



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

**Quarterly Meeting**  
**August 31, 2022**

1

1

## Agenda

- 2022 State Legislation Update
- BACWA-BAAQMD Workgroup July 18<sup>th</sup> Meeting Summary
- BAAQMD South Bay Odor Study
- CARB Scoping Plan Update Targeting Carbon Neutrality by 2045
- Inflation Reduction Act
- BAAQMD to Evaluate Localized Impacts of PM<sub>2.5</sub>
- CARB Potential Amendments to In-Use Off-Road Diesel-Fueled Fleets Regulation
- CARB Proposed Amendments to Diesel Off-Road Emissions Standards: Tier 5 Criteria Pollutants and CO<sub>2</sub>
- Open Discussion/Member Updates
- Adjourn



2

2

## 2022 State Legislation Update

- Deadline for approval and sending to the Governor's office: August 31<sup>st</sup>
- AIR Committee related bills tracked via CASA's Air Quality, Climate Change, and Energy (ACE) Workgroup



3

3

## BACWA-BAAQMD July 18<sup>th</sup> Workgroup Meeting Summary

- Air Toxics: Rule 11-18 (Existing Facilities) and Rule 2-5 (New Facilities) relative to Statewide Two-Step Process schedule
- Proposed Regulation 13 (Climate Pollutants Reduction) Deprioritized!
- Permit Handbook Updates – accepting edits to Standard Permit Conditions
- BAAQMD permitting process and staff shortages
- Other topics for collaboration



4

4

## BAAQMD Rule 11-18: Risk Reduction from Air Toxic Emissions at Existing Facilities

- Phased implementation based on cancer prioritization – WWTPs in Phase 2 (timeline uncertain)
- **ISSUES:**
  - Emission factors are based on old influent data and can result in erroneously high Prioritization Scores
  - Timing of Rule 11-18 risk reduction implementation not in full alignment with timing of CARB-approved Two-Step Process for updating emission factors
- **NEXT STEPS:** Coordinate risk reduction plan development with statewide two-step process (to be complete by 2028) to give time to...
  - Update relevant TAC emission factors
  - Determine needed and cost-effective risk reduction measures (considering rate payer impacts)



5

5

## Criteria Pollutants & Toxics Reporting and Air Toxics “Hot Spots” Program Updates

- AB 617 gives CARB authority to “harmonize” air monitoring, reporting, & emission reductions from stationary sources
- AB 2588 Hot Spots compound list >1,700 compounds (from >500)
  - Unknown toxicity levels
  - Unknown emission factors
  - Many are not relevant to WWTPs
- Report business-as-usual through 2028 (reporting begins 2029 for 2028 data)
- Perform “two-step process” for determining shortlist of compounds



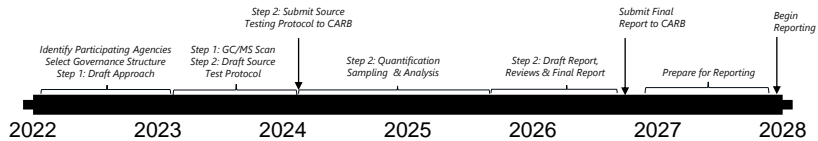
6

6

# How can WWTPs comply with the updated CTR and Air Toxics “Hot Spots” Programs?

- Two-Step Process:

1. Scan air space of unit processes to determine detectable compounds
2. Quantify emissions (Mimic 1990 Pooled Emissions Estimation Program)



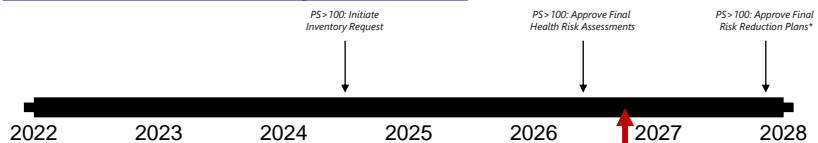
**Result:** Short-list of compounds and emissions factors determined by participating agencies and air district staff (to inform Rule 11-18)

Cost estimate is being developed for FY 23/24 budgeting

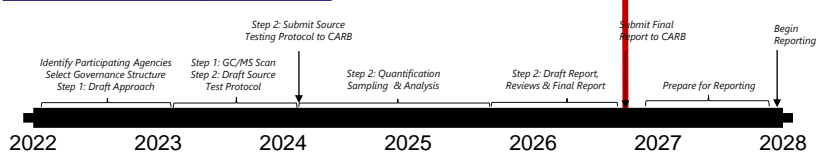


# AB 617 Two-Step Process & BAAQMD Rule 11-18 Timelines

## BAAQMD Rule 11-18 Implementation



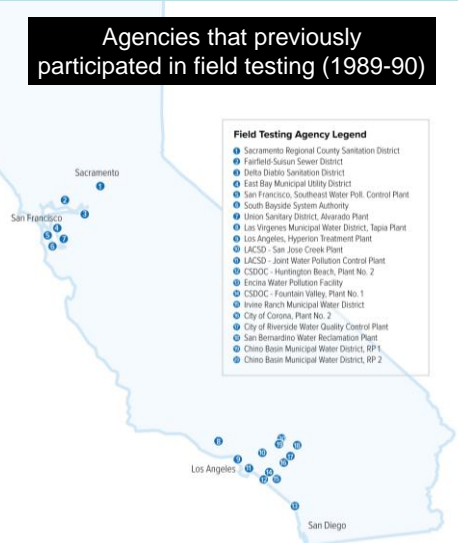
## AB 617 Two-Step Process



\*If applicable.

## Next steps for the Wastewater Sector...

- 2022 actions:
  - Meeting w/ air districts and source test specialists – reviewing sampling/ analysis methods to determine if scanning is feasible
  - Draft approach for Step 1 of two-step process (examining requirements)
  - Identify participating agencies
  - Kick off coordinating meetings w/ CARB October
  - Select governing structure
- Actions led by CASA subgroup



9

## Workgroup Action Item Summary

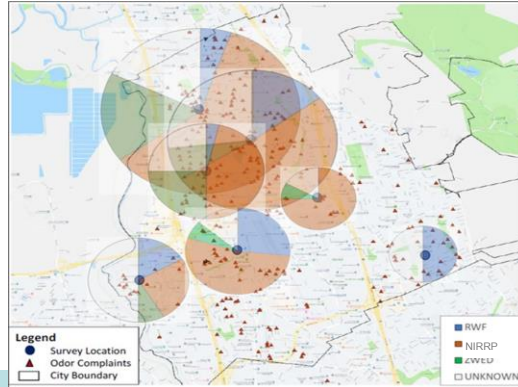
- *Engage Air District Staff in the statewide Two-Step Process (including early review of participating agency selection, protocol development, etc.) – report progress during BAAQMD Implementation Workgroup Meetings*
- *Provide BAAQMD reference to section citing the two-step process in CARB's CTR/EICG*
- *Provide BACWA's edits to Standard Permit Conditions to Sanjeev*
- *Connect with Damian on best way to request support for staffing resources*
- *Other issues for collaboration:*
  - *PM<sub>2.5</sub> Local Risk Methodology – Participate in Advisory Council Meetings*
  - *Air District to share final draft of Odor Study prior to public posting to receive BACWA feedback*



10

## BAAQMD South Bay Odor Study

- Overview of study and methodology
  - Newby Island focus (legislation)
  - Final report was to be released in July
- Schedule for report review?



11

## CARB Scoping Plan Update Targeting Carbon Neutrality by 2045

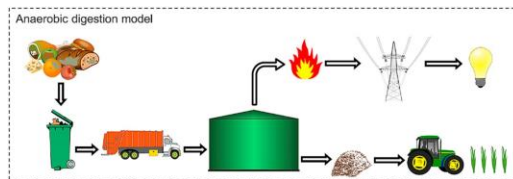
- Scoping Plan [Workshops](#) through Summer 2022:
  - Short-Lived Climate Pollutants reduction (under SB 1383)
  - Transportation Sector (proposed regulation)
  - Natural and Working Lands (Climate Smart Strategy)
  - Electricity Sector (SB 100 report)
  - Environmental Justice
- Full draft released May 10<sup>th</sup> (final draft in September):
  - SB 1383 SLCP Reduction Implementation
  - SB 1440 Procurement Requirements for Biomethane Pipeline Injection
  - Proposed Advanced Clean (Public) Fleets Regulation update (vehicle electrification)



12

## SB 1383 Regulations: Organics Diversion & SLCP Reduction

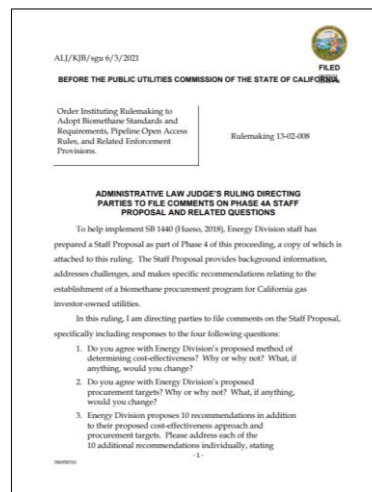
- Targets 40% methane reduction by 2030
- Organic waste diversion from landfills – 50% by 2020 and 75% by 2025
- Incentivizes biogas production
- **Issues:** BAAQMD limits increase in biogas production
- **Next Steps:** BAAQMD Rule 13-4 deprioritized, continue to move forward with projects in support of SB 1383 implementation!



13

## SB 1440 Procurement Requirements for Biomethane Pipeline Injection

- SB 1440 (Hueso, 2018) required the CA Public Utilities Commission (CPUC) to consider whether to adopt a biomethane procurement program for California's gas IOUs.
- CPUC Staff recommended adoption of a biomethane procurement program (June 2021)
- CPUC adopted procurement February 24th



14

## SB 1440 Procurement Requirements for Biomethane Pipeline Injection

- Producers shall agree to prospectively purchase or lease near-zero emissions (NZE) or zero emissions (ZE) Class 8 trucks.
- Producers shall cap combustion electric generation. Additional or new electric generation shall either use fuel cells or other non-combustion technologies. (working to define “cap”)
- Gas utilities shall maintain exclusive ownership of all environmental attributes from contracted biomethane sources and may not sell, trade, or transfer any of these attributes.
- Gas utilities shall require biomethane producers to track volumetric injections of biomethane into pipelines.
- Biomethane procurement contracts shall be for a maximum of 15 years, with biomethane deliveries not to extend beyond 2040.
- Each gas utility shall have a Procurement Advisory Group.



15

## Proposed CARB Advanced Clean (Public) Fleet Regulations

### Advanced Clean Fleet Rule

- Zero-emission fleets by 2045
- Applies to vehicles with a gross vehicle weight rating  $\geq 8,500$  lbs
- Government entities viewed as early adopters
- Convert public fleets by 2035 (purchase agreement by 2027)
- Goal to adopt regulation by end of 2022

### Issues of Concern

- No provisions for essential public services
- Near-ZEV definition does not allow for wastewater biogas as low carbon fuel
- Support normal replacement cycle of vehicles within public fleets and delayed start date for low population counties
- Unreasonable regulatory timeline
- Credit for early purchase



16



## Proposed CARB Advanced Clean (Public) Fleet Regulations

- May 2022 Draft
  - Testified July 26th during Virtual Workgroup Meeting, met w/ Executives August 19<sup>th</sup>, submitted informal comments August 19<sup>th</sup>
    - ISSUE: NZEV definition not considering low carbon fuels
    - ASK: Exemption for vehicles utilized by essential public service providers until technology demonstration complete (transition)
- Final draft in early September, adoption expected November
- CASA Action Items
  - Continue CARB Board Member meetings
  - Submit redline edits on Exemptions and Extensions language, \$ information
  - Submit formal comment letter on 45-day Sept draft, testify Oct 27<sup>th</sup> and 28<sup>th</sup>



*BACWA Members  
Please Join Us!*

17

## Inflation Reduction Act of 2022

**Purpose:** Support workers/families by reducing costs for prescription drugs, health care, and **energy**.

- Expands tax credits for energy efficient commercial buildings, new energy efficient homes, and Electric Vehicle charging infrastructure.
- Expands tax credits for wind, solar, nuclear, clean hydrogen, clean fuels, and carbon capture.
- Establishes Make it in America provisions/tax incentives for manufacturing U.S.-sourced products (batteries, solar, and offshore wind components) and technologies for carbon capture systems.
- Tax credits will be increased by 10% if projects in communities previously relying upon coal, oil, or natural gas as significant source of employment
- Allocates funding toward the transition of Class 6 and 7 heavy-duty vehicles to ZEVs.
- Amends CAA to include a GHG Reduction Fund (\$7B)



18

## BAAQMD to Evaluate Localized Impacts of PM2.5

- Air toxics framework to be established – more localized focus vs regional “local risk methodology” to be set by end of year
- CEQA significance thresholds
  - GHGs
  - PM
- Participate in the process via Advisory Council Meetings



19

## CARB Potential Amendments to In-Use Off-Road Diesel-Fueled Fleets Regulation

- **Purpose:** To reduce emissions of criteria pollutants and toxics from off-road diesel vehicles operating in California, beyond reductions being achieved via ongoing implementation of existing Off-Road Regulation.
- Targets support for the Draft 2020 Mobile Source Strategy, which sets a goal of reducing statewide NOx emissions from the construction and earth moving sector by 7.5 tpd by 2031.
- Next Workshop: TBD



20

## CARB Proposed Amendments to Diesel Off-Road Emission Standards: Criteria Pollutant & CO<sub>2</sub>

- Aiming to reduce NO<sub>x</sub> emissions (up to 90%) and PM emissions (up to 75%) compared to today's Tier 4 final emission standards
- Stringent exhaust standards for all power categories, including those that do not utilize exhaust aftertreatment (i.e., DPFs and SCRs)
- First-time CO<sub>2</sub> standards
- Proposal to Board expected 2024
- Implementation to start in 2028
- Workshop held: August 8th



21

## CARB Proposed Amendments to Diesel Off-Road Emission Standards: Criteria Pollutant & CO<sub>2</sub>

- BAAQMD issued Tier 4 BACT December 2020
  - Diesel backup engines ≥1000 bhp
- CARB rulemaking underway
  - Board consideration 2024-2025
  - Implementation 2028-2029

### EPA Tier 4 emission standards

Pollutant	BACT Limit
POC	0.14 g/bhp-hr
NO <sub>x</sub>	0.5 g/bhp-hr
SO <sub>2</sub>	CARB Diesel Fuel (15 ppm sulfur)
CO	2.6 g/bhp-hr
PM-10	0.02 g/bhp-hr

### Proposed Tier 5 emission standards

Pollutant	Potential Limit Reduction from Tier 4 Limits *
NO <sub>x</sub>	75-90% reduction
PM	50-75% reduction
NMHC	no change
CO	no change
	*depending on engine size

22

## Open Discussion / Member Updates

- Air District staff visit to EBMUD August 11th
- BAAQMD switching designation of flares – “combustion source” to “abatement device”
- Abatement devices after digester PRVs



- **Next Meeting:** November 30<sup>th</sup>



23

## Thank you!

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24