

SENATE BILL REPORT

SB 5343

As Reported by Senate Committee On:
Agriculture & Rural Economic Development, February 17, 2011

Title: An act relating to air emissions from anaerobic digesters.

Brief Description: Concerning air emissions from anaerobic digesters.

Sponsors: Senators Haugen, Delvin, Hatfield, Honeyford, Becker, Shin and Schoesler.

Brief History:

Committee Activity: Agriculture & Rural Economic Development: 1/31/11, 2/17/11 [DPS].

SENATE COMMITTEE ON AGRICULTURE & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5343 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hatfield, Chair; Shin, Vice Chair; Delvin, Ranking Minority Member; Becker, Haugen, Hobbs, Honeyford and Schoesler.

Staff: Sam Thompson (786-7413)

Background: Washington has long promoted anaerobic digesters as renewable energy sources. State incentives include tax exemptions, cost recovery payments, and bioenergy loans. Currently, five commercial digesters in the state generate electricity from biogas derived from livestock manure, in some instances co-digested with certain organic waste. The first commenced generating operations in 2004. Similar digesters are planned. In 2009 the Legislature resolved a regulatory issue by exempting these digesters from a solid waste permitting requirement, provided that they complied with several environmental safeguards and operating guidelines.

Generator engines used in digesters are usually not major sources of pollutants that trigger strict federal standards, and states have some discretion in regulating them. In Washington, regional air quality authorities have, pursuant to authority under the state Clean Air Act, required digester operators to obtain air emission permits for digester engines and satisfy monitoring requirements. Requirements in other states vary widely, ranging from permitting exemptions to restrictive conditions in areas with poor air quality. Michigan exempts internal combustion engines from air permitting requirements, including generator engines used in

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digesters, if they have less than 10 million British thermal units (Btu) per hour maximum heat input.

Summary of Bill (Recommended Substitute): Generators operating at an electric generating project are exempt from state Clean Air Act regulatory requirements if:

- they are fueled solely by biogas produced by an anaerobic digester qualifying for the current solid waste permitting exemption and the biogas contains less than 0.1 percent sulfur, after a startup period not exceeding 180 days;
- aggregate heat input from the generators does not exceed 10 million Btu per hour; and
- the exemption is permissible under federal law.

Modified generators can retain the exemption if they continue to meet the foregoing requirements.

The exemption is applied retroactively to January 1, 2004, with respect to generators subject to state Clean Air Act requirements imposed prior to the effective date of the act.

EFFECT OF CHANGES MADE BY AGRICULTURE & RURAL ECONOMIC DEVELOPMENT COMMITTEE (Recommended Substitute): The following provisions are added:

- In addition to other requirements, to qualify for the exemption from state Clean Air Act requirements, generators in anaerobic digesters must be fueled solely by biogas containing less than 0.1 percent sulfur, after a startup period not exceeding 180 days.
- The exemption is applied retroactively to January 1, 2004, with respect to generators subject to state Clean Air Act requirements imposed prior to the effective date of the act.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: This beneficial technology, which has environmental benefits and extracts valuable phosphorus from manure, should be promoted. Digester operators face high startup costs, including high costs associated with air permitting requirements for engines that are not major emitters of pollutants under federal law. This bill should be expanded to apply to generators in digesters that process organic waste but not livestock manure.

CON: While anaerobic digesters beneficially reduce greenhouse gas emissions from livestock manure, generator engines used in digesters emit sulfur dioxide, raising public health concerns and potentially violating federal air quality standards.

Persons Testifying: PRO: Jay Gordon, Washington State Dairy Federation; Kevin Maas, Farm Power Northwest; Kim Hoff, Puget Sound Energy.

CON: Marshall Taylor, Department of Ecology.