



April 10, 2017

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

Re: California Association of Sanitation Agencies Comments on the *2017 Climate Change Scoping Plan Update - The Proposed Strategy for Achieving California's 2030 Greenhouse Gas Target*

Submitted online via:

https://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=scopingplan2030&comm_period=N

Dear Mr. Corey:

The California Association of Sanitation Agencies (CASA) appreciates the opportunity to comment on the January Draft of the 2030 Target Scoping Plan Update (January Draft).

CASA is an association of local agencies, engaged in advancing the recycling of wastewater into usable water, as well as the generation and reuse 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 Five 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 support the California Air Resources Board's (CARB) proposed objectives for achieving the 2030 targets through integrated systems. We welcome the opportunity to further discuss and clarify each of the items we have commented on below with CARB as appropriate.

Loss of Auction Revenues if no Cap-and-Trade Program

Monies in the Greenhouse Gas Reduction Fund (GGRF) from Cap-and-Trade auction revenue help fund programs to reduce greenhouse gas (GHG) emissions. The alternatives that do not include the Cap-and-Trade Program rely on GHG emission reductions in other areas and do not meet the targeted statewide GHG emissions reduction for 2030. Unfortunately, the January Draft does not discuss the impact of losing the GGRF. As described in the next section, publicly owned (wastewater) treatment works (POTWs) can potentially play a major role in managing diverted organic waste streams from landfills. However, these projects may not go forward without outside funding, such as from the GGRF, which will jeopardize achievement of reductions in SLCPs (particularly methane). Similar examples can be made for projects in the transportation sector, forest sector, etc. **CASA recommends that CARB provide an analysis**

of the impacts related to the loss of auction revenues if the Cap-and-Trade Program does not continue post 2020 and the resulting impact on achievement of statewide GHG reduction goals.

POTWs Role in Post 2020 GHG Emissions Reduction Targets

CASA agrees that the Scoping Plan should encourage resource recovery projects at POTWs to help achieve the statewide goal of reducing fugitive methane emissions from all sources by 40 percent by 2030. It has been established in the Final Proposed SLCP Reduction Strategy that POTWs can play a vital role in managing organic waste diverted from landfills through co-digestion in existing wastewater digesters, in direct support of the SB 1383 mandates. Developing the infrastructure to accept and anaerobically co-digest diverted organic waste streams with biosolids at POTWs, as well as managing digestion byproducts (e.g., utilization of renewable natural gas in a sustainable manner such as pipeline injection or as a transportation fuel, the land application of biosolids as an agricultural soil amendment, etc.), requires new markets for investors to ensure these projects are viable. To fully finance these projects, outside funding is needed from the GGRF.

Production and use of renewable natural gas (RNG) is a key component of achieving GHG emission reductions, as stated in the Final Proposed SLCP Reduction Strategy as well as in SB 1383. **CASA strongly supports the proposed five percent RNG utilization as well as incentivizing the production of RNG from biogas generated at POTWs.** SB 1383 requires that barriers to its production be documented in a report by 2020, along with a summary on the status of approaches being taken to reduce those potential barriers. **CASA strongly encourages that these requirements be further enhanced to ensure the development of RNG is optimized.** Enhancement would include on-going review of barriers to RNG production and project funding, beginning in 2017 (not in 2020), so potential obstacles can be addressed as needed (such as the recent obstacle described in the Local Air District Objectives vs. State Climate Change Mitigation Mandates section below).

Regarding the *Potential Additional and Supporting Actions* listed on page 130 for the Water sector, specifically the one stating:

“Local water and wastewater utilities should adopt a long-term goal to reduce GHGs by 80 percent below 1990 levels by 2050 (consistent with DWR’s Climate Action Plan), and thereafter move toward low carbon or net-zero carbon water management systems where technically feasible and cost-effective.”

CASA strongly objects to the inclusion of this measure in a 2030 Target Scoping Plan without any context to what is achievable and feasible, and without a thorough technical and cost analysis. **CASA would support and encourage its members to be part of a working group to study measures, such as those proposed in the Water sector section of the January Draft.**

Carbon Sequestration in the Natural and Working Lands Sector

CASA understands that CARB is collaborating with the California Department of Food and Agriculture (CDFA) and other agencies on the Healthy Soils Initiative to quantify the benefits of using compost and other soil amendments. **We strongly encourage CARB to work with the Water Boards and CASA to include biosolids and biosolids compost in building healthy soils, as well as include the benefits of its land application in the emissions inventory accounting framework for forests and other lands under SB 859.** There is a significant body

of research already conducted which demonstrates the plethora of co-benefits from their land application, including increased water retention resulting in reduced need for irrigation, increased soil carbon, improved soil tilth, and increased crop yields. The State will need to provide strong support at all levels of government, as well as funding, to ensure such markets are developed and promoted in order to achieve its organic waste diversion goals. **CASA strongly recommends that CARB work with CASA and its sister agencies to support state and federal regulations for the recycling of biosolids and to remove restrictive barriers placed at county borders by unwarranted local ordinances.**

Local Air District Objectives vs. State Climate Change Mitigation Mandates

We understand the intent is to develop projects that focus on the reduction of GHG emissions (in support of the Governor's Pillars to achieve the 2030 target) without increasing criteria and toxic air pollutants in order to protect the public. On page 97, CARB proposes a measure for the Industrial sector to "*evaluate and implement policies and measures to continue to reduce GHG, criteria, and toxic air contaminant emissions in a cost-effective manner, focusing on the largest GHG emission sources.*" Directly regulating criteria and toxic air pollutants is under the authority of local air districts, not CARB. While AB 197 directs inventorying sources of "air pollution within air basins of the state" - with regard to criteria and toxic air pollutants, AB 197 simply requires the posting of inventories for facilities within the Cap-and-Trade Program, which most wastewater facilities are not.

However, there is an **urgent need for coordination between CARB and local air districts** to discuss potential barriers to overcome for both local and state objectives to be met and avoid unwarranted terminal road blocks for projects. For example, there is a three-year pilot project being considered at one of our member's facilities that is funded by a California Energy Commission grant to receive food waste for co-digestion in their existing anaerobic digesters. The project is in direct response to and supports recent legislative mandates established in AB 32, SB 32, AB 341, AB 876, AB 1826, and SB 1383. The mandates require the diversion of organics from landfills to reduce methane emissions, anaerobically digest the organics to generate biogas (or RNG) and biosolids for recycling to agricultural land, and support the Governor's push to decarbonize transportation fuel, all in an effort to mitigate climate change. The project is also consistent with the 2030 Target Scoping Plan January Draft and the Final Proposed SLCP Reduction Strategy. Those documents explicitly support using existing infrastructure such as digesters at POTWs as part of the overall solution to mitigate climate change. Unfortunately, this project is unable to proceed as planned because of unusual and unreasonable permit limits sought by the local air district's staff. **We strongly encourage CARB to work closely with local air districts and CASA (especially during the rule development under SB 1383) to ensure projects that have the capability of significantly contributing to GHG emissions reductions and other state mandates are not terminated based on unlikely increases in local air pollutants and/or due to unwarranted changes in existing permit conditions that adversely impact existing operations.**

CASA appreciates the opportunity to provide comments on the January Draft. We want to emphasize that POTWs have opportunities to provide cross-sector benefits to be:

- Suppliers of a renewable fertilizer/soil amendment product in the form of biosolids
- Suppliers of a low carbon fuel
- Providers of renewable energy
- Suppliers of a sustainable (drought-proof) water supply

- Environmental stewards of our natural and working lands

All of these can significantly contribute toward each of the alternatives for meeting the 2030 GHG emissions reduction target. In most cases, all that is lacking is the funding to develop the additional infrastructure, and market certainty for recycling and reuse of resultant products, to make these projects a reality.

Thank you for considering our comments. Please contact me if you have any questions at (925) 705-6404 or via email at sdeslauriers@carollo.com. We look forward to working together as proactive partners on our multitude of shared objectives.

Sincerely,



Sarah A. Deslauriers, P.E.
CASA Climate Change Program Manager

cc: Mary Nichols – Chair, California Air Resources Board
Ryan McCarthy – California Air Resources Board
David Mehl – California Air Resources Board
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