



CVCWA Central Valley Clean Water Association

Representing Over Sixty Wastewater Agencies

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December 8, 2008

California Air Resources Board
Attention: Clerk of the Board
1001 I Street
Sacramento, CA 95814

Re: Climate Change Proposed Scoping Plan Pursuant to AB 32

Dear Air Board Members:

The Central Valley Clean Water Association (CVCWA) is an organization of approximately 60 publically owned treatment works (POTWs) that provide the majority of wastewater collection, treatment and/or water recycling services in the Central Valley. CVCWA has reviewed the Proposed Scoping Plan document (Proposed Plan) and appreciates the opportunity to provide comments to the California Air Resources Board (ARB). Our comments on the Proposed Plan focus mainly on the recommendations that are related to the wastewater sector.

Wastewater Sector

Recommended reduction measures for the wastewater sector can be found under multiple sections of the Proposed Plan. This is because the wastewater sector not only has the potential to become a viable source of water, but can also be considered a source of renewable energy (e.g., methane capture from anaerobic digesters). Reduction measures relevant to wastewater can be found in:

- Cap and Trade Program (Section II.C.1);
- Energy Efficiency (Section II.C.3);
- Renewables Portfolio Standard (Section II.C.4);
- Water sector (Section II.C.17)

CVCWA members are concerned about the potential economic impact when these numerous reduction measures are combined, which we could not find evidence of in the economic analysis. To remedy these impacts, CVCWA suggests ARB:

- Distinguish between the water sector recommendations and wastewater sector recommendations.
- Guide future regulatory development supporting energy efficiency and renewable energy projects to be coupled with appropriate incentives for POTWs.

- Consider the economic impact on sectors, such as the wastewater sector (which is supported through public sector user fees), that may be required to comply with multiple reduction measures.

Water Recycling

The Proposed Plan identifies water recycling as a measure to reduce green house gas (GHG) emissions. CVCWA supports the approach described in Appendix C that any future recycling requirements would consider whether a community relies on imported water and whether recycling would require less energy than the current water supply. Water recycling may require less energy when compared to importing water from long distances and it may require more energy compared to other local water supplies. There needs to be recognition that recycling requires a high level of treatment to be protective of public health. This high level of treatment comes with additional energy requirement in addition to pumping for distribution.

CVCWA agrees that any future recycling requirements should consider the origin of the water and the overall benefit of recycling in each community, however we believe ARB's focus is too narrow to successfully promote the production and use of recycled water. In order for a recycled water program to be successful, there needs to be coordination with regulatory agencies, POTWs, water wholesalers, water retailers, and also education of and acceptance by end users. Successful production and use of recycled water will require the development and implementation of a state recycled water plan with collaboration of several agencies, such as the State Water Resources Control Board's (SWRCB) Recycled Water Policy stakeholder process.

Public Goods Charge

CVCWA does not support the implementation of a public goods charge to each water connection for funding investments in water efficiency. The Proposed Plan says the charge would be used to "fund end-use water efficiency improvements, system-wide efficiency projects, water recycling, and other actions that improve water and energy efficiency and reduce GHG emissions," which leaves the door open to wide distribution of funds. Raising revenues and then distributing them outside the local area raises numerous issues of equity and efficiency. Ratepayers served by agencies that have already made major investments in water use efficiency would effectively be penalized as their funds were directed to areas that are lagging in this regard. Efficiency would be compromised as a state administrative apparatus was put in place to redistribute the funds. Therefore, a public goods charge from the ARB may be redundant to the current efforts of other state agencies. Fees related to water efficiency should be assessed by the overseeing regulatory agency.

Cross-Media Impacts

There are several long-running cross-media issues for the wastewater sector that involve land, water, and air regulations. For instance, as water regulations become increasingly stringent, treatment plants are driven towards higher levels of treatment requiring additional process complexity. The increase in process complexity usually leads to an increase in plant energy usage and subsequent increases in GHG emissions. Similarly, as current biosolids end uses such as composting and land application are restricted due to air quality concerns and public perception, the trend for biosolids disposal is moving towards alternatives that do not realize the potential benefits of biosolids (e.g., as a replacement fertilizer, resulting in avoided emissions from traditional fertilizer products). The alternatives most often considered are more energy intensive (e.g., trucking further distances, energy intensive processes such as heat drying). As a result, California POTWs are working with various sectors of CalEPA to develop checklists that

can be used to assess cross-media impacts during regulatory development. ARB should take part in this process and be sure to include cross media assessments in the discussion taking place during the rulemaking process.

Specific Comments

Table 2 (p 17):

- Please provide background information on how the 2020 Reductions (MMTCO₂E) for each of the Recommended Reduction Strategies are estimated.

Text (p 65):

- Last paragraph, first sentence should read - "Six greenhouse gas emission reduction measures are proposed for the Water sector, and are shown in Table **22**." Text currently references Table 21.

In summary, CVCWA asks that ARB consider the following during final development of the AB 32 Scoping Plan and emission reduction measures:

- Wastewater Sector - Distinguish between water sector and wastewater sector recommendations, provide appropriate incentives in future regulations, and consider the economic impact of multiple reduction measures on the wastewater sector;
- Water Recycling – Consider the overall energy required to provide both fresh water and recycled water when considering future water recycling policy; and coordinate with other state agencies to provide input to a state recycled water plan, similar to the on-going effort by SWRCB;
- Public Goods Charge – Coordinate with other state agencies on the development of water efficiency standards that result in GHG emissions reductions and remove the public goods charge from consideration due to redundancy with current efforts of other agencies (such as the Governor's 20 percent by 2020 water conservation program); and
- Cross-Media Impacts – Continue working with other state regulatory agencies during the rulemaking process to balance the overall environmental impact and benefit of any recommendations and regulations that result from AB 32.

CVCWA appreciates the opportunity to review and comment on the Proposed Scoping Plan for AB 32. Please feel free to contact me at (530) 268-1338 or either of our Air/Climate Change Committee Chairs: Rick Staggs at (559) 621-5190 or Vicki Fry at (916) 876-6113.

Sincerely,



Debbie Webster, Executive Officer
Central Valley Clean Water Association