THE CITY OF SAN DIEGO

November 13, 2015

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California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Draft Cap-and-Trade Auction Proceeds Second Investment Plan

To Whom It May Concern:

Thank you for the opportunity to provide comments related to the Draft Cap-and-Trade Auction Proceeds Second Investment Plan (Draft Plan). The City of San Diego's Department of Public Utilities (City) commends the Air Resources Board (ARB) for its efforts to reduce global warming and related harmful impacts by exploring ways to most efficiently and beneficially target the use of Greenhouse Gas Reduction Fund (GGRF) proceeds in California.

The City of San Diego's Public Utilities Department provides water services to the entire city, as well as wastewater services to the city and surrounding communities. 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.

Current City operations align with a number of the policies outlined in the Draft Plan, presenting a compelling case for future GGRF funding for these initiatives. Specifically, the provisions regarding (1) reduced landfilling and possible re-direction and co-digestion of organic wastes at our wastewater treatment facilities, (2) beneficial use and reuse of both biosolids and biogas following that process, as well as (3) the acquisition and maintenance of forest and meadowland properties in order to protect water quality, prevent erosion and enhance carbon sequestration are all great opportunities for the City to partner with the ARB going forward in order to help the state meet mid-term and long-term greenhouse gas (GHG) emissions reduction targets.

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

has been working with CASA recently to provide 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. 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 organic waste redirection in theory, making it 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.

Improving existing POTW facilities to allow them to accept hauled-in organic wastes will generate significant reductions in methane emissions while also increasing beneficial utilization of biosolids, at far lower cost than building new anaerobic digestion facilities. ***The City is supportive of the concept of waste redirection and urges the state to allocate significant GGRF funding for the infrastructure expansions that will be necessary to implement the proposal.***

Methane Reuse at Wastewater Treatment Facilities

San Diego supports allocation of GGRF funding to support the beneficial reuse of methane produced at wastewater treatment facilities. The City is currently 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 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 renewable energy production 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. As a result, ***the City supports the allocation of GGRF funding to expand the beneficial reuse of methane at POTW facilities.***

Acquisition and Maintenance of Forest and Meadowlands to Protect Water Quality
Preserving forest and meadowlands in their natural state generates many climate-related benefits, including protecting water quality and maximizing carbon sequestration. The City of San Diego has invested in our local forest and meadowlands by acquiring significant properties within the watersheds surrounding our reservoirs. These lands are kept undeveloped for precisely the reasons outlined by ARB: to preserve water quality by enhancing runoff capture and preventing development that could create pollution and erosion problems. ***The City supports the allocation of GGRF funds for the acquisition and maintenance of natural lands to improve carbon sequestration through increased net forest and meadowland carbon storage.***

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 proud of our record of stewardship, and we continue to do more to address the environmental impacts of our system. We reuse our methane, produce renewable energy and preserve valuable open space lands to ensure water quality. Moreover, our landmark Pure Water program will utilize cutting-edge technology and recycling to reduce San Diego's demand for carbon-intensive imported water supplies, producing up to one-third of our water supplies locally by 2035. We are thankful for the opportunity to comment on the Draft Cap-and-Trade Auction Proceeds Second Investment Plan 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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