CALIFORNIA ASSOCIATION of SANITATION AGENCIES

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July 5, 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=lcfs18&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 several issues with the proposed changes and request clarity on specific items.

General Comments:

1. It seems premature and unnecessary to eliminate previously adopted pathways and assign them higher carbon intensity (CI) values that appear arbitrary. We highly recommend retaining the original pathways and CI values until project specific values are developed. This is especially true for transportation fuel derived from wastewater biogas for

which there is a proposed six-fold increase in the CI for large wastewater treatment plants.

Specific Comments are as follow:

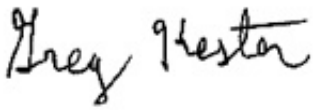
1. Table 8 – Temporary Pathways for Fuels with Indeterminate CI. This table provides a temporary CI value of 50 g CO_2e/MJ for CNG derived from wastewater sludge biogas. This change is without explanation (that we can find) and unfounded, as well as unnecessary. It is more than a six-fold increase from the established pathway for large wastewater treatment plants and almost double the value for small plants. The previous draft regulations had increased the CI to 40 g CO_{2e}/MJ and likewise appeared unfounded. According to the Initial Statement of Reasons (ISOR) for that draft, it appears it was calculated based on the previous pathway for small treatment plants of 30.5. The ISOR stated that it added 5% to this value and then rounded upward to the nearest multiple of 5 value (which should have computed to a value of 35 rather than 40). Then, as now, there is no justification offered for this increase. We strongly recommend the retention of the existing pathways as noted in our general comment above.
2. Section 95488.9(f)(2) States that: "A fuel pathway that utilizes an organic material may be certified with a CI that reflects the reduction of greenhouse gas emissions achieved by the **voluntary** diversion from decomposition in a landfill and the associated fugitive methane emissions, provided that:
    a. (A) The organic material that is used as a feedstock would otherwise have been disposed of by landfilling, and the diversion is additional to any legal requirement for the diversion of organics from landfill disposal."

   This raises questions regarding the implementation of SB 1383 and the use of sewage sludge biogas. Sludge is first digested, producing biogas, and then may be used in a variety of ways (land application, compost production, or landfill use as alternative daily cover). We assume all sludge being digested is considered to be voluntarily diverted from landfilling for the purposes of this section but please confirm. Similarly, the biogas may also be used in a variety of ways (electricity production, heating via boilers, pipeline injection, low carbon transportation fuel, etc.). We assume the choice to produce low carbon transportation fuel is taken voluntarily to comply with this section, but please confirm.
3. The simplified calculator included in the appendices for wastewater sludge contains multiple assumptions which we question. For instance, the calculator assumes a 1% slip (loss) of methane from an anaerobic digestion system. What is the justification for such an assumption since that assumes a worse-case scenario and would not be seen in typical applications. The calculator also assumes the transportation fuel is imported from Texas and travels 800 miles with losses along the way. This is clearly not the case for California wastewater treatment plants. We are still working through other nuances of the calculators but have grave concerns since the CI's appear to be far higher than the established pathways currently in regulation. This is in contradiction to the

opinions staff articulated when introducing the concept of the calculator when it was argued that conservative assumptions were utilized in developing the pathways. When using the calculator for specific projects it was expected that lower CI's would result. We request additional time to evaluate the assumptions built in to the calculator, or modifications to it which better reflect real world experience using California wastewater treatment plants.

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 or at 916-844-5262.

Sincerely,



Greg Kester
Director of Renewable Resource Programs