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December 4, 2008

ORIGINAL: Copies:

Board Clerk Executive Officer Chair

Ms. Mary Nichols, Chair California Air Resources Board 1001 "I" Street Sacramento, CA 95812

Re: SCAP Comments on the AB 32 Proposed Scoping Plan

Dear Ms Nichols:

The Southern California Alliance of Publicly Owned Treatment Works (SCAP) represents 92 public agencies that provide both water and wastewater treatment to nearly eighteen million people in Los Angeles, Orange, San Diego, Santa Barbara, Riverside, San Bernardino, and Ventura counties. We treat and safely reuse over one billion gallons of wastewater each day and deliver over 1.7 billion gallons of drinking water each day.

SCAP member agencies have submitted numerous individual comments on the draft Scoping Plan, the appendices, supplements, and the Proposed Scoping Plan. The following are the most significant comments that still have not been acknowledged in any of the documentation we have reviewed to date.

- a) The distinction between biogenic GHG emissions and anthropogenic emissions must be clearly made so that the short cycle carbon from many wastestream operations is not incorrectly targeted for command and control or cap and trade regulatory programs. Making such a clarification will maximize the energy output from these renewable fuels including digester and landfill gas.
- b) There must be an economic off-ramp, triggered by pre-determined economic and other performance markers that will cause the comprehensive program contained in the Scoping Plan to be re-evaluated and possibly re-structured.
- c) All operations of essential public services should not be included under cap and trade programs for a variety of reasons as addressed in earlier correspondence. Essential public services, as defined by the South Coast Air Quality Management District's New Source Review regulations, should be regulated under command and control regimes, with the ability to create offsets from additional controls that can be used by others for cap and trade compliance purposes.

- d) The proposed Scoping Plan Water Sector discussion should be clarified to point out that a great deal (99%) of the non-power plant natural gas usage attributed to the water sector is *end-user* consumption to heat hot water, among other things, and is not controllable by the water or wastewater utilities. Similarly 73% of the 19% of California's energy usage that the CEC attributes to water sector-related energy use is actually *end use* consumption. This is an extremely important distinction since otherwise it could be implied that the water sector has *control* over these energy commodities, which is certainly not the case.
- e) Water recycling, whose idiosyncrasies have been described in previous comment letters of SCAP members, is an example where the perceived benefits could be outweighed by GHG consequences when lifecycle impacts are taken into account. CARB, being the legally designated agency for GHG regulation in California, needs to maintain careful oversight of programs developed by other state agencies such as the SWRCB, to make sure that the overall, big-picture goals and tradeoffs in the Scoping Plan are assured.
- f) Many projects, despite their consistency with the Scoping Plan and the good will of the local governments attempting to implement them will face significant community opposition for a variety of reasons. Combined heat and power projects is an example of a Scoping Plan strategy that could run into community opposition because of location of a facility or because of insufficient offset credits, etc. CARB's active and supportive participation in these projects is very much needed to move them along.
- g) SCAP member agencies feel strongly that actions that are consistent with and which implement the Scoping Plan should be categorically exempt from CEQA analyses for the GHG aspects of the project.
- h) Early actions that can be documented, irrespective of when they occurred, should be respected by the Scoping Plan.

Thank you for the opportunity to comment on this important document. We are prepared to discuss these comments in greater depth with your staff at your convenience.

Sincerely,

John Pastore, Executive Director

cc: Edie Chang

Kevin Kennedy