
CALIFORNIA CEMENT MANUFACTURERS ENVIRONMENTAL COALITION

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Richard Bode, Chief
Emission Inventory Branch
Planning and Technical Support Division
California Air Resources Board
1001 I St.
P.O. Box 2815
Sacramento, CA 95812

California Cement Manufacturers Environmental Coalition
Comments on the ARB Draft Emission Inventory for AB 32 Regulations

Dear Mr. Bode:

The California Cement Manufacturers Environmental Coalition (CCMEC) is writing you on behalf of the manufacturers of Portland cement in California. Six companies operate 11 cement plants that produce more than 12 million tons of cement annually. California consumes and produces more cement than any other state in the country and annual state production supplies only sixty to seventy percent of the state's demand.

The cement industry has been participating in the implementation of AB 32 with ARB, Cal EPA, Cal Trans, and others. Representatives of several companies have met with and provided comments to Mr. Webster Tasat and others regarding the cement sector's portion of the statewide Greenhouse Gas (GHG) inventory. Our portion comprises less than 2% of the statewide inventory. The cement industry understands how important the 1990 inventory is as it sets the statewide target for 2020.

We also understand that ARB is developing Early Actions and a Scoping Plan to describe how the state will attain the 2020 target. Some of the measures being discussed directly affect the cement industry.

Consequently, the cement industry has reviewed the document "**California 1990 Greenhouse Gas Emissions Level and 2020 Emissions Limit**" (i.e. Staff Report) and is providing the following comments:

- **Provisions should be included to address the remaining uncertainties in the inventory:** Although ARB has stated that it is confident that all uncertainties can be resolved between now and December 2007, it is clear that some uncertainties are likely to remain.

- For example, the 1990 inventory is based on top-down projections derived from *sector* activity levels, while the mandatory reporting regulations will result in bottom-up reporting based on *facility* activity levels. It is possible that the 2020 target could be “missed” solely due to a difference in inventory methodologies.
- To address any potential discrepancies, it is recommended that ARB include provisions in the regulatory process for scheduled periodic review and adjustment of the 1990 inventory as new information becomes available. This review and adjustment could be scheduled annually until 2012 coinciding with the implementation of the Scoping Plan.
- **Make the 1990 inventory consistent with the mandatory reporting regulations:** The approach used in the 1990 inventory should be consistent with the proposed mandatory reporting regulations to avoid a discrepancy once mandatory reporting goes into effect. All emissions included in the mandatory reporting regulations should also be included in the 1990 inventory. For example, if methane emissions from coal storage are included in the mandatory reporting regulations, these emissions should be included in the inventory as well. A thorough review of each sector is needed to identify any discrepancies in approach between the inventory and the mandatory reporting regulations. Also, to make it easier to compare the 1990 inventory and the mandatory reporting inventory, ARB should report the same emissions in both.
- **Accepting input on developing the 2020 projections for the scoping plan:** We understand that ARB plans to use the 2002 through 2004 top-down inventory data in developing projections for 2020 emissions to estimate the required reduction needed across the state. The cement sector has already provided annual emissions for these years to ARB. It is recommended that ARB seek similar input from all sectors in this process.
- **Approach to handling waste streams in the current inventory:** The cement industry supports the expanded use of alternative fuels to achieve GHG benefits. These fuels can achieve benefits by having lower GHG emissions than traditional fuels and can eliminate GHG emission from current handling practices (e.g. landfilling of wastes). For several waste streams, we have concerns about whether emissions from these streams are accurately addressed in the 1990 inventory. For example, the following emissions are not addressed:
 - GHG emissions from land application of biosolids
 - GHG emissions from landfilling of biosolids
 - GHG emissions from waste handling other than in landfills
 - N₂O emissions from landfills
 - N₂O emissions from industrial waste streams

The cement industry recommends that specific emissions from waste stream handling be included in the 1990 inventory, and that such emissions are reviewed and updated in the annual review recommended above.

- **Acknowledge capacity increases in many sectors since 1990 :** In the 17 years since 1990 there have been significant capacity increases in many sectors. Much of this new capacity has lowered electrical and fuel energy use per unit of production, but the cumulative effect has been a large net increase in total emissions. This net increase in emissions due to capacity increases will have to be acknowledged in setting reduction targets for sectors. A sector that has doubled its capacity by 2012 can not be expected to meet emission targets based on its 1990 capacity. Furthermore facility information in the state's 1990 baseline should not be used to set any facility baseline or facility target, since those operations that have undergone significant capacity increases since 1990 would be given unrealistic targets.

We appreciate your consideration of our perspectives on these matters. We remain committed to working constructively with the California Environmental Protection Agency and the California Air Resources Board on AB 32 implementation, and to that end, would be delighted to address any questions you may have on the views conveyed herein.

Please contact me at (760) 245-5321 ext 319 or gknapp@txi.com to address any questions.

A handwritten signature in blue ink that reads "Gregory A. Knapp". The signature is written in a cursive style and is centered on a light yellow rectangular background.

Gregory A. Knapp
Chairman PCA AB32 Task Force representing
California Cement Manufacturers Environmental Coalition