	- replace engines in older equipment
_	- purchase new equipment to replace older models.
Status	ARB "Retooling" the 2010 Carl Moyer Program criteria
	- comment period open (see website)
	December 3, 2009 – Incentive Advisory Group Meeting
	- Diamond Bar meeting, possible webcast option
More Info	http://www.arb.ca.gov/msprog/moyer/moyer.htm
	http://www.arb.ca.gov/msprog/moyer/retooling.htm

AIR Issues a Regulations Committee	Carl Moyer Grant Money Available
Status	- Approximately \$10 million dollars are still available > Note: First come, first served – applications still being accepted - July 2009: On-Road Voucher Incentive Program ongoing - September 2009: Off-Road Equipment Replacement Program - October 2009: Additional \$8 million allocated
pplicability	-Grant money/vouchers can be used for fleet retrofitting and replacement - See website for approved list of dealers
More Info	Grant applications can be found at: www.baaqmd.gov/moyer Replacement & Voucher Programs: http://www.baaqmd.gov/Divisions/Strategic-Incentives/Carl-Moyer-Program.aspx Grants Hotline: (415) 749-4994



Grant Tracking: Main Components

- 1. Existing Program tracking
- 2. New Program tracking
- 3.RFP/Application links
- 4. Deadline reminders

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Grant Tracking: Strategy Options

- 1. Website Blog: Checked by members
- 2. Email Feed: Sent directly to members
- 3. RSS feed via website: Subscription by members to certain categories

Discussion

Pros and Cons

Member Needs

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Local Regulatory Updates

Air Issues a Regulati Committee	CEQA GHG Thresholds
Status	October 2009 – BAAQMD released Revised Draft CEQA Thresholds January 1, 2010 – Deadline for guidelines to be certified and adopted
Revisions Summary	Includes construction and operational thresholds Plan and project level thresholds New and Revised Thresholds: Criteria Pollutants: Ozone Precursors (ROG, NOx) & Particulate Matter (PM ₁₀ , PM _{2.5}) Greenhouse Gases Unchanged Thresholds: Carbon Monoxide & Odors
More Info	http://www.baaqmd.gov/Divisions/Planning-and-Research/Planning- Programs-and-Initiatives/CEQA-GUIDELINES.aspx

AIR ISSUESA REQUIATIONS (AIR COMMITTEE		QA GHG	Thresholds			
BAAG	BAAQMD Criteria Pollutant Thresholds (Project Level)					
	Project Level	Construction and Operational (daily)	Operational (annual)			
	ROG	54 lb/day	10 tpy			
	NO _x	54 lb/day	10 tpy			
	PM ₁₀	82 lb/day	15 tpy			
CH2MHIII	PM _{2.5}	54 lb/day	10 tpy			







CEQA GHG Thresholds

How BAAQMD Compares

Southern California AQMD CEQA

SCAQMD Considering Two Options:

Option 1: 3000 MT/yr. CO2e for any residential, commercial, or mixed use projects

- Option 2:
- Residential: 3500 MT/yr. CO2e
- Commercial: 1400 MT/yr. CO2e
- Mixed Use: 3000 MT/yr. CO2e

Current Status

December 2009 - Planned Board hearing on Proposal

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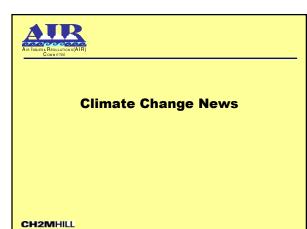


CEQA GHG Thresholds

CWCCG Comments to BAAQMD

- \bullet Explicitly exclude biogenic CO_2 emissions from counting towards threshold determination total
- Distinguish between anthropogenic emission and emissions from renewable/biogenic sources
- Biogenic emissions should be considered to have no adverse environmental impacts. Similarly recognized as such by: IPCC, US EPA, US Climate Change Science Program

Status More Info	-Temporary resolution of SCAQMD Regulation XIII, New Source Review - Legislation stipulates that Essential Public Services (EPSs) be allowed to use Rule 1304 and 1309.1 credits reestablished SCAQMD credit bank -SCAQMD had permitting and credits issues due to a lawsuit AB 1318 – Amended September 2009 SB 696 – Bill Passes Senate, September 2, 2009 http://www.yesonsb696.com/news%20documents/WrightRelease%2
	09-02-09.pdf http://www.aroundthecapitol.com/Bills/AB_1318/



R Issues & Regulations (AI	California Legislation News
California Gov. Signs Executive Order for 33% RPS	
Summary	- September 15, 2009: Order Signed - Requires CA to acquire 33% of electric power from renewable sources by 2020 -CARB (partnering with CPUC, ISO, and CEC) must implement renewable portfolio standard (RPS) by July 31, 2010
More Info	http://gov.ca.gov/press-release/13273/
The Governo	rs' Global Climate Summit 2 – Los Angeles, CA
Summary	- Held September 30 to October 2, 2009 - Jon Elam/TCSD attended.
More Info	https://www.gcgtools.com/connect/public/GCG/GGCS2009/
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GHG / Fuel Economy Standards		
Summary	The EPA and the National Highway Traffic Safety Administration (NHTSA) issued a joint proposal for a rule setting greenhouse gas (GHG) emission and fuel economy standards for motor vehicles in model years 2012-2016. By model year 2016, the rule will require the nation's vehicle	
	fleet to have: 1.an average efficiency of 35.5 miles per gallon 2.average GHG emissions rate of 250 grams CO2- equivalent per mile.	
	Projected to reduce vehicle carbon dioxide emissions by 21%.	
Status	Expected to finalize rule in March 2010	
More Info	http://www.epa.gov/otaq/climate/regulations/420f09047.htm	

Air Issues a Regula: Committee		
U.N. Study of Latest Climate Science Suggests Dramatic Warming		
Summary	September 24, 2009 - The United Nations Environment Programme (UNEP)	
	- Compilation of 400 recent climate change studies	
	- found that global GHG emissions outstripping "worst-case" scenarios	
More Info	http://www.unep.org/compendium2009/	
British Anta Summary	rctic Survey Finds Glaciers Melting Rapidly September 23, 2009 - British Antarctic Survey - ice sheets in Greenland and on Antarctica's western edge and peninsula are melting more quickly than previously estimated.	
	- Antarctic glaciers have been thinning at a rate of 30 feet per year since 2003.	

