



December 16, 2016

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

Re: California Association of Sanitation Agencies Comments on the 2030 Target
Scoping Plan Update Discussion Draft

Submitted online via:

https://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=sp2030disc-dec16-ws&comm_period=1

Dear Mr. Corey:

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

CASA is an association of local agencies, engaged in advancing the recycling of wastewater into usable water, and the generation 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
- Providing 50% of the State's energy needs from renewable sources
- Reducing carbon intensity of transportation fuel used in the State
- Effectively diverting organic waste from landfills
- Increasing soil carbon and carbon sequestration under the Healthy Soils Initiative and Forest Carbon Plan

We largely support the California Air Resources Board's (CARB) proposed objectives for achieving the 2030 targets through integrated systems. We have several questions and concerns on areas of the Discussion Draft and we would like to see the following recommendations addressed in the January Proposed Scoping Plan. We also welcome the opportunity to further discuss and clarify each of these items with CARB as appropriate.

Progress toward 2020 Target: Specific GHG Reductions, Program Prioritization, and Cost Effectiveness of future GHG Reduction Strategies

Not only is the Scoping Plan tasked to show California's progress toward meeting the near-term 2020 GHG emissions reduction goal as defined in the 2008 Scoping Plan, it is to align and prioritize the State's 2030 GHG reduction strategies with other State policy priorities. As in the previous Scoping Plan Update, there continues to be a lack of clarity on how CARB is tracking progress toward the 2020 target, as well as developing

information on the cost effectiveness of existing control measures (similar to what would be outlined in an Air Quality Management Plan, along with estimates of cost and cost effectiveness). It is with this type of information that the selection and prioritization of reduction strategies for 2030 can be established in an informed manner. **CASA recommends CARB fully disclose the emission reductions achieved by existing GHG reduction measures, along with their cost effectiveness.** Further, with any future development of control measures to achieve the 2030 goals, an attempt should be made to rank control measures by cost effectiveness (dollars per ton of GHG removed), which will provide an opportunity for review of these measures by external parties.

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

Monies in the Greenhouse Gas Reduction Fund (GGRF) from Cap-and-Trade auctions help fund programs to reduce GHG emissions. The alternatives that do not include the Cap-and-Trade Program show a greater focus on and need for GHG emission reductions in other areas, but the Discussion Draft does not provide a discussion of the indirect impact resulting from the loss of funding. For example, as described in the next section, publicly owned (wastewater) treatment works (POTWs) can potentially serve a major role in managing diverted organic waste streams from landfills. However, these projects may not be able to occur without outside funding, such as from the GGRF, which will jeopardize achievement of goals established for SLCPs (particularly methane). Similar examples can be made for projects in the transportation sector, forest sector, etc. **CASA strongly recommends that CARB provide an analysis of the indirect impacts of the loss of auction revenues if there is no Cap-and-Trade Program 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 wastewater treatment plants to help achieve the goal of reducing fugitive methane emissions by 40 percent by 2030. It has been established in the Revised 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 programs such as the Cap-and-Trade Program.

Additionally, production and use of renewable natural gas (RNG) is a key component of achieving GHG emission reductions, as stated in the Revised Proposed SLCP Reduction Strategy and SB 1383. **CASA strongly supports 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 successful 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). The Discussion Draft includes a measure requiring a five percent increase in utilization of RNG as part of the Alternative 1 Scenario. **CASA strongly supports the proposed five percent RNG utilization proposal and recommends that this measure be part of all three scenarios.**

Regarding the *New Potential Measures and Supporting Actions* listed on page 80 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 Discussion Draft.

Carbon Sequestration in the Natural and Working Lands Sector

CASA supports the addition of land-based activities (i.e., accounting for carbon sequestration and avoidance of fossil fuel based inorganic fertilizer) in the GHG inventory for the Natural & Working Lands sector, specifically with respect to the beneficial use of biosolids. As diversion of organics from landfills ramps up and POTWs co-digest the organic waste streams (such as food waste and fats, oils, and grease) with wastewater solids, the carbon sequestration resulting from the land application of digested (and in many cases, composted) biosolids/organics-based soil amendment needs to be accounted for and properly credited to the POTW sector in the control measure strategies.

We also understand 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 (such as biosolids). **We strongly encourage CARB to work with the Water Boards and CASA to include biosolids and biosolids compost in building healthy soils.** 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.

Local Air District Objectives vs. State Climate Change Mitigation Mandates

We understand the intent is to develop projects under the Scoping Plan that focus on the reduction of GHG emissions (in support of the Governor's Pillars) without increasing criteria and toxic air pollutants in order to protect public. On page 47, CARB proposes a measure for the Industry sector to *"evaluate and implement prescriptive regulations to reduce GHG, criteria, and toxic air contaminant emissions in a cost effective manner, focusing on the largest GHG emission sources, including power plants."* CARB describes that AB 197 directs this action. CASA is very concerned by this interpretation. While it is important to ensure, under AB 32, that facilities in the cap-and-trade program do not have excess criteria or toxic air pollutant emissions, directly regulating criteria and toxic air pollutants are under the authority of local air districts, not CARB. AB 197 directs a review of direct emissions, but it should be interpreted in terms of GHG emissions. 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 the wastewater sector is not.

However, there is an **urgent need for coordination between CARB and local air districts** to discuss the potential barriers to overcome in order 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 grant awarded by the California Energy Commission 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 support the Governor's push to produce at least 50 percent of our energy needs from renewable sources, all in an effort to mitigate climate change. The project is also consistent with the 2030 Target Scoping Plan Discussion Draft and the Revised Proposed Short-Lived Climate Pollutant Reduction Strategy. Those documents explicitly support using existing infrastructure such as digesters at wastewater treatment facilities as part of the overall solution to mitigate climate change. Unfortunately, this project will not be able 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 operations.**


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

- Significant renewable energy providers
- Suppliers of a marketable renewable fertilizer/soil amendment product in the form of biosolids
- Suppliers of a low carbon fuel
- 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 scenarios for meeting the 2030 GHG emission reduction target. In most cases, all that is lacking is the funding to develop the additional infrastructure to make these projects a reality.

Thank you for your consideration of these comments and we look forward to reviewing and commenting on the additional material in the January Proposed Scoping Plan. 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
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