



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

Quarterly Meeting
March 15, 2017

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Agenda

- Introductions
- BAAQMD Rule Updates
- Greenhouse Gas Emission Regulations
- Lunch & Member Updates
- Lystek Organic Materials Recovery Center Tour

- Next Meetings:
 - June 21st with BAAQMD (to be confirmed)



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BAAQMD Rule Updates

- Proposed Regulation 11, Rule 18 – Reduction of Risk from Air Toxic Emissions at Existing Facilities
- Amendments to Regulation 3 – Fees
- Amendments to Regulation 6, Rule 1 – Particulate Matter



DRAFT Regulation 11, Rule 18 Risk Reduction at Existing Facilities

- Summary of March 9th Workshop with BAAQMD
- Priority Action Items
- Emission Factor Development



Amendments to Regulation 3 - Fees

Increasing fee revenue to recover BAAQMD costs for implementing and enforcing regulatory programs for stationary sources

- New Risk Assessment Fee for health risk assessment (HRA) under Rule 11-18 (maximum fee \$100,000 per facility)
- For more than 3 HRA scenarios, applicants to pay additional fees
- New Fees for Risk Reduction Plan (under Rule 11-18) \$1,500 - \$32,000 depending on number of sources



Amendments to Regulation 6, Rule 1 - Particulate Matter

- General/Visible Emission Requirements



Greenhouse Gas Emissions Regulations

- CalRecycle Short-Lived Climate Pollutant (SLCP) Reduction Implementation (SB 1383)
- CA 2030 Target Scoping Plan January Draft
- BAAQMD Draft 2017 Clean Air Plan



“2030 Target” Scoping Plan to achieve 40% below 1990 levels

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • December Draft <ul style="list-style-type: none"> – Baseline:
Continue Cap-and-Trade – Alternative 1:
No Cap-and-Trade/
Direct Regulations – Alternative 2:
Carbon Tax | | <ul style="list-style-type: none"> • January Draft <ul style="list-style-type: none"> – Proposed Scenario:
Continue Cap-and-Trade +
Refinery Sector Reductions – Alternative 1:
No Cap-and-Trade/ Direct
Regulations – Alternative 2:
Carbon Tax – Alternative 3:
All Cap-and-Trade (keep
LCFS) – Alternative 4:
Cap-and-Tax |
|---|--|--|

Only alternative to meet all Scoping Plan criteria



January Draft Economic Analysis

Proposed Scenario Measures	GHG Reduction by 2030 (MMTCO ₂)	Cost / metric ton in 2030
50% Renewables Portfolio Standard	13-15	\$100 - \$300
Mobile Sources CTF and Freight	12-14	<\$50
18% Carbon Intensity Reduction Target for LCFS-Liquid Biofuels	~4	\$250
20% Refinery Measure	2-5	\$70-\$200
SLCP Reduction Strategy	17-35 (CO₂e)	TBD
10% of residential and commercial electric space heating, water heating, A/C, and refrigeration assumed flexible by 2018	~2	(\$500) - (\$300)
2x additional achievable energy efficiency in the 2015 IEPR	6-8	(\$550) - (\$300)
Cap-and-Trade Program	45-100	\$25 - \$85

Other “2030 Target” Scoping Plan scenarios require add’l measures

- Additional policies needed
 - Transportation, electricity, and industrial sectors are the largest emitters
 - Short-lived climate pollutant reduction strategies (40% methane reduction by 2030)
 - Carbon sequestration on Natural and Working Lands (Healthy Soils Initiative, Forest Carbon Plan, and 2018 Action Plan)
- Local Climate Action Plans (to achieve 2050 target)



POTWs considered part of the solution in reducing methane!

- Actions to evaluate opportunities to divert organic waste from landfills and create useful byproducts
 - Developing regional opportunities
 - Directing financial incentives to POTWs that capture and use methane
 - Collaboration of state agencies to overcome regulatory (GHGs vs Toxics) and financial barriers (capital costs)
- Water/Wastewater utilities encouraged to adopt long-term goal to reduce GHGs 80% below 1990 levels by 2050



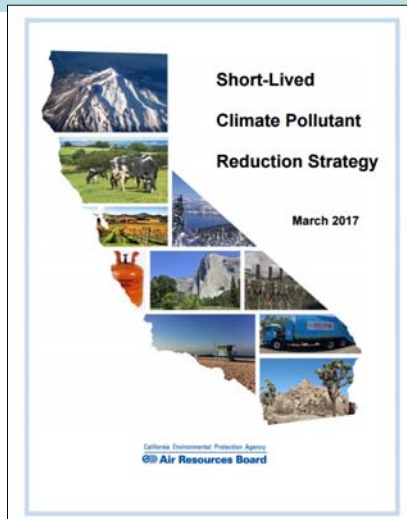
Schedule for Final “2030 Target” Scoping Plan

- Comments on January Draft Due: April 10th
- Final Scoping Plan: Summer 2017



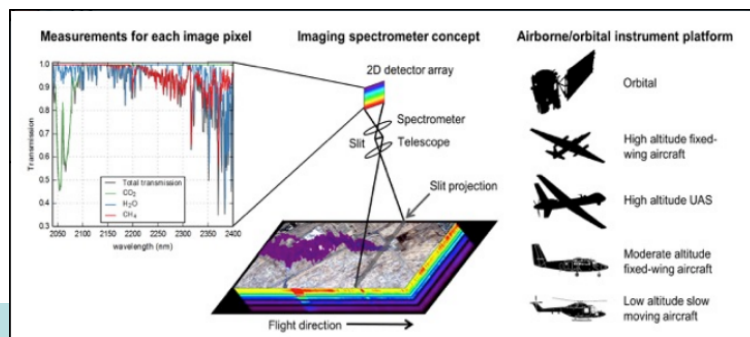
Final Proposed SLCP Reduction Strategy

- Assess benefits of actions to “**require**” capture and effective utilization of methane at POTWs
 - CalRecycle/ARB to work with State and Regional Water Boards
- Build market certainty for compost and other “soil amendment” products through the Healthy Soils Initiative
- Identify "hot spot" methane sources using aerial and ground measurement



CA Methane “Hot Spot” Survey

- Goal: Conduct aerial & ground-level survey of CH₄ emissions
- Sources: Fugitive CH₄ plumes associated with oil and gas production, natural gas pipelines, landfills, **wastewater management**, dairies, natural seeps, etc.



No Methane Detected in Flyover of WRP with Digesters



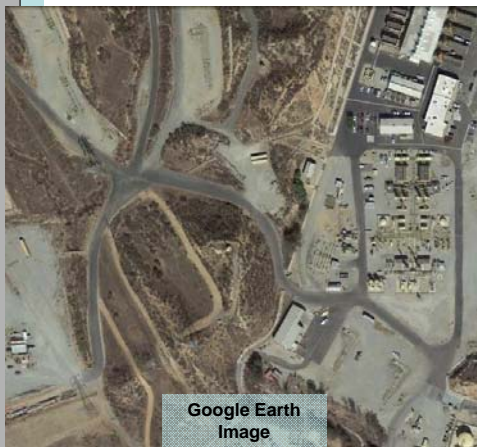
Google Earth Image



JPL Aerial Scan

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Methane Detected in Flyover of Natural Gas Storage Site



Google Earth Image



JPL Aerial Scan

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SB 1383 (2016): SLCP Reduction Strategy Implementation

- Methane Reduction:
 - 40% by 2030 (relative to 2013 levels)
- Organics Diversion from Landfills:
 - 50% by 2020 (relative to 2014 levels)
 - 75% by 2025 (relative to 2014 levels)
- Increase in Production/Use of Biogas:
 - State agencies to consider/adopt policies and incentives to increase production and use of renewable gas
 - CEC to incorporate into its 2017 Integrated Energy Policy Report
 - CPUC to consider policies in support of in-State biogas production/use



CalRecycle Begins Rule-Making under SB 1383

- Informal rule-making: 2017 (next workshops in May)
- Formal rule-making: 2018
- Final rule: End of 2018
- Goal: Develop “effective, measurable, and enforceable” programs (effective at a local scale, but not local programs)
- Organic Waste:
 - “Solid wastes containing material originated from living organisms and their metabolic waste products, including but not limited to food, green waste, landscape and pruning waste, applicable textiles and carpets, wood, lumber, fiber, **biosolids, digestate, and sludges.**”



BAAQMD Draft 2017 Clean Air Plan

- Goal: Protect public health and the climate
- Key Priorities:
 - Reduce Criteria Air Pollutants and Toxic Air Contaminants
 - Reduce Emission of Super-GHGs
 - Reduce Demand for Fossil Fuels
 - Decarbonize the Energy System
- Control Strategies (see spreadsheet handout)
 - Stationary Sources: Rule 11-18, Biogas Flares
 - Natural & Working Lands: Carbon Sequestration
 - Waste & Super-GHGs: Organics Diversion
 - Water: Water Conservation, Reduce GHGs while promoting biogas recovery
 - Further Studies: Lower ICE NOx, Investigate POTWs
- Comments submitted March 9th
- Climate Protection Meeting: March 22nd



BAAQMD Draft 2017 Clean Air Plan - Comments

- Key Focus Areas of the Comment Letter
 - Limiting Fossil Fuel Combustion
 - Stopping Methane Leaks
 - Reducing Exposure to Toxics
 - Promoting Clean Fuels
 - Limiting Greenhouse Gases from POTWs
 - Funding POTW Projects



Lystek Organic Material Recovery Center Tour

- Walking tour
- Approximately 1 hour
- Questions throughout



Next Meeting

- Targeting June 21, 2017 with BAAQMD
- Location: BAAQMD Office
375 Beale Street, San Francisco, CA 94105
- Draft agenda items:
 - Draft Clean Air Plan (control measures of concern to POTWs)
 - Rule 11-18 Update (update on rule, health risk assessments, fees)
 - Organic Waste Diversion in Support of SLCP Reduction vs Regulations 2-5, 9-2, and 11-18
 - Odors
 - Biogas production
 - Biosolids use

