

Developers to offset pollution with check

\$4.2 million earmarked for district to counteract tons of uncontrollable particles

By SARAH RUBY, Californian staff writer

Bakersfield Californian, Friday, Oct. 21, 2005

Call it a hedge against the future cost of air pollution.

Builders of a southwest Bakersfield housing development will pay more than \$4 million to offset all air pollution they create, getting in early on a market that will surely inflate as the dirtiest ag pumps and diesel engines are taken out of use.

On average, local developers Mike and Greg Petrini will pay the San Joaquin Valley Air Pollution Control District \$606 for each of 7,000 homes in their Old River Ranch development. The project, which also includes 877,000 square feet of retail and office space, will go to the City Council for approval Nov. 9.

Old River Ranch will produce 282.6 tons of dust particles and ozone-forming pollution each year, according to air district documents. One ton of pollution costs \$15,000 to eliminate.

The Petrinis must send their \$4.2 million check to the district by Dec. 31, according to the agreement approved by the air district board of directors' on Thursday.

The Petrinis' deal with the air district is meant to offset all air pollution that can't be controlled by bike lanes, walkable neighborhoods and easy-to-access retail stores. The money will be added to the district's regular grant funds, most of which pay to replace out-of-date engines and other technology. The district typically has some \$20 million to work with each year.

The Petrinis are glad to pay up, according to Dave Dmohowski, a consultant on the Old River Ranch project.

"We wanted to have a bulletproof (development)," he said.

The Kern-Kaweah chapter of the Sierra Club has challenged 17 local developments and settled with 16 of them. These builders have agreed to find ways to cut air pollution on-site, or pay to have it cut elsewhere.

The Petrinis sought to avoid this step by paying the air district to offset Old River Ranch's pollution for them.

They also locked in a good price, said Dmohowski.

"It will get harder and harder to find a ton of pollution to reduce," he said.

That means developers will have to find more creative, and likely more expensive, ways to offset the car trips and construction sites their developments generate.

"Its a win-win situation," said Seyed Sadredin, deputy air pollution control officer for the district.

The developers get peace of mind, and the public gets improved air quality without waiting for the projects to build out over 20 years, he said.

The Petrinis will likely be the second developer team to cut this kind of check to the air district. In April, Tejon Ranch Co. agreed to pay \$531,900 to offset all pollution generated by its 15-million-square-foot industrial complex near the Grapevine. Castle & Cooke California Inc. made a similar pledge at the time, but the district is still calculating how much pollution its 7,450-unit housing development will create.

These agreements mirror a proposed air district rule that would require developers to cut a portion of the pollution they generate, or pay to cut it elsewhere. Even if the new rule passes, developers will still have to contend with challenges from the Sierra Club if they don't offset every ounce of air pollution they generate.

"Developers can mitigate to zero," said Gordon Nipp, who is leading the Sierra Club's air quality efforts.

Air pollution officials want to put a lid on wine fermentation

Capital Press Agriculture Weekly

Oct. 21, 2005

By Ali Bay, California Staff Writer

DAVIS — Cows belch, and wines ferment. And both must be controlled in the San Joaquin Valley, air pollution regulators contend.

While the San Joaquin Valley Unified Air Pollution Control District has long focused its energy on trying to figure out just how much pollution a dairy cow creates – and how to regulate it – the agency has now turned some of its attention to the big wineries in the Central Valley.

Regulators have proposed a rule that would require large wineries in the valley to put a lid on their red wine fermentation tanks, which emit pollution-causing volatile organic compounds in the form of ethanol.

Wineries are a “fairly large source” of pollution, said George Heinen, the district’s rule development supervisor. Although he couldn’t compare wineries to other sources of pollution, such as dairies, he said wine production puts volatile organic compounds into the air during late summer, at a time when pollution is at its peak for the year.

“Right now the wine is fermented in large tanks that are 50,000 to several hundred thousand gallons in size,” he said. “The tank is left open while wine is fermenting. We’re proposing to control those emissions, or get the equivalent emission reductions from other sources.”

The district’s plan, released Oct. 4, aims to reduce winery ethanol emissions in the valley by 35 percent, which the district estimates will reduce volatile organic compound emissions by 224 to 262 tons each year.

But the wine industry isn’t certain affordable technology is available to help wineries comply with the new regulations if they become law.

“I think we understand the district’s need to regulate stationary sources (of pollution),” said Wendell Lee, general counsel for the San Francisco-based Wine Institute. “We haven’t told them that we don’t want to do it. But what they’ve proposed is not engineered very well and it’s unreasonable.”

The Wine Institute and the district have disagreed on how much it might cost an individual winery to comply with the proposed rule. Most of the emission control technology that would be applied to fermentation tanks is borrowed from the refining industry, Lee said.

While it’s not impossible to configure a winery to use some of those technologies, it could be “extremely costly,” he said.

A Wine Institute report estimates that it would cost nearly \$31 million to install air pollution controls on Gallo’s Livingston Cellars in Modesto, a number district staff have said is too high.

About 75 percent of the state’s wine production takes place in the San Joaquin Valley Air Basin, which is classified as an extreme ozone nonattainment area by the federal Environmental Protection Agency. The district wants to regulate wineries to help it meet state and federal ambient air quality standards by 2010.

To achieve that goal, the district altered its original June proposal to give wineries greater flexibility in how they can meet pollution-reduction goals, Heinen said. Under the current proposal,

wineries have the option of controlling a certain amount of emissions from fermentation tanks or reducing emissions on other sources of pollution, such as diesel engines used in the same operation. Wineries could also pay into a district fund that helps reduce pollution in other areas of the region.

The end goal is to get wineries to reduce their volatile organic compounds emissions by 35 percent.

"We know this hasn't been done before," said Heinen. "We're trying to give (wineries) flexibility in how they respond. As long as we can reduce emissions by an equivalent amount, that would meet our goal."

Of the 109 wineries in the valley, the district estimates that 18 are responsible for about 95 percent of the pollutants. Smaller wineries producing less than 10 tons of volatile organic compound emissions annually would be exempt from the proposed rule.

A study commissioned by the Wine Institute estimates the cost of implementing the technology will vary from 50 cents to \$1.50 per case, depending on the type of wine.

"For the area, we're a very, very small percentage of the VOCs," Lee said. "So we're devoting a large amount of our financial and technical resources to a problem that is quite comparatively very, very small."

A Wine Institute spokeswoman said the industry is likely responsible for only about .5 to 1 percent of the total emissions in the valley.

A public hearing on the winery fermentation rule is scheduled for Dec. 15 in Fresno. At that time the district board could take action on the proposal. A public comment period is also in place until Nov. 2.

If the district approves the proposed rules, winery operators must submit compliance plans by July 1, 2006, and demonstrate full compliance by July 1, 2007. The district estimates that air quality benefits would be realized by the 2010 fermentation season.

Dairy electrified by manure

Lindsay operation shows off environmentally friendly generators that use methane gas.

By Dennis Pollock / The Fresno Bee

(Updated Friday, October 21, 2005, 6:56 AM)

LINDSAY — Zhiqin Zhang, a specialist with the California Energy Commission, offered a tongue-in-cheek apology Thursday during the showcasing of a machine that uses methane from manure to generate electrical power at a Lindsay dairy.

"I apologize for the low estimate on the power it would generate," Zhang said, grinning.

From the audience where nearly 100 visitors — including many elected officials — sat on bales of straw, owner Rob Hilarides said, "It's a nice problem to have."

Instead of an anticipated 250 kilowatts of power, the methane from manure at the farm is generating twice that amount — 500 kilowatts. Hilarides has added two generators to the two he initially installed.

The huge Hilarides Dairy is the second high-profile dairy in a year in the central San Joaquin Valley to showcase the machines, known as methane digesters. Last October, Joseph Gallo Farms showed off its system, which provides power for its cheese-making operation.

Carl Morris, Gallo's general manager, who helped advise Hilarides on the Lindsay installation, was among those who attended Thursday's event. Before leaving Atwater, he said, he watched

as a second generator was installed at the Gallo dairy. He said the addition means the digester there will put out 700 kilowatts of continuous power.

A.J. Yates, undersecretary of agriculture with the California Department of Food and Agriculture, praised Hilarides for "turning a waste product into an energy product."

Michael Marsh, CEO of Western United Dairymen, said the dairy industry and producers like Hilarides will benefit from a law signed by Gov. Schwarzenegger that extends net metering to Dec. 31, 2009. Under net metering, electricity generated by a biogas can be credited against electricity consumed.

But Marsh and others said a greater incentive for more digester projects would be "having the dairy producer get paid for the power he's generating." There is no mandate that utilities purchase excess power, and the costs for energy use at most dairies amount to only 1% or 2% of operating expenses.

At the Lindsay dairy, the digester uses manure from nearly 6,000 dairy heifers and steers at its Sierra Cattle Co. operation. The electricity provides 90% of the dairy's electrical needs and helps offset the cost of power for electric irrigation wells.

The digester cost about \$1 million, and half that cost was paid by the California Dairy Power Production Program, which is administered for the California Energy Commission by Western United Resource Development.



Hilarides Dairy has four generators that provide 90% of the dairy's electrical power.
John Walker / The Fresno Bee

Hilarides said some inspiration came 20 years ago when he saw the operation of a digester on Roy Sharp's Tulare County hog farm. Sharp, who heads Sharp Energy in Tulare, designed the Lindsay project.

"I saw this as a stewardship issue," Hilarides said. The digester cuts down on odor, captures methane before it reaches the atmosphere and "helps reduce the strain on the California power grid," he said.

Residents battle to stop development

By Leslie Albrecht
Merced Sun-Star
Oct. 21, 2005

ATWATER -- Green and white signs saying "Stop Atwater Ranch Annexation" have been sprouting up in McSwain yards for the past couple of months.

Now area residents fighting the proposed 400-acre subdivision hope to flex more muscle in the battle to stop Florsheim Homes from building 1,600 homes. At the suggestion of County Supervisor Mike Nelson, they've formed a Municipal Advisory Council, or MAC, which can make recommendations to the Board of Supervisors about Atwater Ranch and other proposed developments.

"My hope is that the MAC will in some fashion give advice to the supervisors regarding this development and other developments in the area," said McSwain resident Bill Schill, a member of the MAC.

MACs have no real power, but they give unincorporated areas like McSwain a voice in the planning process. Florsheim is scheduled to make a presentation at the McSwain MAC's next meeting on Thursday.

Residents also have gathered more than 500 signatures on a petition of opposition to Atwater Ranch.

They plan to submit the petition to the Merced County Local Area Formation Council (LAFCO) when they've collected "enough signatures to make an impression," Schill said.

The Atwater City Council approved the annexation of the project in February, but LAFCO must also sign off on it before the developer can move forward.

Atwater Ranch, which could bring as many as 6,000 new people to the area, would include a mix of multi- and single-family homes, along with two parks.

Florsheim Homes had originally hoped to break ground before the end of this year, but the county, two schools districts, the Merced County Farm Bureau and a group of residents all sued the city of Atwater to block the project.

A judge threw out the farm bureau's lawsuit and consolidated the remaining three into one case in August.

Attorneys representing the county, Atwater schools and residents filed a brief last week charging that "the city inexplicably failed to use the proper environmental review before approving this project."

"They're not really addressing all of the issues like traffic, sewer, water, schools, air pollution," said attorney Dennis Myers, who represents the residents' group. "They're just saying we can mitigate it in the future, but they're not saying how or who is going to pay for it."

Myers also noted that the land is zoned for rural residential use, which designates one acre per house.

"They want to put 1,700 houses on 300 acres, which is not very big lots," said Myers. "The density is too much for our area."

A hearing has been set for Jan. 13 in Merced County Superior Court.

Residents' MAC meeting

WHAT: McSwain Municipal Advisory Council

WHEN: Thursday at 6:30 p.m.

WHERE: McSwain Elementary School cafeteria, 926 North Scott Road.

Florsheim Homes is scheduled to make a presentation and answer questions about the proposed Atwater Homes subdivision.

State moves to clean up air polluted by diesel exhausts

New regulations focus on bus fleets, napping truckers

Michael Cabanatuan, staff writer

S.F. Chronicle, Friday, October 21, 2005

Sacramento -- California air quality officials took two steps toward clearing the air of sooty diesel exhaust Thursday, ordering truckers to kill their engines before taking naps, and requiring transit agencies to gradually fit fleets of old dirty diesel buses with new pollution filters.

In separate actions after lengthy and heated public hearings, the state Air Resources Board voted without opposition to adopt the new regulations.

Clean-air advocates hailed the decisions, particularly the requirement, which starts in 2008, that truck drivers snoozing in sleeper cabs turn off their engines. A 2004 rule ordered truckers to shut down after idling for 5 minutes, but exempted sleeping truckers so they could run their heaters or air conditioners.

Trucking industry representatives criticized the new requirement, saying it will leave many truckers shivering or sweating in their cabs instead of getting some much-needed rest.

"Operators of trucks will be left with no feasible means of heating or cooling their trucks, and they need to be able to get good rest to stay alert," said Dawn Freist, a representative of the Engine Manufacturers Association.

Advocates of the shut-down-to-sleep regulation said it would protect residents -- most of them poor and nonwhite -- who live near ports and trucking hubs and suffer higher rates of asthma. And, they said, it would save 160 million gallons of fuel each year in the state.

The air board's staff, which studied the sleeper cab issue for the past year, said that a number of devices using different technologies could be used to heat and cool cabs more cleanly and efficiently, and would pay for themselves with fuel savings in months in most cases, and two years at most.

"It seems like a no-brainer to me," said Karen Pierce, a resident of San Francisco's Bayview-Hunters Point and a member of the Ditching Dirty Diesel Collective, a group working to cut diesel pollution. "I don't know why we should have to wait any longer for something that will not only clean the air but will protect truckers, our children and ourselves."

Trucking industry representatives, however, said the devices were too costly and the technology hadn't been adequately tested. They said the new regulation's 2008 start date is too soon.

Board members, who saw demonstrations of some of the devices that can be used to heat and cool sleepers, asked questions of some speakers but voted to ban overnight idling without debate.

The new regulations would also require truck manufacturers to choose one of two options: install equipment that automatically shuts down idling engines after 5 minutes or install filters that meet especially stringent clean air requirements.

"It's going to benefit the health of the economy and the state," said Don Anair, a vehicles engineer for the Union of Concerned Scientists. "Cutting pollution from trucks that idle overnight will clear the air, curb global warming emissions, save fuel and save truckers money."

The decision to require transit agencies to gradually clean up their fleets of dirty old diesel buses was a compromise: For each new cleaner diesel vehicle a transit agency buys, it must install a pollution filter into an old diesel bus. The deal was worked out between environmentalists and transit agencies.

In 2000, the air board voted to allow transit agencies to choose either to buy cleaner natural gas or other alternative fuel buses, or to stick with diesel but purchase reduced emission diesel buses and retrofit many of their older, more polluting buses and experiment with new technologies. Most Bay Area transit districts chose to stick with diesel.

Both diesel and natural gas buses, however, must meet more stringent emission standards beginning with 2007 fleets, which transit agencies are ordering. Natural gas bus makers can meet those standards but diesel manufacturers say they can't, despite previous promises, though they expect to meet them by 2010.

Faced with the likelihood that diesel districts would defer bus purchases and keep older dirtier buses on the road for three years rather than convert to natural gas, the board supported the compromise Thursday. It retains the emissions standards but allows the purchase of cleaner diesel buses that don't meet the regulations as long as the one-to-one retrofit is accomplished.

Critics urged the board not to allow the compromise, hoping that adhering to the stricter standards would either force diesel manufacturers to meet them, or prompt transit agencies to buy natural-gas buses, boosting demand and jump-starting the market for cleaner buses.

Steve Heminger, executive director of the Metropolitan Transportation Commission, which funds Bay Area bus purchases, was pleased with the decision but said it was really a minor issue.

"This was a debate about a very narrow question," he said. "There's no debate about cleaning up the air or cleaning up our diesel buses. The Bay Area has done well at that. The only question here was what do we do for a three-year period when cleaner diesel buses are not available."

Panel OKs Diesel Bus Trade-Off

By Marla Cone
LA Times
October 21, 2005

California's air quality board Thursday left intact a stringent smog-fighting standard for new buses but will allow transit agencies to keep buying more highly polluting diesel buses as long as they compensate by retrofitting some old ones.

Because no diesel engines will be able to comply with an emission standard scheduled to go into effect in 2007, the Air Resources Board considered easing the standard to allow new diesel buses to emit six times more nitrogen oxides until technology improves in 2010.

But in a unanimous vote after six hours of debate and public testimony, the board decided that relaxing the standard would be the wrong message to send transit agencies.

California has about 10,000 transit buses, with about 60% of them diesel-powered, and they are among the state's largest sources of smog and soot.

The state requirement for new buses will remain the same as when it was adopted in 2000. But, board spokesman Jerry Martin said, "the board had to provide some remedy for the transit agencies with the older diesel buses."

The board members decided that transit agencies could buy buses that exceed the standard, but only if they offset the extra emissions by putting smog-control devices on some of their older diesels. If the board had not granted such an exemption, about 40 California transit agencies that rely on diesel buses, largely in Northern California, would not have been allowed to buy any new ones for three years.

Environmentalists and diesel transit agencies supported the decision.

Buses powered by natural gas can meet the new standard in 2007, but diesel technology has not advanced quickly enough.

Most agencies in the Los Angeles Basin operate buses powered by cleaner-burning alternative fuels, mostly compressed natural gas. But most other transit agencies in the state have decided against alternative fuels because building fueling stations costs millions of dollars.

Smog board tentatively agrees to keep new bus pollution standards

By Steve Lawrence, Associated Press Writer
in the S.F. Chronicle, Thursday, October 20, 2005

SACRAMENTO, (AP) -- Handing environmentalists a symbolic and possibly temporary victory, California's smog control board tentatively agreed Thursday to keep tougher pollution limits for city buses that are set to take effect in 2007.

But Air Resources Board members said they might reverse their decision next week at a meeting in Los Angeles if they determine that keeping the standards would cost transit operators a significant amount of government aid.

The limits would require new buses to meet an emission standard of 0.2 grams per hour for oxides of nitrogen starting in 2007, down from the current level of 0.5 grams, which took effect last year.

But board staff members said the bus manufacturers have balked at producing diesel engines that reach the .5 standard and aren't expected to meet the 2007 requirement either.

"They're close, but they're not there yet," said Jerry Martin, a spokesman for the air board.

Unlike cars, California doesn't buy enough new buses each year to create the market share that would force manufacturers to meet the lower pollution levels, Martin said.

Staff recommended rolling back the 2007 standard to 1.2 grams per hour, which is the current federal requirement. That would enable the 48 transit agencies in California that use diesel-powered buses to buy new equipment before the federal government forces bus producers to meet the .2 grams requirement in 2010.

The staff proposal also recommended requiring transit operators with at least 30 buses to retrofit an older bus with better pollution-control equipment when they bought a new bus that met the 1.2 gram standard.

Another option, opposed by transit districts, would have required all transit operators to switch to natural gas-powered buses that can meet the .2 requirement.

The plan tentatively adopted by the board would keep the .2 requirement on the books. But it also would require operators that bought new buses failing to meet the requirement to retrofit older buses or other diesel-powered equipment.

Environmentalists argued against lowering the standard, citing California's long-standing role as the nation's leader in imposing tough air pollution controls.

"It sends the wrong message to an industry that has repeatedly attempted to force this agency to water down its rules," said Diane Bailey, a staff scientist with the Natural Resources Defense Council.

Board members agreed but said they were concerned that maintaining the .2 requirement would prevent transit operators that buy cleaner-running natural gas-powered buses from getting state aid through the so-called Carl Moyer program.

Moyer funding, named after an air pollution control advocate, is available to transit operators that buy buses or pollution control equipment that reduce emissions below the state standards.

Staff members said federal money is available to make up for at least part of the Moyer money but weren't sure about the difference. The board asked staff members to make that determination and report back next Thursday.

'Fantasy' cars closer to reality

Vehicles at Tokyo exhibit focus on alternate energy

Modesto Bee, Friday, Oct. 21, 2005

By YURI KAGEYAMA - THE ASSOCIATED PRESS

CHIBA, Japan — The usually futuristic "concept cars" at the Tokyo auto show are taking on an all-too-real immediacy this year amid soaring oil prices, with ecologically-friendly autos grabbing the limelight.

The overriding message at the Tokyo Motor Show, opening Saturday to the public, is that gas guzzlers must make way for cars that pollute less and rely less on shrinking fossil fuel supplies.

Reporters got a preview Wednesday of the show's offerings of experimental ecological cars, including a vehicle that switches back and forth between an electric motor and a hydrogen-powered engine from Mazda Motor Corp. and a fuel cell small car from Suzuki Motor Corp.

Auto officials say it's urgent to develop cars that run on fuels other than gasoline. Crude oil prices have doubled over the last five years as the global oil supply struggles to keep up with ballooning demand.

"We could be facing a crisis in which the oil supply dries up," says Mitsuru Honma of Sanyo Electric Co., which supplies batteries for Ford Motor Co.'s hybrid vehicles.

Hybrid vehicles deliver a cleaner ride and reduce greenhouse emissions by switching back and forth between different powertrains, such as an electric motor and gasoline engine.

Sanyo, which has a booth at the show, estimates annual production of hybrid vehicles may increase to 3 million worldwide by 2010, or 7 percent of the 44million passenger-car market.

Annual hybrid production now totals less than half a million.

Toyota Motor Corp., the first to sell a hybrid commercially with its Prius in 1997, is showing an even more advanced hybrid called Fine-X, which is powered by a battery and a pollution-free hydrogen fuel cell.

The hydrogen, stored in a fuel tank, combines with oxygen in the air to form water clean enough to drink.

Also, the Fine-X has wheels that can swivel at a sharp angle to the side to allow for tight U-turns and easy parallel parking.

GM touts technology

General Motors Corp. was pushing its technological prowess, displaying its collaboration in fuel cells with Japanese partner Suzuki that has adapted GM's technology for the small car, Suzuki's specialty.

"We don't see this as a question of whether. We see it as a question of when," Larry Burns, GM vice president in charge of research and development, said of the impending switch from gas engines to fuel cells.

Burns said GM plans to develop a fuel cell system that will be competitive with gasoline engines in performance by 2010.

Fuel cell vehicles remain extremely expensive and are only available for leasing, mostly by government organizations. Skeptics say 2010 is too early for fuel cell vehicles — or even hybrids — to catch on in significant numbers.

Still, in another corner of the show, Honda Motor Co. displayed its FCX fuel cell concept, designed to highlight other technology, such as turning on car audio and air conditioning by simply looking at icons on a dashboard.

"It's our proposal for the future," said Executive Chief Engineer Yozo Kami, while declining to say when such a car might go on sale. "But it's not a complete fantasy."