

THE CITY OF SAN DIEGO

October 30, 2015

Submitted electronically:

http://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=slcpstrategyws&comm_period=1

Honorable Chair Mary Nichols California Air Resources Board 1001 "I" Street Sacramento, CA 95814

Re: City of San Diego Public Utilities Department Comments Regarding the Draft Short Lived Climate Pollutant Reduction Strategy

Dear Chair Nichols and Board Members:

Thank you for the opportunity to provide comments related to the Draft Short-Lived Climate Pollutant (SLCP) Reduction Strategy. The City of San Diego Department of Public Utilities (City) commends the State Air Resources Board (ARB) for its efforts to reduce global warming and its harmful impacts by exploring ways to reduce SLCPs in California.

The City of San Diego Public Utilities Department provides water services to the entire city, as well as wastewater services to the city and surrounding communities, and actively participates in the beneficial use and reuse of both biosolids and biogas. The City works closely with the California Association of Sanitation Agencies (CASA) and the California Wastewater Climate Change Group (CWCCG) and supports efforts to address climate change proactively and effectively. As a publicly-owned (wastewater) treatment work (POTW), the City of San Diego's Public Utilities Department agrees with ARB that POTWs must be part of a workable solution to the threat of global climate change.

Proposed Reduction and Reuse of Methane The methane provisions of the Draft SLCP Reduction Strategy are anticipated to have the greatest impact on City operations. These comments will focus both on current City activities that align with the goals and provisions of the Draft Strategy, as well as opportunities for collaboration going forward where the City may partner with the ARB in implementing the proposal.

Methane Reuse at Wastewater Treatment Facilities

San Diego is already exercising complete reuse of the methane produced from anaerobic digester facilities at both its Point Loma Wastewater Treatment Plant (PLWTP) and Metro Biosolids Center and is proud of its record of exemplary environmental stewardship in this regard. Anaerobic digesters at the PLWTP capture 100% of the methane emitted in the digestion



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process, with the significant majority used to generate electricity to power the facility (with excess electricity exported). Nearly all of the remaining natural gas is injected into San Diego Gas & Electric's (SDG&E) existing pipelines. A small fraction—less than 5%--of the methane produced at Point Loma is flared.

Methane emitted at the City's Metro Biosolids Center is also effectively reused, being captured and channeled into the production of electricity to power the facility. The City is committed to continuing this legacy of beneficial reuse of methane should we end up taking on additional waste streams for co-digestion purposes. Going forward, as ARB determines how to implement its methane reuse goals for POTWs in California, we ask that the Board take into account the City's current reuse initiatives and align any new state-level reuse programs with the City's current activities. This avoids the imposition of new requirements on facilities like those in San Diego that already employ an exemplary level of methane reuse.

Ban on the Landfilling of Organic Wastes

Although we understand the ARB's reasoning in moving to eliminate the landfilling of organic wastes in California, the City urges the Board to use caution in the way it crafts this proposal as it could have negative implications on beneficial actions currently taken by POTWs in the state. For example, approximately 80% of the biosolids produced at the City of San Diego's Metro Biosolids Center (MBC) are combined with other organic wastes such as green waste and beneficially reused as alternative daily cover (ADC) at a local landfill (thereby reducing pathogen vectors, fires, odors, blowing litter and scavenging). Biosolids cannot be used exclusively for this purpose and require mixing to be reused as ADC.

However, under current law, the use of green wastes in landfills will be reclassified from a 'recycled' use down to a 'disposal' use as of 2020, and as a result the City is exploring alternative options for reuse of our biosolids following that date. If the Draft Strategy's proposal to eliminate the landfilling of green wastes is implemented prior to 2020, this could create immediate and significant costs for the City and ratepayers if San Diego is forced to find alternative disposal options earlier than previously planned. This threatens to redirect scarce agency funding away from other beneficial activities such as expanding the City's landmark Pure Water advanced water recycling project.

The Draft Strategy should take into account other initiatives currently in progress by regulated entities that in themselves help to reduce the negative impacts of climate change, such as the Pure Water program's reduction in San Diego's reliance on costly imported water supplies. We request that ARB take care to align the Draft Strategy's organic waste landfilling ban with related requirements under existing law so as not to increase compliance costs for public agencies.

Re-direction of Organic Wastes from Landfills to Wastewater Agencies for Co-Digestion Currently, the City of San Diego provides all wastewater treatment services for the city as well as many surrounding communities and municipalities, a service area of over 2.4 million residents

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and growing. Despite this major undertaking, we estimate that there remains some capacity at our existing facilities to undertake additional waste streams re-directed to our facilities.

The City is currently working with both CASA and the CWCCG to provide the ARB with a clearer estimate of the total capacity of California's POTW's existing digester infrastructure, as well as to determine the portion of that capacity available for co-digestion of hauled-in organic wastes as proposed in the Draft Strategy. To the extent our facilities can accommodate additional waste streams and take advantage of the resulting reductions in methane emissions from those other sources, the City looks forward to partnering with the state on this initiative.

However, though we support the proposal in theory, making redirection operational at the ground level is a somewhat complicated endeavor. Food, FOG (fats, oils and grease) and green wastes must be selectively pre-processed prior to being combined with existing biosolid wastes and great effort is needed to balance any additional organic sources added to the digester to ensure proper processing of the biosolids. To achieve this new operational activity, significant expansion of the infrastructure is needed to accommodate the receiving, processing, and injection of the additional organic sources into a digester and handle the additional solids generated from the process. Additional pipes, pumps, tanks, and other equipment and facilities will likely be needed in order for the City to expand its system to process these new waste types. Moreover, each new type of waste has its own processing requirements and limitations that must be dealt with as it is incorporated into an existing wastewater treatment facility's system. As mentioned, the City is supportive of the concept of waste redirection but would need to work closely with ARB going forward to develop a transition plan that is specially tailored to the needs and limitations of our existing system.

Funding Needs

The City of San Diego looks forward to partnering with the state to reduce methane emissions and attendant climate-forcing, but the programmatic changes and system expansions outlined in the Draft Strategy will require significant financial resources that the City does not currently have.

Although the Draft Strategy proposes the allocation of \$100 million in funds to assist agencies in meeting its goals, we believe the funding needs will significantly eclipse this amount. We join the request of others that cap-and-trade revenues be prioritized for this purpose, in particular for the retrofitting and expansion of existing anaerobic digester facilities, as this could significantly reduce systemic methane emissions at a fraction of the cost of building new facilities.

Incentives Over Mandates

The City of San Diego echoes the comments made by CASA and CWCCG in urging ARB not to use regulatory mandates as outlined in the Draft Strategy, but instead to focus on incentives and collaborative relationships with affected agencies in implementing the Strategy's proposals. The City Public Utilities Department operates within the authority granted by San Diego's City Council and must remain accountable to our ratepayers. We urge the ARB to work with us in

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crafting workable implementation solutions that take advantage of the systemic resources we have available while avoiding unnecessary costs and complications unique to San Diego.

Conclusion

The City of San Diego has a long history of success in meeting the water and wastewater needs of its rapidly growing and diverse population while taking proactive steps to reduce greenhouse gas emissions and the climate change impacts of our system. We are thankful for the opportunity to comment on the Draft Short-Lived Climate Pollutant Reduction Strategy and look forward to continuing to work with the Board to reduce global change impacts in California.

If you have any questions, please feel free to contact me or Ms. Carolyn Ginno at (858) 654-4286.

Sincerely,

Cathleen C. Pieroni

External Water Policy Program Manager

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