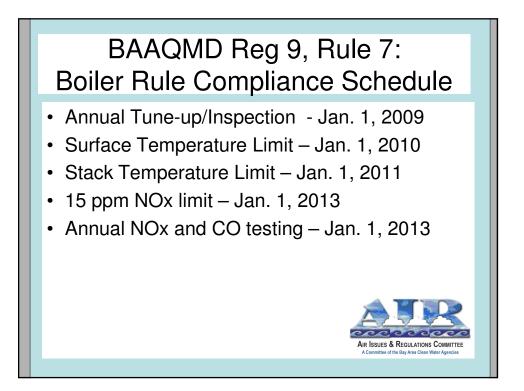








CEQA GHG Thresholds					
Status	BAAQMD Board approved final Air Quality CEQA guidelines in June 2010				
Revisions Summary	<ul> <li>Includes construction and operational thresholds</li> <li>Plan and project level thresholds</li> <li>New and Revised Thresholds: <ul> <li>Criteria Pollutants: Ozone Precursors (ROG, NOx) &amp; Particulate Matter (PM<sub>10</sub>, PM<sub>2.5</sub>)</li> <li>Greenhouse Gases</li> <li>Odors</li> <li>Unchanged Thresholds: Carbon Monoxide</li> </ul> </li> </ul>				
More Info	http://www.baaqmd.gov/Divisions/Planning-and- Research/CEQA-GUIDELINES/Updated-CEQA-Guidelines.aspx				

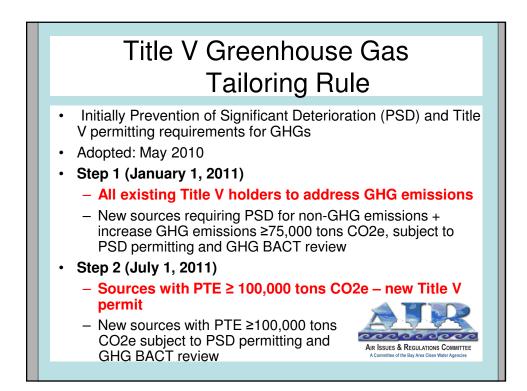


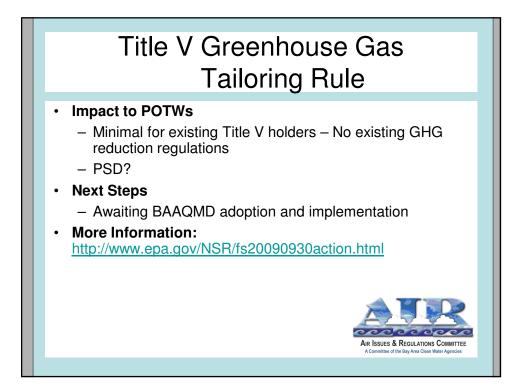


- January 1, 2010
- Alternative Compliance Limits
- NOx Concentration limit
  - 42 ppm for 5-50 MM Btu/hr
- NOx mass/MWhr<sub>u</sub> for 5-50 MM Btu/hr
  - 2.12 lbs NOx/MWhr<sub>utilized</sub>
  - MWhr<sub>u</sub> = MW-hr<sub>electricity</sub> + MW-hr<sub>steam</sub>

AIR ISSUES & REGULATIONS COMMITTEE

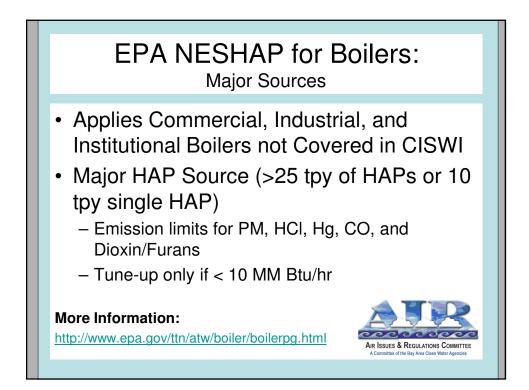


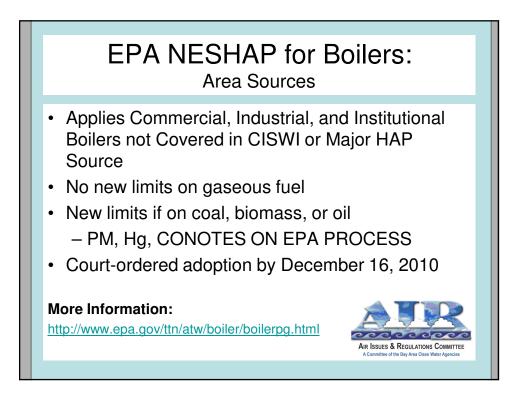




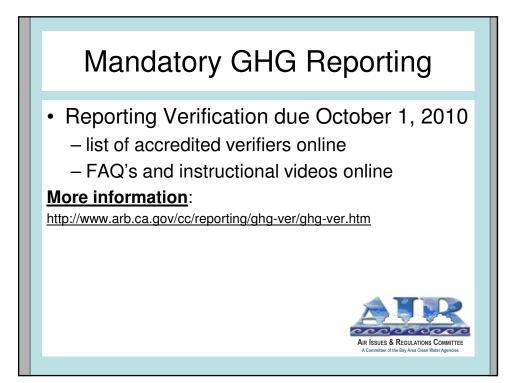












# CARB Cap & Trade: Allowances and Allocation

#### <u>Timeline</u>

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

#### CARB's current intentions:

- Increased <u>free allocation to industry</u> 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



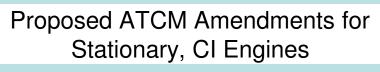
### Off-Road Diesel Equipment Proposed Regulation Modifications

- 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





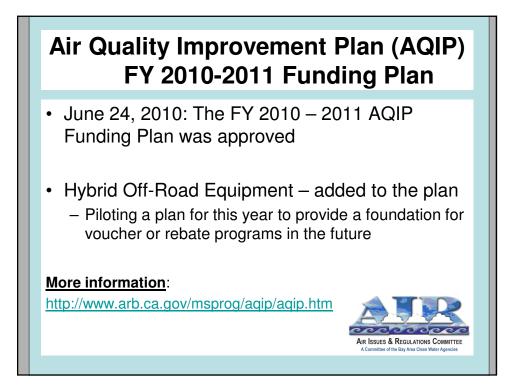
- To align more closely with NSPS for consistency new engines only
- Will require more stringent PM standards for engines that operate > 50 hrs/yr. (i.e. high-use)
- New Fire Pump engines (>50 hp) must meet standards if engine model year is 2007 or later
- · Reporting required if operating in a DRP
-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

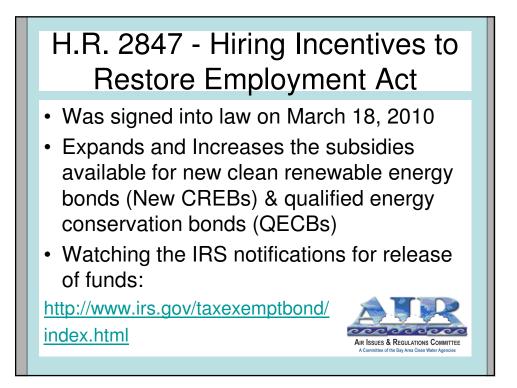
#### More information:

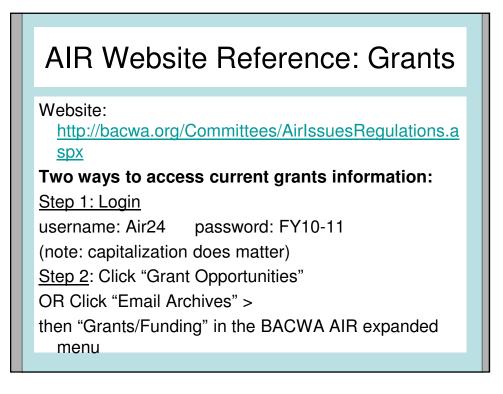
http://www.arb.ca.gov/diesel/documents/atcmWorkshop0617 10.pdf

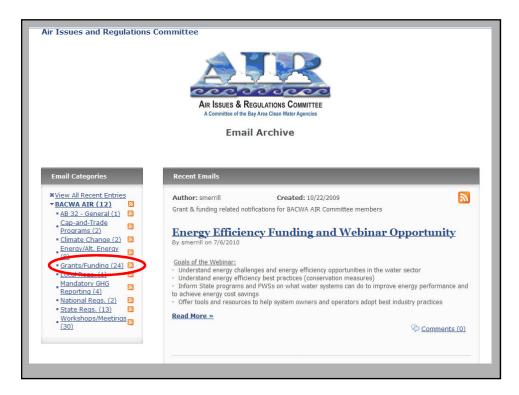
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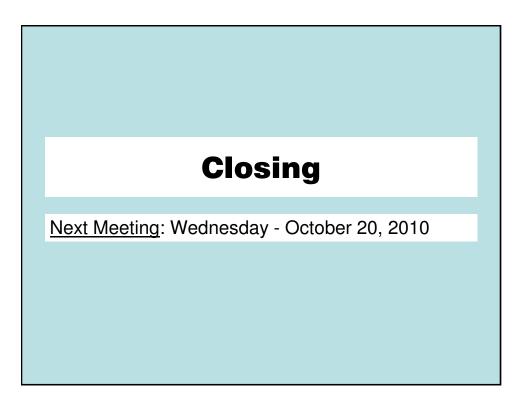


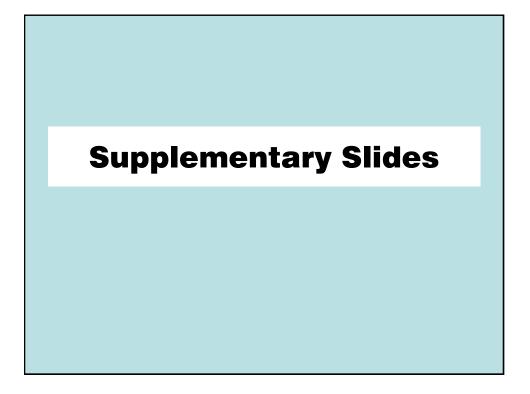






Welcome to BACWA AIR!	
<u>FY 2010-2011Plan</u>	
Suggestions for Regulatory Agency Contact: Renee Lawver - CARB Robert Cave - BAAQMD	
Others?	
Are Issues & Regulations Comm A Committee of the Bay Area Clean Water Age	





### Key Proposed Reporting Regulation Modifications for 2011

- Lowering the reporting threshold to 10,000 metric tons CO2e, rather than the current 25,000 metric tons CO2
- Alignment with USEPA mandatory reporting requirements
- Alignment with California Cap & Trade Program
- Annual verification of emissions > 25,000 MT CO2e (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 CO2 by Fuel Type

Fuel Type	Fuel	Kg	Amount of fuel	Amount of fuel	Amount of fuel
	Units	CO2/	to produce	to produce	to produce
		Unit	25,000 MT CO2	10,000 MT CO2	2,500 MT CO2
Natural Gas	scf	0.0544	459,000,000	184,000,000	45,900,000
(unspecified) <sup>1</sup>	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	Gallons	10.14	2,465,000	986,000	246,500
(#1, 2, & 4) <sup>1</sup>					
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

1 (California Code of Regulations)

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

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

<sup>4</sup> Dewatered digested Biosolids = 5,300 Btu/lb.dry solids; Chemical Precipitated Biosolids = 7,500 Btu/lb.dry solids; Dewatered Raw Biosolids = 10,300 Btu/lb.dry solids; http://www.biosolids.org/ems\_main.asp?sectionid=48&pageid=189&pagename=Manual%200f%

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 NOx and PM requirements become effective in 2010. March 1, 2010 After 2009, large fleets must report each year from 2010 Large Fleets Only: to 2020, detailing how requirements have been met. Over 5000 HP NOx and PM requirements become effective in 2013. March 1, 2013 After initial reporting in 2009, medium fleets must report Medium Fleets: each year from 2012 to 2021, detailing how 2,501 to 5,000 HP requirements have been met. Only PM requirements become effective in 2015 for March 1, 2015 small fleets. After initial reporting in 2009, fleets must Small Fleets: report each year from 2014 to 2026, detailing how 2,500 HP and Under requirements have been met.