



April 23, 2018

Mr. Richard Corey, Executive Officer  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Re: California Association of Sanitation Agencies Comments on the *Proposed Changes to the Low Carbon Fuel Standard (LCFS) Program*

Submitted online via:

[https://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=lcsf18&comm\\_period=A](https://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=lcsf18&comm_period=A)

Dear Mr. Corey:

The California Association of Sanitation Agencies (CASA) appreciates the opportunity to comment on the proposed changes to the LCFS program.

CASA is an association of local agencies, engaged in advancing the recycling of wastewater into usable water, as well as the generation and use of renewable energy, biosolids, and other valuable resources. Through these efforts we help create a clean and sustainable environment for Californians. Our members are focused on helping the State achieve its 2030 mandates and goals (also referred to as the Governor's Pillars), which include:

- Reducing short-lived climate pollutant (SLCP) emissions
- Effectively diverting organic waste from landfills
- Providing 50 percent of the State's energy needs from renewable sources
- Reducing carbon intensity of transportation fuel used in the State
- Increasing soil carbon and carbon sequestration under the Healthy Soils Initiative and Forest Carbon Plan

We note a number of issues with the proposed changes and request clarity on several specific items.

General Comments:

1. We have been working closely with ARB staff and do not find those efforts reflected in the proposed regulations. This is especially true for Specific Comment 2 below. Staff have already developed and shared a draft simplified calculator for the wastewater sector to review, however the draft regulation shows wastewater sector projects assigned to the Tier 2 pathway classification, which precludes the use of a calculator. Since staff has already developed and provided the draft calculator, we request the wastewater sector be listed under Tier 1 classification.

2. It seems premature and unnecessary to eliminate previously adopted pathways and assign them higher carbon intensity values that appear arbitrary. We highly recommend retaining the original pathways and carbon intensity values until alternatives are developed.

Specific Comments are as follow:

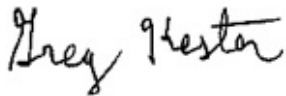
1. Section 95481(19) – Biomethane definition - The definition requires that biomethane meet *pipeline quality natural gas standards*. This is far too stringent and contrary to actual practice. Pipeline quality requirements, which are currently being re-evaluated, have been the focus of objection from the biomethane community and have thwarted the intent of AB 1900. Wastewater treatment plants currently use biomethane to produce electricity, heat, and other energy on-site to offset importation of energy from the grid, which does not qualify under this definition. In some cases, the excess electricity is exported to the grid. Similarly, biomethane is being produced and used as a transportation fuel, which does not meet today's pipeline injection standards. These alternative uses should not be precluded. This definition should be modified to read:  
"Biomethane" ~~is primarily~~ means methane derived from biogas, or synthetic natural gas derived from renewable resources, after carbon dioxide and other impurities present in the biogas are chemically or physically separated from the gaseous mixture. Biomethane has equivalent chemical, physical, and performance characteristics as methane gas. ~~which has been upgraded to meet pipeline quality natural gas standards. Biomethane contains all of the environmental attributes associated with biogas and can also be referred to as renewable natural gas.~~
2. Section 95488.1(d) – Defines fuel pathways that fall under Tier 2 classification, and sub (2) includes: Biomethane from sources other than landfill gas. Furthermore, it states that the Tier 2 classification shall apply to fuel pathways that the Board's staff has limited experience evaluating and certifying. However, staff has worked diligently to develop specific pathways for mesophilic digestion of sewage sludge at wastewater treatment plants, and recently shared a draft simplified calculator which they intend to introduce during a 15-day amendment once this rule is finalized. Biomethane sources other than landfill gas should certainly be eligible for a Tier 1 pathway, which has been the intent of the Air Resources Board. Please provide clarity on how the wastewater sector can fruitfully participate in the LCFS program as intended in the Short-Lived Climate Pollutant Reduction Strategy.
3. Section 95488.7 – Specifies the requirements to apply for a Tier 2 classification, which include a full GREET 3.0 calculation and a comprehensive Life Cycle Analysis. These requirements are costly and will discourage participation in the program. This is especially true given the efforts of and dialogue we have already had with staff to eliminate this requirement through the development of a simplified calculator. Listing the wastewater sector under Tier 1 classification will mitigate this issue. Please provide confirmation of this.
4. Section 95488.9(b)(2) – States that temporary pathways may only be used to earn LCFS credit in the quarter in which the application is approved and one additional quarter. Re-application is allowed, but another full submittal is required. This is an onerous process if another alternative has yet to be developed and will create market uncertainty. We

recommend allowing credit to be earned, once approved, until an alternate pathway is developed.

5. Table 8 – Temporary Pathways for Fuels with Indeterminate Carbon Intensities. This table provides a temporary carbon intensity value of 40 g CO<sub>2</sub>e/MJ for CNG derived from wastewater sludge biogas. Based upon the Initial Statement of Reasons (ISOR), it appears this was calculated based on the previous pathway for small treatment plants of 30.5. The ISOR states that it added 5% to this value and then rounded upward to the nearest multiple of 5 value. This would result in a value of 35 as opposed to 40. Please clarify. Likewise, LNG and C-LNG from wastewater biogas are assigned CI's of 55 and 60, respectively, but with no explanation for their derivation. Please provide it.

We welcome the opportunity to discuss this further and to provide any additional information or clarification on any of our points. We have truly appreciated the efforts made by your staff and believe the wastewater sector is a desired participant in the program. We stand ready to assist and look forward to many wastewater plants adopting LCFS programs in the future. Please feel free to contact me at [gkester@casaweb.org](mailto:gkester@casaweb.org) or at 916-844-5262.

Sincerely,



Greg Kester  
Director of Renewable Resource Programs