



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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Chief Engineer and General Manager

September 15, 2014
File No. 31-380.10

Ms. Mary Nichols, Chair
Attn: Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, California 95812

Via Email:

Dear Chairwoman Nichols:

Comments – Proposed Amendments to the AB32 Cost of Implementation Fee Regulation

The Sanitation Districts of Los Angeles County (LACSD) appreciate the opportunity to comment on the proposed amendments to the AB32 Cost of Implementation Fee Regulation. The Sanitation Districts provide essential wastewater and solid waste management services for about 5.7 million people in Los Angeles County while minimizing harmful emissions and maximizing renewable energy. Our comments are focused on the proposal to allowing the fees to apply to fossil-based CO2 emissions from waste-to-energy facilities.

LACSD strongly opposes imposing an administrative fee on waste-to-energy facilities at this time for two reasons. First, waste-to-energy facilities are both waste management activities and resource recovery facilities, not electrical utilities. Sale of electrical energy simply “pays the bills”. In fact, it could be argued that any use of natural gas at these facilities is targeted for pollution control, not electrical generation. This makes these facilities unique and should not be the target of the emission fees. Even in the most recently proposed EPA Clean Power Plan, waste-to-energy is treated as resource recovery with its CO2 emissions not used in the calculations of a state’s emission targets.

A second, and perhaps more important reason is a fee imposed at this time isolates only one aspect of the State’s solid waste management system while ignoring all other emissions and reductions/sinks. Waste management in the State of California is a comprehensive system involving recycling, reuse, organics management (e.g., composting and anaerobic digestion), waste-to-energy and landfilling. It is not appropriate to address the emissions from only one aspect of this system (in this case waste-to-energy), but to draw boundaries around the system

and conduct a more comprehensive life cycle assessment. Carbon flows in and out of this system, so for example, recycling results in a net greenhouse gas GHG reduction, and landfills, while emitting methane, also serve as long-term carbon storage. By itself, waste-to-energy will emit fossil-based GHGs; however, this system is also subject to leakage. So if for example, a waste-to-energy facility ceases operation, GHG emissions will increase because the displaced waste (leakage) is now going to landfills. Also, carbon flows from other sectors (e.g., energy sector) into products that, following the product's useful life, are recycled into new products, utilized back into energy or become waste carbon. Therefore, given the complexities of carbon flow in the waste management sector, the type of fee collected under the CARB Cost of Implementation Fee regulation does not lend itself at this time to waste management activities, since isolating one small portion of waste management is not equitable.

Since December 2010, the CARB Governing Board has passed three resolutions directed specifically at waste-to-energy issues; Resolutions 10-42, 11-32 and 12-33. The latter two specifically directed CARB staff to work with CalRecycle to take a comprehensive look at the waste management system and its treatment under AB 32. This process has begun with the development of Waste Management Sector Plans, but no conclusion has been reached regarding waste-to-energy compliance obligations nor overall treatment under AB 32. We recommend that any proposal to place an administrative fee on waste-to-energy facilities be delayed until it can be considered in the fuller context of the overall waste management system.

LACSD appreciates the opportunity to provide comment on the proposed program. If you have any questions or comments regarding this submittal, please contact the undersigned of this office.

Very truly yours,

Grace Robinson Hyde



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Technical Services Department

FRC:bb

cc: Edie Chang, CARB
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