



# **BACWA AIR Committee Meeting**

July 15, 2009

Oakland, CA



# **Introductions & Announcements**



# **AB 32 Updates**



# AB 32 Update: Mandatory Reporting of GHGs

|                           |  |
|---------------------------|--|
| <b>Status</b>             | <ul style="list-style-type: none"><li>• BACWA Workshop held on April 28, 2009</li><li>• Reports due on June 1, 2009</li></ul>  |
| <b>Workshop Follow-up</b> | <ul style="list-style-type: none"><li>• Who submitted inventory to CARB?</li><li>• Preparation and/or Submittal Issues?</li><li>• Renee Lawver/CARB was appreciative of workshop</li></ul> |



# AB 32 Update: Mandatory Reporting of GHGs

|                               |   |
|-------------------------------|---|
| <b>Status</b>                 | Drafting comment letter to Renee Lawver to improve reporting process  |
| <b>Applicability to WWTPs</b> | <p>The comments at the workshop included:</p> <ul style="list-style-type: none"><li>- Change natural gas units to therms to simplify looking up HHV and back-calculating to SCFs</li><li>- Reduce monthly Biogas HHV sampling and testing to semi-annual or annual after a consistent value is established.</li><li>- Add other established sampling or testing methods for HHV, which currently are not referenced in Title 17</li><li>- In the regulation text, consider changing the term “biogas” to “digester gas” to differentiate between landfill and POTW gas emissions and for consistent HHV estimation for digester gas specifically.</li></ul> |
| <b>More Info</b>              | Email Sarah Merrill with any items to include in the comment letter: <a href="mailto:sarah.merrill@ch2m.com">sarah.merrill@ch2m.com</a>   |



# AB 32 Update: Cap-and-Trade Program

|                               |  |
|-------------------------------|--|
| <b>Background</b>             | Uses targets and market mechanisms to reduce emissions; Financial incentives for entities that can reduce earlier or more cheaply than others.<br><u>Scoping Plan Directive</u> : Implement a broad-based California cap-and-trade program to provide a fixed limit on emissions |
| <b>Applicability to WWTPs</b> | TBD—cap requirement & opportunity for selling GHG offsets<br>Federal program may require states to delay their C&T programs for 5 years  |
| <b>More Info</b>              | <a href="http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm">http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm</a>  |



# AB 32 Update: Cap-and-Trade Program

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## CARB's Timeline

- Focus in 2009: work through implications of different issues and policy decisions
- Focus in 2010: finalize program design and develop regulatory language
- End of 2010: Board action on cap-and-trade regulation
- 2012: C&T program begins
- Extensive public process throughout



# AB 32 Update: Cap-and-Trade Program

## Capped Sources

### 2012-2014 (Narrow Scope)

- In-State Electricity Generation Facilities (>25,000 MT CO<sub>2</sub>e/year) & Imported Electricity
- Large Industrial Facilities (>25,000 MT CO<sub>2</sub>e/year)

### 2015-2020 (Broad Scope)

- Adds ‘upstream’ treatment of fuel combustion where fuel enters into commerce covering
  - *upstream – where the CO<sub>2</sub> or GHG first enters the economy*
  - Small industrial fuel use (for facilities <25,000 MT CO<sub>2</sub>e/year)
  - Residential and commercial fuel use
  - Transportation fuel use



# AB 32 Update: Cap-and-Trade Program

## CWCCG Comment Letter to CARB Regarding C&T

### CWCCG Comments

1. Proposed definition of eligible offset projects may limit bone fide projects
2. No cap for POTWs:
  - variable emissions: changing diurnal & seasonal WW strength
  - other treatment regulations result in more GHG
  - Market changes difficult for essential public services
3. Exclude biogenic emissions: particularly combustion of biomass (i.e. biogas & waste-derived biomass)



# AB 32 Update: Implementation Fee

|                               |   |
|-------------------------------|---|
| <b>Purpose</b>                | <p>Fee authorized by the AB 32 Scoping Plan will support the implementation of the Scoping Plan, past start-up loans and future costs.</p>  |
| <b>Applicability to WWTPs</b> | <ul style="list-style-type: none"> <li>• <u>Affected entities</u>: Natural gas utilities and select users, Natural gas pipeline owners and operators, transportation fuel producers and importers, refineries, cement manufacturers, importers of out-of-state electricity, and facilities that combust coal.</li> <li>• i.e. it seems that WWTPs will be indirectly affected by higher fuel and energy costs.</li> </ul> |
| <b>Status</b>                 | <ul style="list-style-type: none"> <li>- January 2010: Fee Determination Notices will be sent to affected entities according to 2008 emissions reports</li> <li>- March 2010: Affected entities to remit fee to ARB</li> </ul>  |
| <b>More Info</b>              | <p><a href="http://www.arb.ca.gov/cc/adminfee/adminfee.htm">http://www.arb.ca.gov/cc/adminfee/adminfee.htm</a></p>  |



# CEQA GHG Thresholds

|                   |   |
|-------------------|---|
| <b>Background</b> | <ul style="list-style-type: none"> <li>• The OPR is establishing framework for new CEQA climate change requirements</li> <li>• ARB was asked to make quantitative standard recommendations for CEQA GHG-related thresholds of significance.</li> </ul>  |
| <b>Status</b>     | <ul style="list-style-type: none"> <li>• October 24, 2008 – Preliminary Draft Staff Proposal released</li> <li>• April 13, 2009 – OPR submitted proposed amendments to the CEQA Guidelines for GHG emissions to the Secretary of Natural Resources</li> <li>• July 3, 2009 – the Natural Resource Agency began rulemaking procedure, comment period opened</li> <li>• August 18 &amp; 20, 2009 – Public Hearings scheduled</li> <li>• August 20, 2009 – Comment period closed</li> <li>• January 1, 2010 – Deadline for guidelines to be certified and adopted</li> </ul> |
| <b>More Info</b>  | <p>Overview: <a href="http://opr.ca.gov/index.php?a=ceqa/index.html">http://opr.ca.gov/index.php?a=ceqa/index.html</a><br/>         Comment Process: <a href="http://ceres.ca.gov/ceqa/guidelines/">http://ceres.ca.gov/ceqa/guidelines/</a></p>  |

# CEQA GHG Thresholds

## Proposed Amendment Summary

- no explicit threshold outlined by OPR/CEQA Guidelines
  - ARB originally recommended Quantitative Standard of ~7,000 metric tons CO<sub>2</sub>e/yr (including electricity usage)
- Allowing local lead agencies to dictate thresholds of significance and mitigation measures
- BAAQMD = 1,175 MT CO<sub>2</sub>/yr. vs. 3,750 MT/yr.
  - SCAQMD = 10,000 MT CO<sub>2</sub>/yr., not lifecycle
- Comments due by August 20, 2009 to California Natural Resources Agency



# Low Carbon Fuel Standard

|                                 |   |
|---------------------------------|---|
| <b>Status</b>                   | April 23, 2009- regulation adopted to implement California Low Carbon Fuel Standard.  |
| <b>General Regulation Info.</b> | <ul style="list-style-type: none"> <li>• Diversifying the variety of fuels</li> <li>• California fuels to meet an average declining standard of 'carbon intensity'.</li> <li>• <u>Funding</u>: The Alternative and Renewable Fuel and Vehicle Technology Program, AB 118, will provide significant funding over the next 7 years. (AB 118 discussed in later slides)</li> </ul> |
| <b>Future Opportunities</b>     | <p>-Push to explicitly include "waste-derived" alternative fuel industry research to be funded through program as a low carbon fuel option</p> <p>-&gt; Comment letter submitted to ARB by L.A. County Sanitation District</p>  |
| <b>More Info</b>                | <a href="http://www.energy.ca.gov/low_carbon_fuel_standard/">http://www.energy.ca.gov/low_carbon_fuel_standard/</a>   |

# Low Carbon Fuel Standard

## LACSD Comments

February 23, 2009 - LA County Sanitation District submitted comments

- waste-to-alternative fuel options not explicitly recognized
- more GREET pathways for waste-derived fuels needed.

Sources to examine are:

- Landfill gas
- Sewage digester gas
- Biosolids
- Green waste
- Fats and grease
- Municipal waste
- Green option: Biofuel crops grown on otherwise marginal land, irrigated with recycled water
  - lessens demand for virgin forests & food crop land
- define “renewable biomass” to include waste-derived alternative fuel from solid waste, et al. specifically



# **National Regulatory Updates**



# EPA Updates: Draft Mandatory Reporting of GHGs

|                               |  |
|-------------------------------|--|
| <b>Status</b>                 | <p>Proposed Rule publication: April 10, 2009</p> <ul style="list-style-type: none"> <li>- Final rule still being developed</li> </ul>  |
| <b>Applicability to WWTPs</b> | <ul style="list-style-type: none"> <li>• Reporting for General Stationary Combustion above 25,000 MT <u>CO<sub>2</sub>-e</u>/yr (section 98.2)</li> <li>• Wastewater Treatment section focuses on industrial, not municipal wastewater treatment</li> <li>• Biogenic emissions not included in emissions total/ reporting threshold</li> <li>• No electricity generation or cogeneration reporting requirements or any combustion emissions below 25,000 MT CO<sub>2</sub>-e/yr similar those in CA</li> </ul> |
| <b>More Info</b>              | <p><a href="http://www.epa.gov/climatechange/emissions/ghgrulemaking.html">http://www.epa.gov/climatechange/emissions/ghgrulemaking.html</a></p>   |



# EPA Updates: Draft Mandatory Reporting of GHGs

|  |   |
|--|---|
| <b>CWCCG<br/>Comment Letter<br/>Update</b> | CWCCG issued a comment letter to the EPA regarding: <ul style="list-style-type: none"><li>➤ exclude essential public services from GSC</li><li>➤ delegate program to CARB to eliminate burden of double-reporting</li><li>➤ <b>Biogenic emission sources excluded—supported!</b></li><li>➤ <b>Exclusion of lower threshold Title V entities—supported</b></li></ul> |
| <b>More Info</b>                           | <a href="http://www.epa.gov/climatechange/emissions/ghgrulemaking.html">http://www.epa.gov/climatechange/emissions/ghgrulemaking.html</a>   |



# EPA Updates: Combustion Engine Emissions Standards

|                               |   |
|-------------------------------|---|
| <b>Background</b>             | The EPA has recently amended the National Emission Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines.  |
| <b>Applicability to WWTFs</b> | The updated regulations <u>do not exempt</u> landfill and digester gas-fired stationary engines from new emissions requirements<br>- Specifically names “Landfill/Digester” engines<br>- Regulates engines $\geq 50$ hp, emission and maintenance standards |
| <b>Status</b>                 | <ul style="list-style-type: none"><li>• Released final rule – January 18, 2008</li><li>• Public hearing on proposed amendments – April 6, 2009</li><li>• Comments still being received (marked late, but still considered)</li></ul>                        |
| <b>More Info</b>              | <a href="http://www.epa.gov/ttn/atw/rice/ricepg.html">http://www.epa.gov/ttn/atw/rice/ricepg.html</a>   |



# EPA Updates: Combustion Engine Emissions Standards

|                           |   |
|---------------------------|---|
| <b>Comments submitted</b> | <p>NACWA comment letter submitted June 3, 2009:</p> <ul style="list-style-type: none"><li>• Emissions limits are too stringent<ul style="list-style-type: none"><li>- especially for engines that use landfill or digester gas</li><li>- raise limits or impose reasonable O&amp;M limits and standards</li><li>- restrict number of hours operated for emergency engines</li><li>- provide for startup, shutdown, and malfunction periods</li></ul></li><li>• Cost has not been justified<ul style="list-style-type: none"><li>- likely to cost each utility millions</li><li>- emergency engines are rarely used</li></ul></li><li>• Clarify Landfill/Digester Gas HP &gt; 500 subcategory status</li><li>• <b>Restrictions discourage alternative/available fuel use</b></li></ul> |
| <b>More Info</b>          | <p><a href="http://www.nacwa.org/index.php?option=com_content&amp;view=article&amp;id=33:air-quality&amp;catid=11:operations-wwi&amp;Itemid=97">http://www.nacwa.org/index.php?option=com_content&amp;view=article&amp;id=33:air-quality&amp;catid=11:operations-wwi&amp;Itemid=97</a></p>  |



# EPA Updates: Combustion Engine Emissions Standards

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This EPA standard is classic Cross Media issue:

- Combined Heat (CHP) & Power impacted
- SCAQMD Priority Reserve Lawsuit
- CEC mandate to promote CHP
- CHP workshops
  - 7/23—CEC
  - 7/27--CARB



# EPA News: Water System Adaptation Partnership Act

|                   |   |
|-------------------|---|
| <b>Background</b> | <ul style="list-style-type: none"><li>• H.R. 2969, The Water System Adaptation Partnerships Act of 2009</li><li>• Would establish a competitive grant program at the EPA</li><li>• specifically to support water, wastewater, and stormwater facilities in addressing climate change issues:<ul style="list-style-type: none"><li>- Water quality</li><li>- Energy efficiency</li><li>- Renewable energy</li><li>- Water reuse</li><li>- Green Infrastructure</li></ul></li></ul> |
| <b>Status</b>     | <ul style="list-style-type: none"><li>• June 21, 2009 – Bill was introduced by Rep. Lois Capps (D-CA)</li></ul>   |
| <b>More Info</b>  | <a href="http://www.nacwa.org/index.php?option=com_content&amp;view=article&amp;id=32&amp;Itemid=104">http://www.nacwa.org/index.php?option=com_content&amp;view=article&amp;id=32&amp;Itemid=104</a>   |



# EPA News: Water System Adaptation Partnership Act

## Applicability to WWTFs

- July 9 , 2009 - Joint letter to Sen. Barbara Boxer from ACWA and CASA
- July 10, 2009 – NACWA letter to Sen. Boxer
- Requests that HR 2969 be incorporated into climate change legislation that her committee is developing
- Water and wastewater agencies' climate change adaptation efforts need to be supported

***“According to the EPA, a \$534 billion dollar gap exists between current investment in water and wastewater infrastructure and projected needs over the next 20 years.”***



# **CARB Fleet Regulations**

**CH2MHILL**



# Fleet Updates: Diesel Emission Control Strategy Amendments

|                         |   |
|-------------------------|---|
| <p><b>Purpose</b></p>   | <p>A verification procedure for diesel emissions control strategies (DECS) has been put into place to ensure real and durable emissions reductions of diesel PM and NOx.</p> <p>Proposed Amendments include: pre-installation compatibility assessment, field demonstration data collecting procedures, repower practices, warranty claims will affect status of verification, etc.</p> <p>See website for complete list.</p> |
| <p><b>Status</b></p>    | <ul style="list-style-type: none"> <li>• Verification Procedure adopted May 2002</li> <li>• Proposed amendments to be approved at public hearing on October 22-23, 2009</li> </ul>  |
| <p><b>More Info</b></p> | <p><a href="http://www.arb.ca.gov/diesel/verdev/home/workshop_presentation.pdf">http://www.arb.ca.gov/diesel/verdev/home/workshop_presentation.pdf</a></p>  |



# Large, Spark-Ignition (LSI) Engines – Forklift Fleets

|                      |   |
|----------------------|---|
| <b>Applicability</b> | <p>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</p> <p><u>Applies to:</u> LSI engines of 25 hp or higher<br/><u>Exempt:</u> Smaller fleets &amp; Low-use fleets (i.e. &lt; 250 hr/yr.)</p> |
| <b>Status</b>        | <ul style="list-style-type: none"><li>• January 2009 – Effective date</li><li>• April 1, 2009 – Enforcement commences</li><li>• April 15, 2009 – Advisory posted</li></ul>  |
| <b>More Info</b>     | <p><a href="http://www.arb.ca.gov/msprog/offroad/orspark/orspark.htm">http://www.arb.ca.gov/msprog/offroad/orspark/orspark.htm</a></p>  |



# Large, Spark-Ignition (LSI) Engines – Forklift Fleets

## Regulation Update

As per the advisory posted April 15, 2009, a few exemptions/changes have been made:

- Until April 15, 2010, the following can be excluded from fleet average calculations:
  - 1) fully emission-controlled late model year fleets
  - 2) fully emission-controlled equipment with engine displacements > 3 liters
- For determining compliance with January 1, 2009 fleet average emission level standards, LSI equipment with > 3 liter engines and retrofit kits for this size of equipment engine can be included in the fleet average calculation.

Provided:

- 1) Equipment and/or retrofit kits were purchased or leased on or before April 15, 2010
- 2) Equipment is included in the inventory
- 3) Kits are installed by December 31, 2010



# In-Use, Off-Road Diesel Regulation Updates

|                                 |  |
|---------------------------------|--|
| <b>Regulation Applicability</b> | <ul style="list-style-type: none"> <li>• Applies to any self-propelled, diesel fueled vehicles that cannot be registered and licensed to drive on-road with <math>\geq 25</math> hp (Loaders, Forklifts, Backhoes, etc.)</li> <li>• Note: requirements vary by fleet size</li> </ul>   |
| <b>Updates</b>                  | <p>Public hearing to be held on July 23, 2009</p> <p>Amendments to be considered will allow fleet owners to:</p> <ol style="list-style-type: none"> <li>1. Gradually meet compliance standards over the course of 3 years (2011-2013)</li> <li>2. Receive credit for both PM and NOx reductions made in fleet if total hp is decreased</li> <li>3. Receive credit for reducing activity to satisfy retrofitting and turnover requirements</li> </ol> |
| <b>More Info</b>                | <p>General website:<br/> <a href="http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm">http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm</a></p> <p>Helpful Regulation Fact Sheet:<br/> <a href="http://www.arb.ca.gov/msprog/ordiesel/faq/ordoverview.pdf">http://www.arb.ca.gov/msprog/ordiesel/faq/ordoverview.pdf</a></p>  |



# Fleet Updates: September Trainings on ARB Off-Road Regs

|                         |   |
|-------------------------|---|
| <b>Purpose</b>          | <p>Additional series of training seminars on the In-Use Off-Road Diesel Vehicle regulation announced:</p> <ul style="list-style-type: none"><li>• in-depth presentation of the regulation and how to comply</li><li>• grant opportunities.</li><li>• speak one-on-one with providers of exhaust retrofit devices.</li></ul> |
| <b>Workshop Details</b> | <ul style="list-style-type: none"><li>• September 8 &amp; 9, 2009</li><li>• Locations around the state. Local sessions in Sacramento, CA</li><li>• Morning and afternoon sessions</li><li>• Available via webcast</li></ul>   |
| <b>More Info</b>        | <p><a href="http://www.arb.ca.gov/training/courses.php?course=504">http://www.arb.ca.gov/training/courses.php?course=504</a></p>  |



# Fleet Updates: Fleet Calculator Tool Available

|                  |  |
|------------------|--|
| <b>Purpose</b>   | <p>ARB has posted an updated version of the fleet calculator for the Truck and Bus Regulation.</p> <p>The calculator is designed to:</p> <ul style="list-style-type: none"><li>- assist fleet owners in determining the yearly compliance</li><li>- plan for the coming years utilizing various compliance options available in the regulation</li><li>- works in an Excel file format</li></ul> |
| <b>More Info</b> | <p><a href="http://www.arb.ca.gov/msprog/onrdiesel/calculators.htm">http://www.arb.ca.gov/msprog/onrdiesel/calculators.htm</a></p>   |



# Fleet Updates: On-Road Diesel Trucks Regulation Outreach

|                            |   |
|----------------------------|---|
| <b>Background</b>          | ARB Outreach Goals developed to assist in: <ul style="list-style-type: none"><li>• understanding regulatory requirements</li><li>• finding applicable funding assistance programs</li><li>• to include telephone and Internet resources</li></ul> |
| <b>Available Resources</b> | <ul style="list-style-type: none"><li>• Telephone hotline: (866) 6DIESEL (866-634-3735)</li><li>• Website is being finalized.</li></ul>   |
| <b>More Info</b>           | <a href="http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm">http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm</a>   |



# **Grant & Loan Opportunities**

**CH2MHILL**



# CEC Updates: Grant Programs & Bonds Available

|                  |  |
|------------------|--|
| <b>Status</b>    | The California Energy Commission (CEC) has rolled out a series of funding programs for energy-related projects as part of the HR 1 American Recovery and Reinvestment Act of 2009. |
| <b>More Info</b> | <a href="http://www.energy.ca.gov/recovery/">http://www.energy.ca.gov/recovery/</a>  |

## Relevant Programs

### **Energy Efficiency & Conservation Block Grant Program**

|                         |   |                               |
|-------------------------|---|-------------------------------|
| <b>Funds Available</b>  | National Total: \$3.2 billion<br>CEC Allocation: ~ \$50 million   | CA State Total: \$350 million |
| <b>Program Synopsis</b> | Supports development of Energy Efficiency & Conservation strategies and programs, including energy audit programs and renewable energy project installation at gov't buildings. |                               |
| <b>Status</b>           | July 14 & 15, 2009 – Public Workshops on guidelines to be held<br>Listserv available  |                               |
| <b>More Info</b>        | <a href="http://www.energy.ca.gov/recovery/blockgrant.html">http://www.energy.ca.gov/recovery/blockgrant.html</a>   |                               |



# CEC Updates: Relevant Programs

## State Energy Program

|                         |  |                               |
|-------------------------|--|-------------------------------|
| <b>Funds Available</b>  | National Total: \$3.1 billion  | CA State Total: \$226 million |
| <b>Program Synopsis</b> | To support programs in various sectors, including industrial, institutional and agricultural, in renewable energy research, deployment and transmission planning |                               |
| <b>Status</b>           | July 2009 – CEC guidelines to be presented, applications currently N/A   |                               |
| <b>More Info</b>        | <a href="http://www.energy.ca.gov/recovery/sep.html">http://www.energy.ca.gov/recovery/sep.html</a>  |                               |

## Clean Cities Program

|                         |   |  |
|-------------------------|---|--|
| <b>Funds Available</b>  | National Total: \$300 million, \$5 million min. - \$15 million max. award                             |  |
| <b>Program Synopsis</b> | Competitive program for governments to purchase alternative fuel vehicles and infrastructure.         |  |
| <b>Status</b>           | March 10, 2009 – Pilot Program solicitation released<br>Sept 30, 2009 – Applications to DOE (Round 2) |  |
| <b>More Info</b>        | <a href="http://www1.eere.energy.gov/cleancities/">http://www1.eere.energy.gov/cleancities/</a>       |  |



# CEC Updates: Other Funding Opportunities

## Renewable Energy Loan Guarantees

|                        |   |
|------------------------|---|
| <b>Funds Available</b> | National Total: \$6 billion   |
| <b>Synopsis</b>        | Competitive loans for renewable power generation and transmission projects (including biomass and methane gas)<br>See website for information on solicitations. |
| <b>More Info</b>       | <a href="http://www.energy.gov/recovery/funding.htm">http://www.energy.gov/recovery/funding.htm</a>   |

## Qualified Energy Conservation Bonds

|                        |  |
|------------------------|--|
| <b>Funds Available</b> | Final Act Estimates: \$803 million   |
| <b>Synopsis</b>        | The bill authorizes additional \$2.4 billion in loans and grants to finance government programs and initiatives to reduce GHG emissions. |



# CEC Updates: Other Funding Opportunities

## Clean Renewable Energy Bonds

|                        |  |
|------------------------|--|
| <b>Funds Available</b> | Final Act Estimates: \$578 million   |
| <b>Synopsis</b>        | The bill authorizes an additional \$1.6 billion in bonds to finance electricity generation projects from alternative resources, including biomass, landfill gas and trash combustion facilities. |
| <b>More Info</b>       | <a href="http://www.energy.gov/recovery/funding.htm">http://www.energy.gov/recovery/funding.htm</a>  |



# Climate Showcase Communities Grant Program

|                        |   |
|------------------------|---|
| <b>Funds Available</b> | Total: \$10 million<br>Awards from \$100,000 - \$500,000 per project  |
| <b>Synopsis</b>        | To help create “replicable models of sustainable community action that generate cost-effective & persistent GHG reductions while improving the environmental, economic, public health, or social conditions in a community”<br>-Recipients to meet a 50% cost-share |
| <b>Status</b>          | Proposal accepted through July 22, 2009<br>Grants awarded through January 2010  |
| <b>More Info</b>       | <a href="http://www.epa.gov/RDEE/energy-programs/state-and-local/showcase.html">http://www.epa.gov/RDEE/energy-programs/state-and-local/showcase.html</a>   |

# \$500M+/year CA Investment

AB 118

**Carl Moyer**  
**>\$100M**

Trucks and buses  
Off-road equipment  
Ag pumps  
Marine vessels  
Locomotives

*SIP emission reductions*

**Prop 1B**  
**\$250M**

Line-haul trucks  
Locomotives  
Marine vessels  
Shore power

*Smog/PM in goods movement corridors*

**School Bus**  
**\$200M\***

Clean school buses

*Children's air toxic exposure*

**BAR**  
**~\$30M**

Light-duty scrap and repair

*Smog from gross polluters*

**ARB**  
**~\$50M**

Truck Loans  
(FY 2008-09)

Advanced technology vehicles & equipment  
(FY 2009-10)

*Criteria pollutants and toxics*

**CEC**  
**~\$120M**

Low carbon fuels and vehicles

Support infrastructure

R & D

*Climate change goals*

\*School bus funds only allocated in one year.



## AB 118: An Air Quality Incentive Program Bill

|                  |   |
|------------------|---|
| <b>Purpose</b>   | <p>AB 118 provides approximately \$200 million annually through 2015 for three new air quality incentive programs:</p> <ol style="list-style-type: none"> <li>1. The <u>Air Quality Improvement Program (AQIP)</u> administered by ARB</li> <li>2. The <u>Alternative and Renewable Fuel and Vehicle Technology Program</u> administered by the California Energy Commission</li> <li>3. The <u>Enhanced Fleet Modernization Program</u> administered by the Bureau of Automotive Repair</li> </ol> |
| <b>Status</b>    | <ul style="list-style-type: none"> <li>• Signed by Governor Schwarzenegger in October 2007</li> <li>• April 24, 2009- approved AQIP Guidelines and Funding Plan for FY 2009-10</li> </ul>   |
| <b>More Info</b> | <p><a href="http://www.energy.ca.gov/ab118/index.html">http://www.energy.ca.gov/ab118/index.html</a></p>  |



# AB 118: The AQIP Funding Plan

|                             |   |
|-----------------------------|---|
| <b>Background</b>           | The AQIP will provide about <b>\$50 million per year</b> for grants to fund clean vehicles and equipment, air quality research, and workforce training              |
| <b>Status</b>               | <ul style="list-style-type: none"><li>On April 24, 2009, the Board adopted the AQIP Guidelines and approved the AQIP Funding Plan for Fiscal Year 2009-10</li></ul> |
| <b>More Info</b>            | <a href="http://www.arb.ca.gov/msprog/aqip/aqip.htm">http://www.arb.ca.gov/msprog/aqip/aqip.htm</a>   |
| <b>Future Opportunities</b> | Possible future opportunity for lobbying to obtain funding for digester emissions and cogeneration research.  |



# AB 118: Truck Loan Program

|                           |  |
|---------------------------|--|
| <b>Background</b>         | <p>Under the AQIP, the PLACE program has been developed to address fleet emissions reduction.</p>  |
| <b>Relevance to WWTPs</b> | <p><u>Truck Loan Program (PLACE)</u></p> <ul style="list-style-type: none"> <li>- For both on and off-road fleets</li> <li>- Financing Options:             <ul style="list-style-type: none"> <li>&gt; Loan guarantees, Interest-rate buy downs, Lease buy-backs, Extended repayment periods, etc.</li> </ul> </li> </ul> <p>Eligibility Requirements:</p> <ul style="list-style-type: none"> <li>- For small businesses: 100 or fewer employees and &lt; \$10 million annual revenue (on 3 yr. average)</li> <li>- Off-Road: Fleets of all sizes (small, medium, large, as defined by the off-road rule) are eligible</li> </ul> <p>On-Road: Fleets of 20 or fewer heavy-duty vehicles are eligible</p> <p>Loan Applications are now available and being accepted by participating CalCAP lenders.</p> |
| <b>More Info</b>          | <p><a href="http://www.arb.ca.gov/ba/loan/loan.htm">http://www.arb.ca.gov/ba/loan/loan.htm</a></p>   |



# AB 118: The Alternative and Renewable Fuel & Vehicle Technology Program

|                                |   |
|--------------------------------|---|
| <b>AQIP Relevance to WWTPs</b> | The Alternative and Renewable Fuel and Vehicle Technology Program, AB 118, will provide approximately \$120 million dollars per year over seven years to deploy the cleanest fuels and vehicles.  |
| <b>More Info</b>               | <a href="http://www.energy.ca.gov/proceedings/2008-ALT-1/index.html">http://www.energy.ca.gov/proceedings/2008-ALT-1/index.html</a>   |
| <b>Future Opportunities</b>    | <ul style="list-style-type: none"><li>- April 30, 2009: Investment Plan (for next 2 years) released<ul style="list-style-type: none"><li>&gt; Focused on electricity and hydrogen powered options</li></ul></li><li>- Could provide funding in the future for “waste-derived” alternative fuel research and development</li></ul> |



# Carl Moyer Grant Money Available

|                   |  |
|-------------------|--|
| <b>Background</b> | The Carl Moyer Program offers grants to owners of heavy-duty vehicles and equipment to reduce air pollution emissions. Grant money can be used to install particle filters, replace engines in older equipment, or purchase new equipment to replace older models. |
| <b>Status</b>     | See next slide   |
| <b>More Info</b>  | <a href="http://www.baaqmd.gov/Divisions/Strategic-Incentives/Carl-Moyer-Program.aspx">http://www.baaqmd.gov/Divisions/Strategic-Incentives/Carl-Moyer-Program.aspx</a>  |



# Carl Moyer Grant Money Available

|                             |  |
|-----------------------------|--|
| <p><b>Status</b></p>        | <ul style="list-style-type: none"> <li>-April 15, 2009: \$20 million in grant money through the Carl Moyer Program became available</li> <li>- July 2009: Additional \$2.4 million available for small on-road fleets of 3 or less</li> <li>- To date: ~ \$13 million has been allocated to eligible projects</li> <li>&gt; Note: First come, first served – applications still being accepted</li> </ul>      |
| <p><b>Applicability</b></p> | <ul style="list-style-type: none"> <li>- Approximately <b>\$9 million dollars</b> are still available for diesel emission reduction projects.</li> <li>- Grant money can be used for fleet retrofitting and replacement</li> <li>- Highest priority given to the following communities: Concord, E. San Francisco, Redwood City/East Palo Alto, Richmond/San Pablo, San Jose, and W. Alameda County</li> </ul> |
| <p><b>More Info</b></p>     | <p>Grant applications can be found at: <a href="http://www.baaqmd.gov/moyer">www.baaqmd.gov/moyer</a><br/>         Grants Hotline: (415) 749-4994</p>  |



# **Local Regulatory Updates**

**CH2MHILL**



# BAAQMD Update: Regulation 3 Fee Increase

|                      |  |
|----------------------|--|
| <b>Status</b>        | <ul style="list-style-type: none"> <li>- Hearing held on April 15, 2009 regarding Regulation 3 Fees</li> <li>- Revised version effective 7/1/09</li> </ul>   |
| <b>Applicability</b> | <p>The fees will increase for:</p> <ul style="list-style-type: none"> <li>• Stationary Combustion of Fuels (excludes flares)             <ul style="list-style-type: none"> <li>– See Schedule B</li> </ul> </li> <li>• Solid Waste Disposal Sites (inactive and active)             <ul style="list-style-type: none"> <li>- See Schedule K</li> </ul> </li> <li>• Major Stationary Sources (&gt;50 tons/yr threshold)             <ul style="list-style-type: none"> <li>- See Schedule M</li> </ul> </li> <li>• Greenhouse Gases, etc.: \$0.045/ MT of CO<sub>2</sub>-e             <ul style="list-style-type: none"> <li>- See Schedule T</li> </ul> </li> </ul> <p>For a full list of affected sources, see the website link for the updated Regulation 3.</p> |
| <b>More Info</b>     | <p><a href="http://www.baaqmd.gov/Divisions/Planning-and-Research/Rules-and-Regulations.aspx">http://www.baaqmd.gov/Divisions/Planning-and-Research/Rules-and-Regulations.aspx</a></p>   |



# BAAQMD Update: Possible Composting Rule

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## Contact: Robert Cave/BAAQMD

- preliminary stages of developing regulations on composting operations
- needs to gather data on operations in the district
- hoping for rule development in 2010

## Attendees: Jim Sandoval, Zachary Key (City of Santa Rosa), Dean Paige (City of Santa Rosa), Greg Kester (CASA)

- explained the operations and importance of compost operations to their facilities
- presented issues for biosolids operators when similar rules were instated in South Coast and San Joaquin Air Districts
- stressed the need to consider cross-media impacts and net environmental benefits of composting operations

# Discussion



# AIR Committee 2009/10

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**Future  
Meetings**

Business as usual vs topical  
Newsletters



# Closing

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|---------------------|--|
| <b>Next Meeting</b> | Date: October 21, 2009<br>Time: 10 am – 1 pm<br>Location: CH2M HILL Offices<br>Oakland, CA |
|---------------------|--|