



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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August 11, 2011

IN REPLY PLEASE
REFER TO FILE **EP-4**

The Honorable Mary Nichols
California Resources Board
1001 I Street
Sacramento, CA 95814-2828

Dear Ms. Nichols:

COMMENTS ON PROPOSED REGULATION: CALIFORNIA CAP ON GREENHOUSE GAS EMISSIONS (GHGE) AND MARKET-BASED COMPLIANCE MECHANISMS (15-DAY MODIFICATIONS RELEASED FOR PUBLIC COMMENT ON JULY 25, 2011)

The County of Los Angeles Department of Public Works appreciates the opportunity to provide comments on the proposed cap and trade regulations.

With over 10 million residents living in 88 cities and nearly 150 unincorporated communities, Los Angeles County has the largest and most complex solid waste management system in the United States. Public Works is responsible for developing and administering the Los Angeles County Integrated Waste Management Plan and Hazardous Waste Management Plan, which provides direction for proper and long-term management of all waste generated within the County. Public Works is dedicated to preserving the environment and protecting public health and safety through a variety of innovative programs in the areas of solid waste recycling and disposal, landfill oversight, hazardous and industrial waste regulatory management. One of Public Works' key goals is to evaluate and promote the development of state-of-the-art technologies to convert municipal solid waste into renewable energy, green fuels, and other useful products. Fostering the development of these technologies would help the County reduce our dependence on landfills, reduce our carbon footprint through advanced environmental controls, and create local green-collar jobs.

We appreciate modifications to the proposed cap and trade regulations released by the Air Resources Board (ARB) on July 25, 2011. Specifically, Public Works strongly supports the decision by the ARB to remove the language in Section 95852.2 (7, B) that would have established criteria for the conversion processes that are producing a clean burning fuel from the biogenic fraction of the Municipal Solid Wastestream. These criteria are applicable only to *gasification* in the Public Resources Code, and are used to determine if a gasification facility is defined as a solid waste disposal facility and if the

energy produced qualifies as renewable under the Renewable Portfolio Standard. Applying these criteria to all technologies that produce a clean-burning fuel in determination of GHGE reductions would be a misinterpretation of State Statute. We are pleased that the ARB is establishing clear policy based on sound science that all biogenic emissions are climate neutral.

We would also appreciate your consideration of the following comments regarding the proposed cap and trade regulations.

1. The compliance obligation exemption for the three waste-to-energy facilities in California should be reinstated.

The Commerce Refuse to Energy Facility located in the City of Commerce and the Southeast Resource Recovery Facility located in the City of Long Beach provide reliable and cost-effective solid waste disposal capacity to manage the needs of the residents and businesses of Los Angeles County. These facilities are equipped with the best available air emissions control technology and are currently reducing GHGE on a net basis. Additionally, the waste going to these two facilities has the potential to generate electricity for 55,000 homes in Los Angeles County. The previous draft of the regulations provided an exemption for existing waste to energy facilities due to the critical public service they provide. If these facilities have to bear the financial burden of compliance obligations, they may be forced to shut down, increasing the amount of waste sent to landfills for disposal in more remote locations. This would not only result in an increase in disposal costs for the County of Los Angeles residents but would also undoubtedly increase GHGE in the State, in contradiction to the goals of AB 32. Therefore, the County urges you to reinstate the exemption from compliance obligations for existing waste-to-energy facilities located in California.

2. Section 95852.1.1 (b) regarding biomass-derived fuels should be clarified.

This section of the regulations seems to be counterintuitive to the goals of AB 32. A facility producing biomass-derived fuels should not be required to abandon all carbon reduction credits and/or Renewable Energy Credits in order to ensure that the facility's emissions *generated from the biogenic fraction of the feedstock* does not count towards a compliance obligation. While we are in full support of establishing measures to prevent "double counting" of GHGE reductions, biogenic emissions are climate neutral and therefore should be exempt from compliance obligations without preconditions. Facilities utilizing the biogenic materials as a fuel source may have additional GHGE reduction benefits, and should be allowed to receive credit for those reductions so long as they are properly verified. Otherwise, there would be no incentive for developing new facilities utilizing biomass feedstock since such facilities would either

be prohibited from realizing any carbon reduction benefits, or would be subject to potentially expensive compliance obligations.

3. Conversion technology facilities should not be precluded from generating GHGE reduction offset credits.

Conversion technology facilities should have the ability to generate offsets in the proposed cap and trade system because they are reducing GHGE emissions from several sources, including a reduction in fossil-based electricity generation, transportation of waste, and deposition of waste in a landfill leading to methane emissions. Rather than excluding such facilities from being able to “sell, trade, give away, claim, or otherwise dispose of any of the carbon credits, carbon benefits, carbon emissions reductions, carbon offsets or allowances,” ARB should encourage the development of protocols that would validate the GHGE reduction potential of conversion technologies and encourage development of conversion technologies within California

We appreciate your consideration of our comments. We hope that as the cap and trade framework is developed in California, we stay focused on the purpose of AB 32, which is to reduce greenhouse gas emissions to 1990 levels by 2020. In pursuit of these reductions, we should not penalize projects that provide economic and environmental benefit to our State. The 2008 Scoping Plan outlined that achieving this reduction would require California to “develop new technologies that dramatically reduce dependence on fossil fuels, and shift into a landscape of new ideas, clean energy, and green technology.” From our extensive research and evaluation of solid waste conversion technologies, we consider these technologies to be a critical component of our future solid waste management infrastructure. Not only are these technologies highly effective in managing materials that cannot be recycled, but these state-of-the-art technologies can produce energy and biofuels in way that generates net GHG reductions.

If you have any questions regarding this letter, please contact me Monday through Thursday, 7 a.m. to 5:30 p.m. at (626) 458-3500, or your staff may contact Mr. Coby Skye of this office at (626) 458-5163, Monday through Thursday, 7 a.m. to 5:30 p.m., or by e-mail at cskye@dpw.lacounty.gov.

Very truly yours,

GAIL FARBER
Director of Public Works



PAT PROANO
Assistant Deputy Director
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