SCAP
SOUTHERN CALIFORNIA ALLIANCE OF PUBLICLY OWNED TREATMENT WORKS

April 4, 2018

Mr. Steve Tsumura, Air Quality Specialist
Planning, Rule Development and Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, California 91765

Dear Mr. Tsumura:

Re: Comments on Proposed Rule 1118.1 – Non-Refinery Flares

The Southern California Alliance of Publicly Owned Treatment Works (SCAP) appreciates this opportunity to provide comments on Preliminary Draft Proposed Rule 1118.1. 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.

Our members provide an essential public service operating wastewater treatment plants for the sole purpose of safely and reliably managing sewage generated from the communities we serve. Biogas is a by-product of the anaerobic sewage treatment process and must be managed continuously. This waste gas cannot be managed as a commodity, which is the objective of for-profit industries. Accordingly, we are very concerned by the proposed rule language that would require the replacement of most existing biogas flares with BACT/LAER flares that are more complex and far less reliable. In addition, we strongly object to the concept proposed by staff that backup capacity could be provided by other means than flaring.

SCAP members already productively use biogas and the proposed rule will not result in less flaring. The rule, as drafted, will only make biogas management less reliable and more costly. Based upon these concerns and the issues outlined below, we respectfully request the rule be completely revised for wastewater treatment plant flares.

Emissions Inventory:

Before proceeding with further rulemaking activities, SCAP respectfully requests that the wastewater flare inventory be updated to current conditions. For example, the biogas turbines at the Hyperion wastewater treatment plant are operational and flaring has been effectively eliminated, which reduces the wastewater inventory by about 0.042 tpd NOx. In fact, the top six emitting

P.O. Box 231565
Encinitas, CA 92024-1565
Fax: 760-479-4881 Tel: 760-479-4880 Website: www.scap1.org Email: info@scap1.org

facilities in SCAQMD's inventory do not reflect current or anticipated flaring emissions, so SCAQMD's inventory is greatly exaggerated (i.e., the wastewater inventory is far less than 0.1 tpd NOx).

RECLAIM:

As described in SCAQMD's RECLAIM Transition Plan, well over half of the equipment at RECLAIM facilities is not currently at BARCT. In response, the Governing Board adopted NOx RECLAIM Trading Credit (RTC) reductions of 12 tons per day (tpd) from compliance years 2016 through 2022. In addition, the 2016 Air Quality Management Plan included a control measure to achieve an additional 5 tpd of NOx reductions as soon as practicable, but no later than 2025 and to transition RECLAIM to a command-and-control regulatory structure. AB617 accelerated SCAQMD efforts by requiring that air districts establish BARCT schedules no later than January 1, 2019, and implement BARCT no later than December 31, 2023.

It is our understanding that Rule 1118.1 is included in the RECLAIM landing rules requiring BARCT be established for RECLAIM facilities, but none of our member facilities are in the RECLAIM program. Considering RECLAIM facilities are subject to Rule 1118 and significant emission reductions are required from these facilities, we do not understand why Rule 1118 currently excludes NOx limits for candlestick flares. This is especially troubling when our members are being told to replace existing flares with BACT/LAER flares. We request that SCAQMD revisit rulemaking activities to prioritize RECLAIM reductions over less significant non-RECLAIM emissions (i.e., Rule 1118 facilities emitted 0.17 tpd NOx in 2017).

SCAP is also concerned that RECLAIM facilities may be unable to achieve the NOx reductions mandated by the Governing Board and our membership would be negatively impacted by such a situation. We respectfully request that Rule 1118 be amended prior to the adoption of Proposed Rule 1118.1.

BARCT VS BACT:

Prior to adopting rules to meet BARCT, California Health and Safety Code Section 40920.6 requires air districts to review the information developed to assess the cost-effectiveness of the potential control option and to calculate the incremental cost-effectiveness for the potential control options.

SCAP requests that SCAQMD provide supporting documentation for cost-effectiveness calculations developed for the proposed BACT/LAER wastewater flare replacements before rulemaking proceeds. We respectfully remind SCAQMD that the 2016 Ozone AQMP stated that the cost-effectiveness of this rule would be less than $20,000 per ton NOx reduced. SCAP has provided a conservative cost-effectiveness calculation of $135,000 per ton, which clearly indicates that BACT/LAER control is not cost-effective or consistent with the AQMP.

SCAP's members are very concerned about SCAQMD's proposal to require BACT/LAER controls for a rule intended to establish BARCT for RECLAIM facilities. Our members were significantly impacted by Rule 1110.2, which imposed BACT/LAER controls on biogas engines. As a result, many facilities were forced to shut-down their renewable energy projects, temporarily flare biogas,

and search for other means to productively use biogas produced from their treatment plants. Some of our members implemented innovative energy recovery projects, at great expense of public resources, only to have these technologies fail. Despite Rule 1110.2, our members continue to identify and implement renewable biogas projects without the need of an arbitrary regulatory mandate as proposed by Rule 1118.1.

Furthermore, during the development of Rule 1110.2, SCAP members were told that SCAQMD would implement a new flaring rule if we elected to flare biogas rather than productively utilize this waste product. Respectfully, this rule appears to be punishment for facilities that could not identify cost-effective means to productively utilize our biogas. To avoid punishing these essential public services, we recommend that SCAQMD establish 0.06 lbs NOx/MMBtu as BARCT for this rule. These makes sense since in most cases this BARCT level is at or lower emitting than the energy facilities. Our members would also support a requirement to phase-out candlestick flares, which would avoid the arbitrary flare age limit as proposed in the draft rule.

Beneficial Use Alternate Compliance Option:

While wastewater treatment plants attempt to maximize beneficial biogas use, SCAP cannot determine a minimum beneficial level that is achievable. Wastewater treatment plants are designed to accommodate fluctuating levels of waste treatment to serve the public, which results in a variable stream of biogas. In addition, many wastewater treatment plants serve a growing population resulting in increased biogas over time. Thus, in many cases, economics of a project require management of only a portion of the biogas produced. In other words, it is very challenging to design any beneficial use project to process 100% of generated biogas realizing that in many cases some amount of flaring is needed to manage this site-specific variability either now or in the future. Moreover, regulations are in constant fluctuation, so an acceptable beneficial use today could be prohibited tomorrow (e.g., Rule 1110.2). As a result, SCAP believes that the proposed minimum percent beneficial use levels are completely arbitrary and provide no meaningful incentive.

Low Use Options:

Wastewater treatment plants are required to manage biogas as an essential public service and flares must be permitted for any potential disruption of beneficial biogas use. Although actual flaring is normally minimal, flares are needed for maintenance or failure of beneficial primary uses, regulatory restrictions (e.g., Rule 1110.2) and potential emergencies. As a result, SCAQMD's low use provisions are not helpful or appropriate.

Source Testing:

SCAP agrees that source testing should be performed on representative flares on a three year cycle and flares at BACT/LAER on a five year cycle. However, SCAP does not understand SCAQMD's justification for requiring ultrasonic fuel meters. We request technical reasons that support such a requirement. In the event flow measurement needs to be addressed by the proposed rule, then an accuracy requirement should be considered rather than a specific technology.

Other Comments:

We have many other objections to the proposed rule language, but believe that the language must be substantially revised before any additional meaningful comments can be provided.

As outlined above, flaring from wastewater treatment plants is not a significant source of NOx. As publicly owned facilities, we have always attempted to beneficially utilize all biogas produced from our treatment plants and our members have been very successful. Rather than encouraging greater beneficial biogas use, the proposed rule appears to rely solely upon punitive measures to reduce trivial sources of emissions. SCAP believes that the proposed rule language is highly objectionable and we respectfully request a meeting with SCAQMD management to discuss our concerns.

Thank you again for the opportunity to comment on Preliminary Draft Proposed Rule 1118.1. 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 this transmittal at (562) 908-4288, extension 2412.

Sincerely,

Steve Jepsen, Executive Director

cc: Dr. Philip Fine, SCAQMD
Ms. Susan Nakamura, SCAQMD
Mr. Michael Krause, SCAQMD
Ms. Heather Farr, SCAQMD
Mr. Greg Kester, California Association of Sanitation Agencies
Mr. Ray Arthur, Central Valley Clean Water Association
Mr. Randy Schmidt, Bay Area Clean Water Agencies