



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

February 26, 2021

County of Santa Clara
Care of Adam Petersen, apetersen@m-group.us
Department of Planning and Development
County Government Center, East Wing, 7th Floor
70 West Hedding Street
San Jose, CA 95110

ALAMEDA COUNTY
John J. Bauters
(Secretary)
Pauline Russo Cutter
David Haubert
Nate Miley

CONTRA COSTA COUNTY
John Gioia
David Hudson
Karen Mitchoff
(Vice Chair)
Mark Ross

MARIN COUNTY
Katie Rice

NAPA COUNTY
Brad Wagenknecht

SAN FRANCISCO COUNTY
VACANT
Shamann Walton
Tyrone Jue
(SF Mayor's Appointee)

SAN MATEO COUNTY
David J. Canepa
Carole Groom
Davina Hurt

SANTA CLARA COUNTY
Margaret Abe-Koga
Cindy Chavez
(Chair)
Rich Constantine
Rob Rennie

SOLANO COUNTY
Erin Hannigan
Lori Wilson

SONOMA COUNTY
Teresa Barrett
Lynda Hopkins

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

Connect with the
Bay Area Air District:



Re: Z-Best Composting Facility Modifications Draft Environmental Impact Report (DEIR)

Dear Mr. Petersen,

Bay Area Air Quality Management District (Air District) staff has reviewed the Draft Environmental Impact Report (DEIR) for the Z-Best Composting Facility Modifications Project (Project). The Project would modify the existing Z-Best Composting Facility (Z-Best), located at 980 State Route 25 in Gilroy. The Project includes changes to the 1) existing composting processes; 2) detention pond #1; 3) flood water storage facility; and 4) a widening of State Route 25 along the site frontage road. Once implemented, the Project would increase maximum throughput from 1,500 to 2,750 tons per day (tpd) of material processed and would double daily truck trips at the site.

Support for the Project

Air District staff support Z-Best's investment in its operations. The Project's aerated static piles system (an Engineered Composting System (ECS) system) would produce fewer volatile organic compounds (VOCs) emissions per ton of material processed than the existing Composting Technologies, Inc. (CTI) system. Some VOCs react with other pollutants to form ozone in the atmosphere; in this letter the Air District refers to those VOCs as precursor organic compounds (POCs). In addition to reducing POCs per ton of materials processed, increasing maximum throughput at Z-Best would divert more materials from landfills and help California meet the goals of SB 1383 which targets a 50 percent reduction in the landfilling of organic waste by 2022.

Additional NOx Construction Emission Reductions

The DEIR states that the Project would create a significant oxides of nitrogen (NOx) impact due to construction emissions. In response, the DEIR proposes Mitigation Measure 6-1a, which requires the Project to achieve an off-road fleet-wide average 20 percent NOx reduction compared to the most recent California Air Resources Board (CARB) fleet average. Air District staff believe that additional NOx emission

reductions are feasible and that the Project should commit to using off-road construction equipment as follows:

1. Zero-emissions construction equipment when available.
2. Interim Tier 4 engines for off-road equipment engines with less than 750 horsepower (hp). If Interim Tier 4 equipment are not available, use Tier 3 equipment with the Best Available Control Technology (BACT) for NOx emissions.
3. Final Tier 4 equipment for off-road equipment with engines greater than 750 hp. If Final Tier 4 equipment are not available, use Interim Tier 4 equipment with BACT for NOx emissions.
4. Grid power whenever possible, rather than relying on portable or back-up diesel generators. If grid power is not available, use alternative power such as battery storage, hydrogen fuel cells, or renewable fuels. If no other options are available, use Final Tier 4 diesel generators.

Additional NOx Operations Emission Reductions

Mitigation Measure 6-2 addresses operational NOx emissions from vehicle trips to the site. In the section below describing additional mitigations to reduce operational greenhouse gas (GHG) emissions, the items numbered 3, 4 and 5 also can work to reduce NOx emissions. These mitigations will reduce NOx emissions by encouraging customers, employees, and visitors to drive less-polluting trucks and light-duty vehicles to the site.

Once on-site construction and/or operational emission reductions measures have been identified and required, Air District staff recommend that the County require Z-Best to consider the feasibility of off-site NOx emissions reductions to offset any remaining significant Project construction and/or operational emissions.

Project Operations POC Emission Factor

The Project's precursor organic compounds (POC) emission factor prior to abatement is presented as 0.0151 lb/wet ton in DEIR Appendix B, Table 7 of the SCS Memorandum (dated December 20, 2019). Air District staff request that the DEIR provide the basis, supporting documentation, and source test results for the POC emission factor.

Project Consistency with State's GHG Reduction Goals

The DEIR lacks a discussion about Project consistency with the State's long-term climate goals. The DEIR should include an evaluation of how the GHG emissions associated with the Project are consistent with the State's goal of carbon neutrality as soon as possible and no later than 2045. Given that on-road truck travel is the dominant source of the Project GHG emissions, the DEIR should describe how the Project supports Z-Best to meet the goals of Executive Order N-79-20, which calls for all medium- and heavy-duty vehicles in the State to be zero-emission by 2045 for all operations, where feasible, and for in-state sales of new passenger cars and trucks to be zero-emission by 2035. Mitigation measures that would help the Project be consistent with the State's long-term climate goals are described in the next section.

Additional On-Site GHG Operational Emission Reductions

The DEIR states that the Project would generate significant GHG impacts due to operational emissions. In response, the DEIR proposes Mitigation Measure 9-1, which requires Z-Best to purchase carbon offsets sufficient to completely offset Project GHG emissions of 3,947.84 metric tons (MT) of carbon dioxide equivalent (CO₂e) per year. Air District staff believe that additional on-site GHG emission reductions are possible and that the County should require Z-Best to commit to the following mitigations. As mentioned above, items numbered 4, 5, and 6 will also reduce NO_x emissions from vehicle trips to the site.

1. Invest in onsite renewable energy generation, such as rooftop solar at the existing operations building.
2. Join Silicon Valley Clean Energy's (SVCE) GreenPrime program and commit to purchasing 100 percent renewable energy or negotiating an electricity contract with SVCE for 100 percent renewable energy.
3. Encourage lower-emitting truck fleets by providing reduced entrance fees, line jumping, and other incentives to lower-emitting vehicles. A tiered system of reduced fees and other incentives can benefit operators with lower-emitting NO_x trucks while providing the deepest discount to zero-emission vehicles.
4. Install Level 2 electric vehicle (EV) charging infrastructure in employee and visitor light-duty parking spots. This mitigation also will reduce NO_x emissions from trips to the site.
5. In preparation for future zero-emission fleets, install conduit for EV charging stations at locations where trucks will be parked or idling. This mitigation also will reduce future NO_x emissions from trips to the site.

Off-Site GHG Emission Reduction Program

Once on-site GHG emission reductions measures have been exhausted, any remaining and necessary offset credits purchased to mitigate Project impacts should be real, permanent, quantifiable, verifiable, enforceable, and additional, and follow a hierarchy to prioritize benefits first within the community, city, region, or State (in order of location preference).

Compliance with Air District Regulations and Permitting Requirements

Please note that the Project will require compliance with the following Air District and CARB regulations and permitting requirements:

1. CARB Portable Equipment Registration Program (PERP) Air Toxic Control Measure (ATCM). The DEIR should discuss applicable CARB registration and/or Air District permitting of any PERP equipment, such as Tier 2 portable equipment mentioned in the DEIR.
2. CARB Off-Road Equipment ATCM for diesel powered equipment greater than 25 hp. Please note that this equipment must be registered in the CARB maintained Diesel Off-Road On-line Registration System (DOORs) Database and display an Equipment Identification Number (EIN).
3. Z-Best must apply for all required Project air quality permits including an Authority to Construct/Permit to Operate. In addition, expansions and relocations of existing

operations would likely require permit changes. Z-Best should contact the assigned Air District permit engineer, Loi Chau, at lchau@baaqmd.gov to discuss which new or modified sources require air quality permits.

Air District staff recommends that Z-Best provide an estimated timeframe for submitting a permit application. The Air District will perform a more thorough review of the Project emissions and control requirements during the permit review.

Finally, the Project may be subject to Air District Regulation 6, Rule 6: Prohibition of Trackout for construction sites where the total land area covered by construction activities and/or disturbed surfaces at the site are one acre or larger. Due to the size and nature of the Project, with a requirement of 22 acres to establish the Project's aerated static piles system, the DEIR should discuss Regulation 6, Rule 6 as it applies to the Project. For further information on Regulation 6, Rule 6, please visit <https://www.baaqmd.gov/rules-and-compliance/rules/regulation-6-rule-6-prohibition-of-trackout> and consult with the Compliance and Enforcement section at (415) 749-4795 or compliance@baaqmd.gov.

In closing, we encourage the County to contact Air District staff with any questions and/or to request assistance during the environmental review process. If you have any questions regarding these comments, please contact Alison Kirk, Principal Environmental Planner, at (415) 749-5169 or akirk@baaqmd.gov.

Sincerely,



Greg Nudd
Deputy Air Pollution Control Officer

Cc: BAAQMD Chair Cindy Chavez
BAAQMD Director Margaret Abe-Koga
BAAQMD Director Rich Constantine
BAAQMD Director Rob Rennie