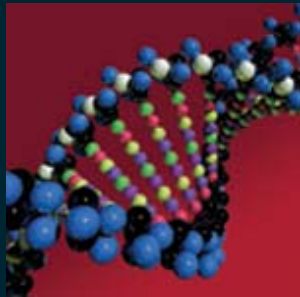
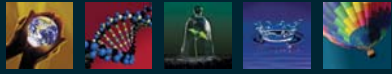


Solutions to Regulatory and Resource Issues Regarding Renewable Energy and GHG Projects

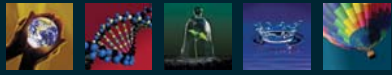


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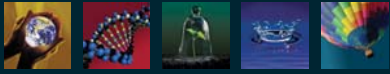
Overview of Solutions

- Sophisticated emission control technologies.
- Work with government agencies to change federal, state and local regulations to better recognize the unique benefits of organics residuals projects.
- Work with regulators to take advantage of existing resource and recovery provisions of the Health and Safety Code.
- Work with other stakeholders such as NGOs to gather support for the projects



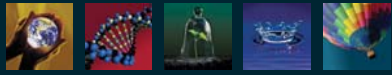
Emission Controls and Regulatory Issues

- Regulatory Drivers:
 - Best Available Control Technology (BACT)
 - Availability and cost of offsets
 - More stringent source specific regulations
 - GHG regulations
- Sophisticated emission controls:
 - PM₁₀ control
 - NOx control
 - Fuel gas cleanup technologies



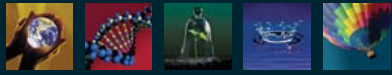
Change Regulations: State Legislature

- GHG regulations:
 - Regulations that take into account life cycle analysis
 - Regulations that have provisions for renewable energy or GHG that currently have barriers because of existing or regulation requirements
 - Complexity in the design of offset rules for GHGs
 - a) It is a regional and global issue rather than a local issue.
 - b) Lack of experience with measuring, managing and accounting for GHG emissions and emission reductions.
- SB827 for the current SCAQMD “permit moratorium”
 - On the Governor’s desk



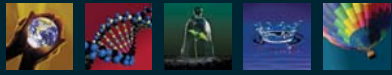
Regulatory Role in Reducing GHGs

- Importance of regional efforts:
 - Solutions and contributions need to come from all levels.
 - Regional efforts:
 - a) Can balance other programs
 - b) Can facilitate progress and recognize co-benefits
 - c) On-the-ground knowledge of local conditions



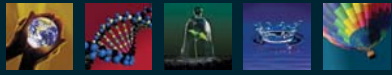
Additional Options for Offsets Under the Health and Safety Code

- District shall issue permits for the construction of a project which burns municipal waste, landfill gas, or digester gas if several conditions are met including BACT and offsets to mitigate the impact of the project.
- Utility displacement credits for cogeneration and qualifying facilities.
 - Can only be issued by CARB
 - Credits “ran out” in 1980’s
- Also offsets for resource recovery projects, need growth allowance



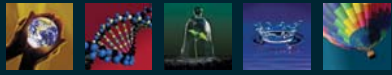
Renewable Energy Projects

- Example projects in Southern California:
 - Biosolids waste-to- energy facility
 - Rentech – Municipal solid waste gasification facility
 - Green Conversion Systems
 - Dairy Manure Digester Permitting
 - Various municipal digester and landfill gas projects
 - Dairy Emission Reduction Credit appeal



Early Stakeholder Involvement

- Technical compliance with regulations is not enough
- Most projects have discretionary approvals
 - Triggers CEQA
 - Will force public notice at some point
- It is better to be out front
- Have an effective communications plan and team
- NGOs, local governments, local agencies.



Conclusions

- Advancement in control technology is important to regulatory compliance.
- Regulations need to account for GHG reduction in addition to traditional criteria pollutants.
- Regulations can interfere with pollution reduction measures such as organics use.
- Explore resource and recovery options for obtaining offsets.
- Implement outreach early and often