SCAP
SOUTHERN CALIFORNIA ALLIANCE OF PUBLICLY OWNED TREATMENT WORKS

August 18, 2016

Mr. Wayne Nastri, Acting Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, California 91765

Dear Mr. Nastri:

Re: Comments on the Draft 2016 Air Quality Management Plan

The Southern California Alliance of Publicly Owned Treatment Works (SCAP) appreciates this opportunity to provide comments on the Draft 2016 Air Quality Management Plan (Draft AQMP). SCAP represents 83 public agencies that provide essential water supply and wastewater treatment to nearly 19 million people in Los Angeles, Orange, San Diego, Santa Barbara, Riverside, San Bernardino and Ventura counties. SCAP's wastewater members provide environmentally sound, cost-effective management of more than two billion gallons of wastewater each day and, in the process, convert wastes into resources such as recycled water and biogas.

This transmittal is a follow-up to SCAP's June 2, 2016 letter regarding the Preliminary Draft of SCAQMD 2016 AQMP Stationary Source Measures. Our members remain concerned that some of the proposed control measures could negatively impact the beneficial use of biogas produced from municipal wastewater treatment plants and landfills. We would greatly appreciate modifications to the Draft AQMP to address our concerns pertaining to biogas as discussed below.

As stationary sources in the South Coast Air Basin, our members appreciate the challenge posed by this AQMP. SCAQMD is required to determine how to achieve clean air without the ability to control mobile or federal sources, which constitute the vast majority of the emissions to be controlled. SCAP objects to the proposed "fair share" concept where SCAQMD, CARB and EPA would each reduce emission sources under their control by 50 percent. We believe that stationary sources are already well-controlled and achieving our "fair share" is not feasible without a significant infusion of incentive funding. In the event that funding cannot be guaranteed, SCAP requests that CARB and EPA be assigned a greater share of the reductions required to achieve attainment.

The following outlines our specific comments on the draft stationary source control measures contained in Appendix IV-A:

CMB-01 Transition to Zero and Near-Zero Emission Technologies for Stationary Sources:

This draft control measure seeks to replace traditional combustion sources with zero and near-zero emission technologies including electrification or fuel cells. The background section for this control measure continues to emphasize that biogas from wastewater treatment plants and landfills can be processed and cleaned for the use in fuel cells or transportation fuels. While our SCAP membership embraces these goals, we would again like to respectfully remind staff that biogas cleanup is not usually cost-effective and fuel cells have consistently failed prematurely due to stack failures, which then requires flaring in order to continue providing necessary management of the biogas. At minimum, to provide a realistic characterization, these challenges should be discussed in the AQMP. Clearly, without substantial funding incentives and performance guarantees, our members will be unable to justify biogas fuel cell or transportation fuel projects.

Table 4 provides a listing of incentive effectiveness by category, where wastewater treatment plants and landfills are identified. While this table was developed to provide "…*an estimate based on the specific equipment and facilities identified*", no supporting calculations or assumptions are included. We request that the methodology used to identify these units and quantify the required monetary incentive be provided for review and comment.

While we seek SCAQMD's support in incentivizing zero and near-zero biogas technologies, we do not believe these biogas technologies are truly commercially available, reliable or cost-effective yet. Due to these inherent challenges, we again request that biogas not be specifically included in this control measure.

CMB-03 Emission Reductions from Non-Refinery Flares:

While we appreciate the acknowledgement that flares are needed for emergency or backup capacity, we are concerned that our previous comments regarding the wastewater sector inventory were not addressed. Our comments outlined that SCAQMD staff provided a detailed summer planning inventory that clarified that the wastewater sector contributes only 0.01 tons per day of NOx. Considering wastewater flares are an insignificant source of NOx and they are normally used for emergency or backup purposes, SCAP requested that the wastewater sector be excluded from this control measure. Moreover, we are troubled by the inclusion of the proposed World Bank Zero Routine Flaring initiative, which is applicable to the oil and gas industry. Such a reference should be either removed or qualified as only pertaining to the oil and gas industry. We again respectfully request that such an insignificant source, composed entirely of essential public services, be excluded from this control measure.

We are also concerned that the draft control measure discussion omits a discussion of technological and financial challenges associated with biogas pipeline injection or vehicle fuel projects. The following briefly outlines some of our concerns regarding the language contained in this draft control measure: (1) wastewater treatment plants and landfills do not extract biogas

from the ground, so reinjection is not applicable, (2) our members strive to utilize biogas as a renewable resource. Nevertheless, flaring capacity at wastewater treatment plants is needed for emergency and backup purposes. Unlike wastewater treatment plants, landfill biogas continually declines in flow and methane concentration after landfill closure. The heating value of such dilute biogas cannot support most energy production applications, so facilities will need to maintain the ability to flare. Consequently, this control measure should not suggest that flared biogas can easily be used as a renewable fuel, (3) our members have installed fuel cells with advanced biogas gas cleanup systems, but premature breakthrough has significantly impacted the viability of this technology. The discussion excludes any mention of these actual operational limitations, so we request that such limitations be included and assessed by SCAQMD staff, (4) the discussion suggests that flared biogas can be used cost-effectively as transportation fuel, but in reality such projects are not financially viable, and (5) considering most biogas flares are used for emergency and backup purposes, we have difficulty understanding SCAQMD's estimated cost-effectiveness assumptions. We would like to review and comment on SCAQMD's cost-effectiveness calculations.

We respectfully request that this control measure exclude the wastewater sector, include an updated emissions inventory for landfills and wastewater treatment plants, SCAP be provided an opportunity to review and comment on SCAQMD's cost-effectiveness calculations and include a meaningful discussion regarding the technological and financial barriers limiting our ability to pursue pipeline injection and vehicle fuel projects.

MCS-01 Improved Breakdown Procedures and Process Re-Design:

Considering no SIP-creditable reductions would be obtained, SCAP does not understand the value of this proposed control measure. We acknowledge that EPA has expressed concerns regarding Rule 430 due to Startup Shutdown Malfunction (SSM) litigation and the resulting SIP Call [Federal Register / Vol. 80, No. 113 / June 12, 2015]. However, Rule 430 has yet to be disapproved by EPA and litigation challenging the SIP Call is ongoing.

Based upon our conversations with EPA, we believe that there are various approaches to address EPA's new SSM policy. In fact, EPA's SIP Call indicates that states and local agencies are allowed to issue their own enforcement discretion criteria, but such criteria cannot be binding on the United States or any citizens group. We respectfully request that SCAQMD staff review responses from individual states, which illustrates the nebulous nature of EPA's SIP Call (see http://www.arnoldporter.com/en/perspectives/publications/2016/07/how-states-are-reacting-to-epas-caa-mandate). These responses clearly justify a need for public vetting of any change to SCAQMD's SSM policy. We again recommend that this proposed control measure be excluded from the AQMP and allow legal proceedings to conclude prior to any SCAQMD rulemaking.

BCM-10 Emission Reductions from Greenwaste Composting:

While we understand that this proposed control measure is intended to reduce VOC and NH_3

emissions from chipping and grinding, we are concerned about specifically identifying vendors with non-commercial technology. In the past, our members have retained vendors with this type of technology, which were unable to achieve claimed emission levels in real-world practice. SCAP again requests that developing technology not be specifically discussed in the AQMP unless the actual performance can be demonstrated and validated in commercial and sector specific applications.

As described in our previous comment letter, we remain confused by the focus on food waste digestion in association with a greenwaste composting control measure. This draft control measure indicates that increased anaerobic digestion capacity *"…at Sanitation Districts could lower emissions of NH3 and VOC for certain waste streams…*" We agree that wastewater treatment plants can reduce emissions associated with food waste, but we are unaware of any technology that would allow wastewater treatment plant digesters to process greenwaste. Please revise this control measure to exclude the discussion of greenwaste digestion at wastewater treatment plants.

BCM-05 Ammonia Emission Reductions from NOx Controls:

While we appreciate staff's verbal clarification that this proposed control measure is only intended for large-scale projects, we respectfully request that this clarification be memorialized in the control measure. Moreover, to avoid potential confusion, SCAP recommended that this control measure be revised to indicate biogas and other small-scale projects would not be subject to ammonia emission reductions.

We would like to take this opportunity to thank you for meeting with our biogas coalition on August 9th. We look forward to working with you supporting for legislation and policies that provide financial incentives encouraging the use of biogas as a resource. Please do not hesitate to contact Mr. David Rothbart of the Los Angeles County Sanitation Districts, SCAP Air Quality Committee Chair, should you have any questions regarding our comments on the draft AQMP at (562) 908-4288, extension 2412.

Sincerely,

John Pastore, Executive Director

cc:

Dr. Philip Fine, SCAQM