November 16, 2026

Mr. Jeffery Esquival
Department of Resources Recycling and Recovery (CalRecycle)
Waste Permitting, Compliance & Mitigation Division
Permitting and Assistance Branch
1001 I Street, MS #10a
Sacramento, CA 95814

Re: Small and Medium Composting Facilities and Operations Draft Environmental Impact Report (SCH Number 2026070901)

Dear Mr. Jeffery Esquival,

The Bay Area Air District (Air District) has reviewed the Draft Program Environmental Impact Report (Draft PEIR) for small and medium compostable material handling facilities and operations in California, prepared by the State Department of Resources Recycling and Recovery (CalRecycle) pursuant to the California Environmental Quality Act (CEQA). The Air District has provided a brief summary of our understanding of the Draft PEIR and the analysis below, followed by our comments.

Program Understanding

As directed by Senate Bill (SB) 1046 (Laird, Chapter 452, Statutes of 2024), the California Department of Resources Recycling and Recovery (CalRecycle) prepared the Draft PEIR to provide a consistent approach for streamlining the approval, siting, and permitting of small and medium composting facilities and operations throughout California as permitting practices have historically varied widely among local jurisdictions and agencies. The Draft PEIR evaluates the potential for new small facilities (up to 5,000 cubic yards [cy] on site at one time, or a throughput of 10,000 tons per year [tpy] or less) and medium facilities (5,000 to 12,500 cy on site at one time, or a throughput of 10,000 to 25,000 tpy) that accept agricultural, green, and food material. As a program-level EIR prepared pursuant to State CEQA Guidelines Section 15168, the Draft PEIR may serve as the first-tier analysis for lead and responsible agencies, including local land use and planning agencies, local enforcement agencies (LEAs), and CalRecycle, when considering subsequent discretionary actions; future projects determined to be within its scope may require no additional CEQA documentation, while projects not fully within its scope may require further analysis, such as a mitigated negative declaration or project-specific EIR.

The Air District's review of the Draft PEIR's Impact Analysis focused on two environmental resource areas: air quality and greenhouse gas (GHG) emissions. The Draft PEIR's air quality analysis uses the guidance and significance thresholds of the San Joaquin Valley Air Pollution Control District (SJVAPCD), South Coast Air Quality Management District (SCAQMD), Bay Area Air District, and San Diego Air Pollution Control District (SDAPCD) as a proxy for statewide impacts, because these districts are among the most stringent and represent a range of regulatory requirements, air quality conditions, and attainment statuses that may apply to future facilities. Construction emissions were estimated using the California Emissions Estimator Model (CalEEMod) for a representative small operation and a medium facility on an 11-acre site, with 25 percent of each site assumed to be paved, and construction of each facility was assumed to last less than one year. Operational emissions were estimated for six representative scenarios: small and medium facilities each using windrow, positive covered aerated static pile (CASP), or negative aerated static pile (ASP) with filter technology, with assumed throughputs of 10,000 tpy

and 25,000 tpy, respectively, to capture the range of facility sizes, feedstocks, and composting technologies anticipated under the program because specific facility locations and operational designs are not known. Daily and annual operational emissions for each scenario were estimated for each of the four air districts, reduced to account for New Source Review (NSR) emission offsets where required, and compared with each district's significance thresholds to reach impact conclusions. Under Mitigation Measure 3.3-3, all projects must submit a site-specific assessment of air emissions, reviewed and accepted by the local agency and the applicable air district. For health risk impacts, the Draft PEIR qualitatively concludes that construction-related toxic air contaminant (TAC) emissions would be less than significant. Operational health risk was evaluated using Prioritization Scores calculated pursuant to the California Air Pollution Control Officers Association (CAPCOA) Air Toxics "Hot Spots" Program Facility Prioritization Guidelines, from which minimum distances to residential and worker receptors were back-calculated for each scenario; under Mitigation Measure 3.3-5, any project that does not satisfy these minimum setback distances must prepare a project-specific health risk assessment (HRA) and submit it to the local agency and local air district. Odor impacts are conservatively considered potentially significant, and Mitigation Measure 3.3-6 requires all project proponents to prepare an Odor Impact Minimization Plan (OIMP) as a condition of local agency approval.

CEQA in Air District's Permitting

The Air District's issuance of an Authority to Construct (ATC) or Permit to Operate (PTO) is a discretionary action under CEQA when Best Available Control Technology (BACT) or Best Available Control Technology for Toxics (TBACT) is required. Discretionary actions by public agencies in California are subject to CEQA. Accordingly, CEQA review is a part of the Air District's permit evaluation and is conducted in accordance with State law and CEQA Guidelines.

The Air District understands that the Draft PEIR is intended to serve as a first-tier analysis. As summarized above, the Draft PEIR's air quality analysis evaluates six representative facility scenarios using the CEQA guidance and significance thresholds from four air districts and concludes that air quality impacts would be less than significant for certain combinations of representative facilities and geographic settings. For future facilities that fall within these less-than-significant categories, it is unclear to the Air District whether any facility-specific air quality analysis would be prepared by the lead agency as part of the facility-specific CEQA review, or whether the program-level conclusions would be relied upon for the issuance of the solid waste disposal permit.

Independent of the lead agency's CEQA determination, the Air District will conduct its own emissions and health risk evaluations, as required by the Air District's applicable rules and regulations, when a permit application is submitted. If the Air District's permit evaluation identifies substantial project changes compared to what was analyzed in the facility-specific CEQA document, potentially significant environmental effects that were not identified in the facility-specific CEQA document, or effects that are substantially more severe than those previously identified, additional CEQA review by the Air District, as a responsible agency, may be required before the Air District can act on the permit application. The Air District's regulations do not allow the Air District to issue a permit until all applicable CEQA requirements have been satisfied.

Recommendation: Given the variability in operations, locations, surrounding land uses, and other site-specific factors anticipated for future small and medium composting facilities and operations, the Air District recommends that LEAs consider requiring facility-specific analyses of air quality, health risk, and GHG emissions in subsequent CEQA reviews, where appropriate. Examples where facility-specific analyses are warranted include, but are not limited to, facilities

located in overburdened communities where the Air District recommends additional assessment and best practices centering equity and environmental justice in the CEQA processes,[1] operations that would include additional stationary sources not analyzed in the PEIR, and facilities near land zoned for future residential use or other uses that would allow other types of sensitive receptors. Such analyses would help ensure that the CEQA documentation prepared for each facility can support the Air District's permitting decisions and avoid potential delays during permit evaluation.

Applicability of the PEIR

The Draft PEIR evaluates the development of new small and medium composting facilities and operations, but does not specifically state whether the program, and the analysis supporting it, is intended to apply to new composting operations proposed at existing facilities or conversion of existing operations to composting operations in whole or in part. However, the Draft PEIR acknowledges that composting facilities and operations may be located or constructed within existing solid waste facilities (pages 3.1-3 and 3.1-5).

This distinction is important for the Air District's permit evaluation because the applicability of several Air District rules depends on whether a source is located at a new or an existing facility, and on the facility's total emissions. For example, under Regulation 2, Rule 2 (New Source Review), emission offset requirements are based on facility-wide emissions and cumulative emission increases, so a composting operation added to an existing facility may trigger requirements that would not apply to the same operation at a stand-alone site. Health risk evaluations under Regulation 2, Rule 5 (New Source Review of Toxic Air Contaminants) may likewise need to consider other new or modified sources at the facility.

Recommendation: The Air District requests that CalRecycle clarify whether the PEIR is intended to apply *only* to new composting facilities. The Air District requests that, if the PEIR will also be used for new composting operations at existing facilities, additional cumulative impact evaluations be added.

New Source Review (NSR) Offsets for Significance Determination

The Draft PEIR states that projects with emissions that are greater than local air district offset thresholds must purchase offsets to apply an emission reduction to the project such that the NSR emission increase in the air basin is zero. The Draft PEIR further accounted for the required offsets as emissions reductions for criteria air pollutants (CAP), as detailed in Table 2-4 through Table 2-15 in Appendix B, Air Quality and Greenhouse Gas Technical Report, and compared the resulting emissions to applicable thresholds of significance.

The Air District would like to clarify that, under the Air District's Regulation 2, Rule 2, offsets include banked emission reduction credits, which reflect emission reductions associated with a physical change, change in method of operation, change in throughput, or other similar change at a source that has already occurred. Because these emission reductions have already occurred, their effect on air quality is generally reflected in the CEQA baseline conditions. Furthermore, these emission reductions could have happened anywhere in the air basin and may not reduce

[1] Bay Area Air District, 2022 CEQA Air Quality Guidelines, Chapter 2, Best Practices for Centering Environmental Justice, Health, and Equity. Available at https://www.baaqmd.gov/~/media/files/planning-and-research/ceqa/ceqa-guidelines-2022/ceqa-guidelines-chapter-2-environmental-justicefinal-pdf.pdf.

the impacts of a project's emissions in the vicinity of the project. Under CEQA, a project's environmental impacts are measured against the physical environmental conditions as they exist when environmental review begins (CEQA Guidelines Section 15125(a)). Therefore, with the exception of contemporaneous onsite emission reduction credits, the Air District does not consider NSR offsets as a built-in reduction for comparing a project's criteria pollutant emissions against the recommended thresholds of significance. By the same logic, the Air District also does not recommend NSR offsets as mitigation measures.

Recommendation: The Air District recommends that the PEIR not rely on NSR offsets when evaluating projects' criteria pollutant emissions. Otherwise, the Air District would not be able to rely on the PEIR analysis for significance determination related to criteria pollutant emissions.

Extent of the Health Risk Assessment

The Air District reviewed the Prioritization Score methodology used in the Draft PEIR to evaluate operational health risk and generally agrees that the use of the CAPCOA Air Toxics "Hot Spots" Program Facility Prioritization Guidelines is a reasonable screening approach for the purpose of the PEIR. However, the Air District has identified several disconnects between the conclusions drawn from the Prioritization Score methodology and the Air District's CEQA thresholds of significance and CEQA Guidelines, as discussed below.

The Draft PEIR does not include the necessary impact evaluations for all the health risk significance thresholds recommended by the Air District. The Prioritization Score methodology does not evaluate impacts against the Air District's project-level threshold of 0.3 micrograms per cubic meter ($\mu g/m^3$) for annual average $PM_{2.5}$ concentrations, which is listed in Table 3.3-8 of the Draft PEIR. This threshold may be particularly relevant to composting facilities and operations, which may include substantial fugitive dust sources, such as unpaved road travel and material handling. Although the Draft PEIR includes TAC emissions from fugitive dust sources, $PM_{2.5}$ concentrations at nearby receptors were not estimated by the Prioritization Score methodology or compared with the threshold. Furthermore, the Prioritization Score methodology evaluates health risk from each facility in isolation and does not address the Air District's cumulative CEQA health risk thresholds, which apply to the combined risk from all existing and foreseeable future local sources: an increased cancer risk of 100 in a million, a chronic hazard index of 10.0, and an annual average $PM_{2.5}$ concentration of 0.8 $\mu g/m^3$.

The Prioritization Score methodology was applied only to the six operating scenarios and does not account for construction-related TAC emissions in the estimate of lifetime cancer risk. The Draft PEIR qualitatively concludes that construction-related health risk would be less than significant because construction would last less than one year (page 3.3-25). However, the Office of Environmental Health Hazard Assessment's (OEHHA's) 2015 Air Toxics Hot Spots Program Guidance Manual recommends that cancer risk be assessed for short-term projects lasting longer than two months, and exposure to diesel particulate matter during early life can contribute substantially to lifetime cancer risk because of the age sensitivity factors applied to infants and children. In addition, the Draft PEIR does not consider the potential for construction and operation to occur concurrently, such as where a facility is constructed in phases or a new composting operation is constructed at an operating facility. Concurrent construction and operation were not considered in either the criteria air pollutant emissions analysis or the HRA and could result in higher impacts than those evaluated for construction or operation alone.

For comprehensive guidance on the Air District's project-level and cumulative health risk thresholds and HRA recommendations, please refer to Appendix E of the Air District's CEQA Air Quality Guidelines.[2]

Last but not least, although the Air District has not performed a thorough review of the emission calculation assumptions or checked the calculations in Appendix B and Appendix D, the Air District notes that certain assumptions could substantially affect the health risk conclusions. For example, an 80 percent control efficiency appears to have been applied to curing emissions.

While aeration for curing piles may be required for BACT purposes going forward, the majority of the curing piles at existing composting operations are uncontrolled. Another example of a gross assumption is that one grinder, screen, and stacker with the same horsepower ratings were assumed for all six scenarios, regardless of throughput and composting technology. The Air District is aware of similar composting operations that are equipped with more than one of these stationary engines with greater horsepower ratings. Other assumptions in the emission calculations may similarly affect TAC emissions. If new facilities are not required to verify or implement the emission assumptions in the air quality appendices, the assumptions could change the HRA results presumed in the PEIR, and the PEIR's impact conclusions regarding the minimum setback distances may not be applicable to these facilities.

Recommendation: As discussed above, whether health risk impacts are potentially significant or not is highly dependent on a facility's operations, control technologies, siting, and applicable thresholds that may not have necessarily been captured in the Draft PEIR methodology and impact conclusions. The Air District recommends that the PEIR address the issues stated above so that the PEIR's significance determination for health risk impacts may be applicable to future individual projects. Specifically:

1. Include an evaluation of local risks and hazards project-level and cumulative thresholds recommended by the Air District
2. Include construction in the evaluation of local risks and hazards thresholds recommended by the Air District
3. Clearly connect assumptions used as HRA inputs to facility operational requirements

In addition to improving the PEIR, the Air District also recommends that a facility-specific HRA be conducted by the LEA, if a facility's location and/or operations deviate from the general scenarios considered in the PEIR. This recommendation is similar to the Air District's first recommendation.

Closing

In summary, the Air District recommends revisions to the PEIR to address the program-wide CEQA considerations identified above, including, but not limited to, removing the NSR offsets for comparison with the criteria pollutants thresholds, clarifying the limited applicability of the PEIR to new facilities, and providing additional analysis with regard to the cumulative health risk thresholds. Without these revisions, the PEIR may not adequately support tiering for future CEQA review of individual projects. In addition, because the PEIR's selected scenarios and impact

[2] Bay Area Air District, 2022 CEQA Air Quality Guidelines, Appendix E, Recommended Methods for Screening and Modeling Local Risks and Hazards. Available at https://www.baaqmd.gov/~/media/files/planning-and-research/ceqa/ceqa-guidelines-2022/appendix-e-recommended-methods-for-screening-and-modeling-local-risks-and-hazards_final-pdf.pdf

conclusions are unlikely to cover all individual facilities due to variability in location, design, and operations, the Air District recommends that the LEA consider facility-specific analysis as a part of its CEQA review for an individual facility that differs from the scenarios and/or assumptions analyzed in the PEIR. Together, revisions to the PEIR and additional facility-specific analysis, where applicable, would help ensure that the LEA's CEQA documentation for each facility is sufficient to support the Air District's permit evaluation.

Thank you for the opportunity to provide comments on the Draft PEIR. Please contact Ivy Tao, Senior Advanced Projects Advisor, at LTao@baaqmd.gov for any questions.

Sincerely,

Greg Nudd
Deputy Air Pollution Control Officer

Cc: Lynda Hopkins, Board Chair, Sonoma County Supervisor
Vicki Veenker, Board Vice Chair, Palo Alto Mayor
Dionne Adams, Pittsburg Mayor
Monica Brown, Solano County Supervisor
Ken Carlson, Contra Costa County Supervisor
Chris Clark, Mountain View Vice Mayor
Brian Colbert, Marin County Supervisor
Noelia Corzo, San Mateo County Supervisor
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Steve Young, Benicia Mayor