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**BEFORE THE CALIFORNIA ENERGY COMMISSION**

Comments in Response to SB 1368  
Implementation – “Greenhouse Gases  
Emission Performance Workshop”

Docket No. 06-OIR-1

**COMMENTS OF COVANTA STANISLAUS INCORPORATED (CSI) STAFF  
ISSUE IDENTIFICATION PAPER CEC-700-2006-011 REGARDING  
IMPLEMENTATION OF SB 1368 EMISSION STANDARDS AND “NETTING”  
CALCULATIONS**

Jeffrey Hahn,  
Patrick Holley,  
Covanta Energy  
2829 Childress Dr.  
Anderson, CA 96007  
(530) 949-4318

Mike Norris  
VP Business Management  
Covanta Energy – West Region  
P.O. Box 278  
4040 Fink Road  
Crows Landing, CA 95313  
(209) 837-4423

**COMMENTS OF COVANTA STANISLAUS INCORPORATED (CSI)  
REGARDING IMPLEMENTATION OF SB 1368 EMISSION STANDARDS AND  
“NETTING” CALCULATIONS AND THE ENVIRONMENTAL BENEFITS OF  
WASTE TO ENERGY ELECTRIC GENERATION**

**Introduction**

Pursuant to the Workshop Notice and related CEC *Staff Issue Identification Paper issued on November 27<sup>th</sup>, 2006*, Covanta Stanislaus Incorporated (CSI) hereby submits comments related to the treatment and calculation of GHG emissions under SB 1368.

CSI owns and operates a Waste To Energy (WTE) plant located in Stanislaus County that serves the waste management needs of Stanislaus County, the City of Modesto, a number of other small municipalities and other clients in the area and generates renewable electricity which is sold to PG&E under a long term Power Purchase Agreement. WTE offers two important benefits to its customers – environmentally safe solid waste management and disposal, as well as the generation of clean electric power. WTE facilities produce clean, renewable energy through the combustion of municipal solid waste in specially designed power plants equipped with the most modern pollution control equipment to clean emissions.

**Greenhouse Gas Emissions From WTE**

Several key attributes of generation of electrical power from WTE include, energy recovery from combustion of municipal solid waste (MSW) which is largely “Biogenic” i.e. produced from renewable sources, secondly, electricity generated using MSW avoids other fossil based electric generation, thirdly, a significant amount of ferrous metal is recovered for recycling thus saving energy and avoiding GHG emissions associated with steel production, and finally, methane and CO<sub>2</sub> emissions that would have been produced as a result of landfilling are avoided. Due to these factors Covanta Stanislaus has a very beneficial GHG emissions profile.

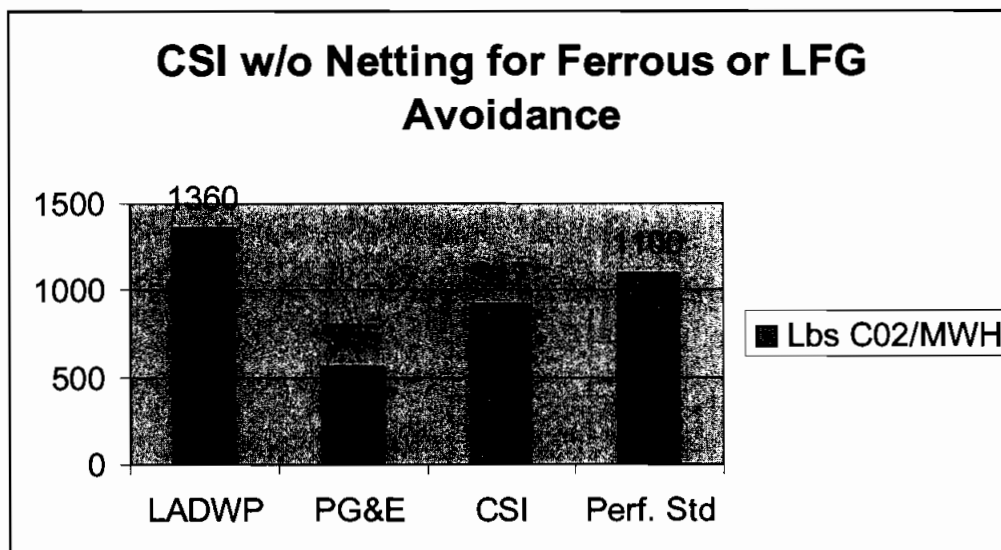
It is very important that these factors be reviewed and accounted for in implementation of SB 1368 in order to fairly measure the emissions of all technologies in context of the benefits of WTE mentioned above. This approach is supported by *SB 1368* by [Sec. 8341 (e) (3)] “*In determining the rate of emissions of greenhouse gases for baseload generation, the Energy Commission shall include net emissions resulting from the production of electricity by the baseload generation.*” Additionally, the *Climate Action Registry Protocol* also allows for the determination of “netting calculations”. Within the Registry’s emission inventory tool (*CARROT*), there are sections that can be included for the purpose of quantifying generation to the grid from the WTE produced MWH’s and “netting calculations” of the avoided anthropogenic CO2 emissions from the Utility that receives the MWH’s. Also within the *CARROT* tool there are sections that allow for the identification of other avoided CO2 emissions which could also be included in the “netting calculations.”

National efforts have also identified and quantified greenhouse gas emissions from WTE facilities. The *Integrated Waste Services Association (IWSA)* has prepared a report entitled “*The Impact of Municipal Solid Waste Management on Greenhouse Gas Emissions in the United States*” which details the sources and methods for estimating GHG emissions from various activities. *EPA* has also prepared an evaluation and inventory tool which when employed quantifies the benefits of WTE technology (the *U.S. Environmental Protection Agency Decision Support Tool (DST) program.*). The *California Integrated Waste Management Board* has also utilized the *EPA DST* in policy making efforts. Therefore, we would encourage the use of these existing resources in the standard setting process to be consistent with the goals and objectives of both SB 1368 and AB 32.

## **EMISSIONS PERFORMANCE**

Our preliminary efforts to estimate greenhouse gas emissions of Covanta Stanislaus are shown below in the graph (figure 1) in comparison to emission levels of the Utilities and the proposed SB 1368 performance standard. They show that CSI would comply with the

SB 1368 Performance Standard, however, they are preliminary and only include avoided GHG emissions from electric generation that would be produced by the PG&E electric supply and do not yet include avoided GHG emissions from ferrous metal recovery, avoided landfilling or other sources. We would estimate a significantly lower GHG emission profile for CSI with netting of ferrous metals recovery and landfill avoidance, if allowed.



Notes: Utility emissions factors from reported electric delivery metric. CSI emissions estimated using anthropogenic portion of MSW and netting of avoided anthropogenic fossil generation from PG&E.

Figure 1

### Summary

Covanta Stanislaus encourages the Commission to utilize existing models cited in our comments for quantifying emissions from Landfills, Landfills with energy recovery and WTE facilities. Use of these models will contribute to maintaining a level playing field when calculating total “net” emissions from various technologies. Covanta Energy in making these comments also notes for the record that we operate other electric generating technologies in addition to WTE including, Landfill Gas to Energy (LFGTE) and Biomass wood fired power plants in California.

Dated December 4, 2006,

Respectfully Submitted,

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Mike Norris  
VP Business Management  
Covanta Energy West Region  
P.O. Box 278  
4040 Fink Road  
Crows Landing, CA 95313