



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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STEPHEN R. MAGUIN
Chief Engineer and General Manager

September 23, 2011

Chairman Mary Nichols and Board Members
California Air Resources Board
1001 I Street
Sacramento, CA 95812-2815

Dear Ms. Nichols & Board Members:

Resolution Regarding Waste-to-Energy in Proposed Cap and Trade Program

The Sanitation Districts Board of Directors unanimously adopted the enclosed Resolution in response to the sudden change to the proposed rule, very late in the development process, regarding waste-to-energy facilities. This action was contrary to your Board's December 2010 Resolution concerning these facilities. The Sanitation Districts request removal of waste-to-energy facilities from the proposed program.

The Sanitation Districts are co-owners, with the host cities of Long Beach and Commerce, of two waste-to-energy facilities. The new costs which your proposed rule will impose on the facilities will be a significant burden, and could well result in shutdown of one or both, and elimination of all employee positions (green jobs). In addition, the post-recycled solid waste now used to directly produce energy would instead be diverted to landfills for disposal.

The Sanitation Districts operate a regional solid waste management system in Los Angeles County to serve the county unincorporated areas and the 72 cities listed on the attachment to the Resolution.

Very truly yours,


Stephen R. Maguin

SRM:FC:ew
Attachment

c: Governor Jerry Brown

CERTIFICATION

STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } §

I, KIMBERLY S. COMPTON, Secretary of the Board of Directors of County Sanitation District No. 2 of Los Angeles County, do hereby certify that attached is a true and correct copy of the *Resolution Requesting Removal of Waste-to-Energy Facilities from the California Air Resources Board Greenhouse Gas Cap-and-Trade Program*, unanimously adopted by the Board of Directors at a regular meeting on September 14, 2011.

The Resolution was approved under the *Solid Waste Management System Agreement* which serves 72 cities and portions of unincorporated county areas in Los Angeles County.

Dated: September 20, 2011


KIMBERLY S. COMPTON
Secretary to the Board

SEAL

RESOLUTION REQUESTING REMOVAL OF WASTE-TO-ENERGY
FACILITIES FROM THE CALIFORNIA AIR RESOURCES BOARD
GREENHOUSE GAS CAP-AND-TRADE PROGRAM

WHEREAS, the County Sanitation Districts of Los Angeles County (“Sanitation Districts”) are 23 separate Sanitation Districts that collectively provide wastewater and solid waste management services to 78 cities and unincorporated areas within Los Angeles County, and serve a population of approximately 5.4 million residents; and

WHEREAS, fifteen of the Sanitation Districts, including 72 cities and the County of Los Angeles, attached, have entered into an agreement establishing a solid waste management system (“System”) to provide the essential public service of solid waste management; and

WHEREAS, in the exercise of authority to provide solid waste management service, the Sanitation Districts in the System have developed an integrated system of solid waste facilities including three active landfills, three closed landfills, two waste-to-energy facilities, three transfer/materials recovery facilities, two buy-back recycling facilities and five energy recovery facilities; and

WHEREAS, the System agreement has designated Sanitation District No. 2 as an agent for the Sanitation Districts that have entered into the System agreement; and

WHEREAS, the two waste-to-energy facilities (“Facilities”) in the System are the Commerce Refuse-to-Energy Facility in the City of Commerce and the Southeast Resource Recovery Facility in the City of Long Beach; and

WHEREAS, each of the waste-to-energy facilities is owned by an Authority (“Authority”) formed by the Districts and the respective host cities; and

WHEREAS, the City of Commerce and the City of Long Beach meet the 50% required diversion rate under AB 939; and

WHEREAS, the Facilities produce 300,000 megawatt-hours per year of energy from 600,000 tons of post-recycled waste, thereby reducing the amount of waste that requires landfilling; and

WHEREAS, producing energy from waste is widely considered to provide a net greenhouse gas benefit compared to landfilling; and

WHEREAS, AB 32 requires the California Air Resources Board (“CARB”) to adopt a scoping plan identifying measures to be taken to reduce greenhouse gases to a level equivalent to the 1990 statewide greenhouse gas emissions level by the year 2020, and to implement regulations based on the scoping plan; and

WHEREAS, CARB is developing a cap-and-trade program that will require facilities that emit 25,000 metric tons or more of carbon dioxide equivalent anthropogenic greenhouse gases each year to purchase allowances for greenhouse gas emissions; and

WHEREAS, each of the Facilities' greenhouse gases emissions exceed the 25,000 metric ton threshold; and

WHEREAS, in CARB's proposed regulations, including the recent July 25, 2011 modified text, the cap-and-trade program includes the three existing California waste-to-energy facilities, and will require the Facilities to purchase allowances at substantial cost; and

WHEREAS, the cost of the allowances will have a detrimental impact on the finances of the Authorities, needlessly increasing the operating costs of the Facilities; and

WHEREAS, the effect of the cap-and-trade program's inclusion of waste-to-energy, would be a net increase in landfilling and a resultant increase in greenhouse gas emissions; and

WHEREAS, California Health and Safety Code Section 41516 declares that resource recovery technology exists to convert municipal waste to energy and that such projects should therefore "be encouraged as a matter of state policy," and

WHEREAS, the Sanitation Districts are not aware of any cap-and-trade program, proposed or in existence, anywhere in the world that includes waste-to-energy facilities.

NOW, THEREFORE, BE IT RESOLVED, that Sanitation District No.2, on behalf of the 15 Districts signatory to the Solid Waste System Agreement, requests an exclusion of waste-to-energy facilities from CARB's greenhouse gas cap-and-trade program, and directs the Chief Engineer and General Manager to communicate this policy position to CARB, the Governor, and the Legislature, as necessary.

**Member Jurisdictions of the Sanitation Districts
Solid Waste Management System**

Alhambra	Lomita
Arcadia	Long Beach
Artesia	Los Angeles City
Azusa	Los Angeles County
Baldwin Park	Lynwood
Bell	Manhattan Beach
Bell Gardens	Maywood
Bellflower	Monrovia
Bradbury	Montebello
Carson	Monterey Park
Cerritos	Norwalk
Claremont	Palos Verdes Estates
Commerce	Paramount
Compton	Pasadena
Covina	Pico Rivera
Cudahy	Pomona
Culver City	Rancho Palos Verdes
Diamond Bar	Redondo Beach
Downey	Rolling Hills
Duarte	Rolling Hills Estates
El Monte	Rosemead
El Segundo	San Dimas
Gardenia	San Gabriel
Glendora	San Marino
Hawaiian Gardens	Santa Fe Springs
Hawthorne	Sierra Madre
Hermosa Beach	Signal Hill
Huntington Park	South El Monte
Industry	South Gate
Inglewood	South Pasadena
Irwindale	Temple City
La Habra Heights	Torrance
La Mirada	Vernon
La Puente	Walnut
La Verne	West Covina
Lakewood	Whittier
Lawndale	