



**AIR ISSUES & REGULATIONS COMMITTEE**  
A Committee of the Bay Area Clean Water Agencies

**Summer Committee Meeting**  
**July 21, 2010**  
**10:00 am – 11:30am**

## **Introductions & Opening**

# Agenda

- I. Local Regulatory News
- II. National Regulatory News
- III. State Regulatory News
- IV. Recent Grants Review
- V. Additional Items
- VI. Closing



## **Local Regulatory News**

## CEQA GHG Thresholds

<b>Status</b>	<ul style="list-style-type: none"> <li>• BAAQMD Board approved final Air Quality CEQA guidelines in June 2010</li> </ul>
<b>Revisions Summary</b>	<ul style="list-style-type: none"> <li>• Includes construction and operational thresholds</li> <li>• Plan and project level thresholds</li> </ul> <p><u>New and Revised Thresholds:</u></p> <ul style="list-style-type: none"> <li>- Criteria Pollutants: Ozone Precursors (ROG, NOx) &amp; Particulate Matter (PM<sub>10</sub>, PM<sub>2.5</sub>)</li> <li>-Greenhouse Gases</li> <li>-Odors</li> </ul> <p><u>Unchanged Thresholds:</u> Carbon Monoxide</p>
<b>More Info</b>	<a href="http://www.baaqmd.gov/Divisions/Planning-and-Research/CEQA-GUIDELINES/Updated-CEQA-Guidelines.aspx">http://www.baaqmd.gov/Divisions/Planning-and-Research/CEQA-GUIDELINES/Updated-CEQA-Guidelines.aspx</a>

## BAAQMD Reg 9, Rule 7: Boiler Rule Compliance Schedule

- Annual Tune-up/Inspection - Jan. 1, 2009
- Surface Temperature Limit – Jan. 1, 2010
- Stack Temperature Limit – Jan. 1, 2011
- 15 ppm NOx limit – Jan. 1, 2013
- Annual NOx and CO testing – Jan. 1, 2013



## BAAQMD Reg 9, Rule 9: Stationary Gas Turbine Compliance Schedule

- January 1, 2010
- Alternative Compliance Limits
- NOx Concentration limit
  - 42 ppm for 5-50 MM Btu/hr
- NOx mass/MW<sub>hr<sub>u</sub></sub> for 5-50 MM Btu/hr
  - 2.12 lbs NOx/MW<sub>hr<sub>utilized</sub></sub>
  - MW<sub>hr<sub>u</sub></sub> = MW-hr<sub>electricity</sub> + MW-hr<sub>steam</sub>



## National Regulatory News

## Title V Greenhouse Gas Tailoring Rule

- Initially Prevention of Significant Deterioration (PSD) and Title V permitting requirements for GHGs
- Adopted: May 2010
- **Step 1 (January 1, 2011)**
  - **All existing Title V holders to address GHG emissions**
  - New sources requiring PSD for non-GHG emissions + increase GHG emissions  $\geq 75,000$  tons CO<sub>2</sub>e, subject to PSD permitting and GHG BACT review
- **Step 2 (July 1, 2011)**
  - **Sources with PTE  $\geq 100,000$  tons CO<sub>2</sub>e – new Title V permit**
  - New sources with PTE  $\geq 100,000$  tons CO<sub>2</sub>e subject to PSD permitting and GHG BACT review



## Title V Greenhouse Gas Tailoring Rule

- **Impact to POTWs**
  - Minimal for existing Title V holders – No existing GHG reduction regulations
  - PSD?
- **Next Steps**
  - Awaiting BAAQMD adoption and implementation
- **More Information:**  
<http://www.epa.gov/NSR/fs20090930action.html>



## EPA Definition of Solid Waste

- Incineration of Sewage Sludge
- Regulated as a Solid Waste
- Emission limits under Section 129 CAA
  - Criterion Pollutants
    - PM, NO<sub>x</sub>, CO, SO<sub>2</sub>, opacity
  - Hazardous Air Pollutants (HAPs)
    - Hg, Pb, Cd, Dioxin/Furans, HCl
- Impact on Land Application Unknown

**More Information:**

<http://www.epa.gov/NSR/fs20090930action.html>



## EPA Emission Limits: Commercial & Industrial Solid Waste Incinerators (CISWI)

- CISWI will apply to some boilers combusting solid waste (under new definition)
- Regulated Under Section 129
  - Criterion Pollutants
    - PM, NO<sub>x</sub>, CO, SO<sub>2</sub>, opacity
  - Hazardous Air Pollutants (HAPs)
    - Hg, Pb, Cd, Dioxin/Furans, HCl

**More Information:**

<http://www.epa.gov/NSR/fs20090930action.html>



## EPA NESHAP for Boilers: Major Sources

- Applies Commercial, Industrial, and Institutional Boilers not Covered in CISWI
- Major HAP Source (>25 tpy of HAPs or 10 tpy single HAP)
  - Emission limits for PM, HCl, Hg, CO, and Dioxin/Furans
  - Tune-up only if < 10 MM Btu/hr

**More Information:**

<http://www.epa.gov/ttn/atw/boiler/boilerpg.html>



## EPA NESHAP for Boilers: Area Sources

- Applies Commercial, Industrial, and Institutional Boilers not Covered in CISWI or Major HAP Source
- No new limits on gaseous fuel
- New limits if on coal, biomass, or oil
  - PM, Hg, CONOTES ON EPA PROCESS
- Court-ordered adoption by December 16, 2010

**More Information:**

<http://www.epa.gov/ttn/atw/boiler/boilerpg.html>



## State Regulatory News

### Mandatory GHG Reporting

- Reporting Verification due October 1, 2010
  - list of accredited verifiers online
  - FAQ's and instructional videos online

**More information:**

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





## CARB Cap & Trade: Allowances and Allocation

### Timeline

- New regulation draft – Fall 2010, delayed from April 2010
- Still on track for implementation in 2011

### **CARB's current intentions:**

- Increased free allocation to industry for leakage prevention and transition assistance – would not apply to utilities
- Value to utilities for renewable energy investments
- Price range (min. and max.) to be set for allowances
- Carbon price would be passed directly to consumers for electricity and fuel sectors

### **More information:**

<http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm>



## CARB Cap & Trade: Offsets

- June 22, 2010 – Cost Containment and Offsets in California C&T Workshop
- Offsets will be available through ARB and through “linked” programs that are ARB approved (e.g., WCI, CDM, CAR)
- ARB currently developing 4 compliance offset protocols
  - Forestry, Manure Mgmt Digesters, Urban Forests, and Ozone Depleting Substances
- Considering development of additional protocols in 2011, including “wastewater sector”



## CARB Cap & Trade: Wastewater Offsets

- CWCCG continues communication with ARB
- Potential protocols
  - Conversion of septic system to central sewer system
  - Conversion of digester gas flaring to cogeneration fuel
  - CO<sub>2</sub> sequestration from land application
  - Displacement of fossil fuel fertilizers
- Jul 13 comment letter:
  - Development of WW sector protocols should continue to be a priority for ARB
  - Encourage expanded (>4%) use of offsets to meet C&T obligations
  - Allow pathway for direct measurement of offset project GHG reductions
- Next Steps
  - CWCCG collecting supporting data and information from agencies in support of the proposed potential wastewater sector protocols



## CARB Renewable Electricity Standard (RES)

- RES Requirements:
  - State's electricity sellers to meet 33% renewable target by 2020 (in addition to RPS goals through CPUC)
  - Program allows bundled and unbundled (TRECs); whereas RPS currently only allows bundled
- Current value of environmental attribute - \$10 to \$40/MWh
- Regulation before ARB Board – On Hold
- SB 722
  - Would increase RPS to 33% by 2020
  - Encourages in-state generation of renewable energy
  - Allows use of TRECs, but limits to 10%
  - LACSD proposed amendment would allow RECs from in-state distributed generation to account for up to 75%



## ARB Staying Enforcement of Off-Road Equipment Rule

- February 11, 2010- Still in place, ARB announced no enforcement action will be taken for noncompliance with the March 1, 2010 emission performance provisions, which include:
  - Requirements for vehicle retrofit and replacement
  - Limitations on adding higher emitting Tier 0 and Tier 1 vehicles
  - Requirements for new fleets to meet fleet average targets
- Other items will still be enforced, including idling limits and labeling requirements

**More information:**

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



## Off-Road Diesel Equipment Proposed Regulation Modifications

- Workshops were held in June & July to discuss proposed regulation modifications. Presentations & summaries are available on-line.
- Proposed modifications include:
  - “Yard truck” definition – exempt from regulation
  - Low Use Provisions – two categories, increasing threshold from 100 hrs. to 150 hrs.
  - Alternative Fuel Provisions – Electric and Gasoline-Powered special provisions

**More information:**

<http://www.arb.ca.gov/msprog/ordiesel/documents/offroad2010modifications.pdf>



## Proposed ATCM Amendments for Stationary, CI Engines

- To align more closely with NSPS for consistency – new engines only
- Will require more stringent PM standards for engines that operate > 50 hrs/yr. (i.e. high-use)
- New Fire Pump engines ( >50 hp) must meet standards if engine model year is 2007 or later
- Reporting required if operating in a DRP
- Timeline:
  - Initial Statement of Rulemaking Package – August 2010
  - Obtain CARB Board Approval – October 2010

**More information:**

<http://www.arb.ca.gov/diesel/documents/atcmWorkshop061710.pdf>

<http://www.arb.ca.gov/diesel/documents/atcm061710.pdf>

## Recent Grant News

## Air Quality Improvement Plan (AQIP) FY 2010-2011 Funding Plan

- June 24, 2010: The FY 2010 – 2011 AQIP Funding Plan was approved
- Hybrid Off-Road Equipment – added to the plan
  - Piloting a plan for this year to provide a foundation for voucher or rebate programs in the future

**More information:**

<http://www.arb.ca.gov/msprog/aqip/aqip.htm>



## H.R. 2847 - Hiring Incentives to Restore Employment Act

- Was signed into law on March 18, 2010
- Expands and Increases the subsidies available for new clean renewable energy bonds (New CREBs) & qualified energy conservation bonds (QECBs)
- Watching the IRS notifications for release of funds:

<http://www.irs.gov/taxexemptbond/index.html>



# AIR Website Reference: Grants

Website:

<http://bacwa.org/Committees/AirIssuesRegulations.aspx>

**Two ways to access current grants information:**

Step 1: Login

username: Air24    password: FY10-11

(note: capitalization does matter)

Step 2: Click “Grant Opportunities”

OR Click “Email Archives” >

then “Grants/Funding” in the BACWA AIR expanded menu

Air Issues and Regulations Committee

**AIR**  
AIR ISSUES & REGULATIONS COMMITTEE  
A Committee of the Bay Area Clean Water Agencies

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  - [Workshops/Meetings \(30\)](#)

Recent Emails

**Author:** smerrill      **Created:** 10/22/2009

Grant & funding related notifications for BACWA AIR Committee members

**Energy Efficiency Funding and Webinar Opportunity**  
By smerrill on 7/6/2010

**Goals of the Webinar:**

- Understand energy challenges and energy efficiency opportunities in the water sector
- Understand energy efficiency best practices (conservation measures)
- Inform State programs and PWSs on what water systems can do to improve energy performance and to achieve energy cost savings
- Offer tools and resources to help system owners and operators adopt best industry practices

[Read More >](#)

[Comments \(0\)](#)

## **Additional Items**

### Welcome to BACWA AIR!

#### FY 2010-2011 Plan

#### **Key Issues:**

- Air Quality Regulation Developments
- Climate Change- Related Legislation  
- BACWA Energy Working Group?
- Funding Opportunities Tracking
  
- Chair/Vice Chairs for the next FY



# Welcome to BACWA AIR!

## FY 2010-2011 Plan

Suggestions for Regulatory Agency Contact:

Renee Lawver - CARB

Robert Cave - BAAQMD

Others?



## **Closing**

Next Meeting: Wednesday - October 20, 2010



## Supplementary Slides

### Key Proposed Reporting Regulation Modifications for 2011

- Lowering the reporting threshold to 10,000 metric tons CO<sub>2</sub>e, rather than the current 25,000 metric tons CO<sub>2</sub>
- Alignment with USEPA mandatory reporting requirements
- Alignment with California Cap & Trade Program
- Annual verification of emissions > 25,000 MT CO<sub>2</sub>e (cap & trade threshold)
  - Third-party verification not required for facilities below the cap threshold



## Approximate CO<sub>2</sub> Emissions by Fuel Type

Fuel Amounts Resulting in 25,000, 10,000, or 2,500 MT CO<sub>2</sub> by Fuel Type

Fuel Type	Fuel Units	Kg CO <sub>2</sub> / Unit	Amount of fuel to produce 25,000 MT CO <sub>2</sub>	Amount of fuel to produce 10,000 MT CO <sub>2</sub>	Amount of fuel to produce 2,500 MT CO <sub>2</sub>
Natural Gas (unspecified) <sup>1</sup>	scf	0.0544	459,000,000	184,000,000	45,900,000
	MMBtu	53.02	471,500	188,600	47,150
Digester Gas <sup>2,3</sup>	scf	0.0438	571,000,000	228,000,000	57,100,000
	MMBtu	52.07	480,000	192,000	48,000
Landfill Gas <sup>1,3</sup>	scf	0.025	916,000,000	366,500,000	91,600,000
	MMBtu	52.03	480,500	192,000	48,050
Diesel/Distillate Fuel (#1, 2, & 4) <sup>1</sup>	Gallons	10.14	2,465,000	986,000	246,500
Motor Gasoline <sup>3</sup>	Gallons	8.80	2,841,000	1,136,000	284,100
Sludge (dry) <sup>1,4</sup>	MMBtu	116	215,500	86,200	21,550

<sup>1</sup> (California Code of Regulations)

<sup>2</sup> (USEPA, 2009)

<sup>3</sup> Does not include pass-through CO<sub>2</sub> emissions.

<sup>4</sup> Dewatered digested Biosolids = 5,300 Btu/lb.<sub>dry solids</sub>; Chemical Precipitated Biosolids = 7,500 Btu/lb.<sub>dry solids</sub>; Dewatered Raw Biosolids = 10,300 Btu/lb.<sub>dry solids</sub>;

[http://www.biosolids.org/ems\\_main.asp?sectionid=48&pageid=189&pageName=Manual%20of%20Good%25](http://www.biosolids.org/ems_main.asp?sectionid=48&pageid=189&pageName=Manual%20of%20Good%25) Chapter 15, Table 15.2 (National Biosolids Partnership, et al, January 2005)

## ARB Staying Enforcement of Off-Road Equipment Rule

**March 1, 2010  
Large Fleets Only:  
Over 5000 HP**

NOx and PM requirements become effective in 2010. After 2009, large fleets must report each year from 2010 to 2020, detailing how requirements have been met.

**March 1, 2013  
Medium Fleets:  
2,501 to 5,000 HP**

NOx and PM requirements become effective in 2013. After initial reporting in 2009, medium fleets must report each year from 2012 to 2021, detailing how requirements have been met.

**March 1, 2015  
Small Fleets:  
2,500 HP and Under**

Only PM requirements become effective in 2015 for small fleets. After initial reporting in 2009, fleets must report each year from 2014 to 2026, detailing how requirements have been met.