

TECHNICAL SOLUTIONS

December 18, 2009

Climate Action Reserve 523 West Sixth Street, Suite 428 Los Angeles, CA 90014

Re: DRAFT U.S. and Imported Ozone Depleting Substances Project Protocols

Dear Sir or Madam:

Veolia ES Technical Solutions, L.L.C. (Veolia) appreciates the opportunity to provide comments on the proposed U.S. and Imported Ozone Depleting Substances Project Protocols.

Veolia is the second larges industrial and hazardous waste management and recycling company in the United States, with annual revenues exceeding \$400 million and hazardous waste and recycling facilities coast-to-coast. One of the many service offerings provided by Veolia is the destruction of ozone depleting substances (ODS) in two hazardous waste incinerators in Port Arthur, TX and Sauget, IL. Additional services include field operations, transportation, commercial storage, recycling, and fuel blending activities.

Veolia supports most of the items in the protocol, but believes that the following items should be amended:

1. Destruction Facility Requirements

The second line of the second paragraph in Section 6.6 of the U.S. Ozone Depleting Substances Project Protocol and Section 6.5 of the Imported Ozone Depleting Substances Protocols reads, "Facilities must document compliance with all monitoring and operational requirements dictated by these permits, including emission limits, calibration schedules, and personnel training."

Veolia is concerned that a "Project Verifier" could interpret this statement to mean that the destruction facility could not have any formal or informal areas of non-compliance identified by the U.S. EPA or a State Regulatory Agency and that minor violations (e.g., an incorrectly labeled hazardous waste container, an inspection form not properly completed, etc.) not related to the destruction of ODS materials would be considered by the "Project Verifier" to disqualify the project.

We believe that this sentence should read, "Facilities must document compliance with all monitoring and operational requirements associated with the destruction of ODS materials, as dictated by these permits, including emission limits, calibration schedules, and training, for the duration of the ODS destruction project."

2. Destruction Facility Requirements

The protocol includes a list of parameters that must be tracked and documented during the entire ODS destruction process. These parameters are included below with comments following in bold letters:

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- The ODS feed rate Feed rates for the Veolia incinerators are controlled based on permit parameters (e.g., halogens per hour), not on a feed rate of individual waste streams. We are currently evaluating the cost of documenting the feed rate for ODS materials as outlined in the protocol.
- The amount and type of consumables used in the process Veolia is not required by permit to document the consumables used in the incineration process. The Veolia incinerators are complex units with multiple feed points for waste (the Port Arthur facility feeds waste to the incinerator at seven distinct points). To track the amount and type of consumables utilized for the incineration of a waste/material at any point in the incinerator would be an onerous and expensive task, that is not currently being performed or is required to be performed.
- The amount of electricity and amount and type of fuel consumed by the destruction unit See answer for the bullet point above.
- Operating temperature and pressure of the destruction unit The Veolia incinerators are required to monitor the operating temperatures at various points in the incinerator, but there are no requirements to document these temperatures. The facility is required to document the minimum exit temperatures for the kiln and secondary combustion chamber.
- Effluent discharges measured in terms of water and pH levels The discharges have minimal impact on the destruction of ODS materials and there are no regulatory requirements to monitor these discharges.
- Other continuous emissions monitoring system (CEMS) data on the operation of the destruction unit, including temperature, pressure, and emissions of criteria pollutants The permit requirements for the Veolia hazardous waste incinerators, require the incinerators to monitor and document the emissions of carbon monoxide. Carbon monoxide serves as a surrogate indicator for the DREs that are established during the Comprehensive Performance Testing that must be conducted periodically at all hazardous waste incinerators. This forms the basis of compliance for the incinerator. The DREs are strictly enforced by State and Federal Regulators and the Title V permits which include a self reporting mechanism.

Veolia recommends that information in bullets 2-6 be removed from the protocol for a RCRA Part B permitted hazardous waste incinerator when the incinerator is operating in compliance with a Title V permit. The Certificate of Destruction could be modified to state that the ODS destruction was conducted in full compliance with all applicable facility permits and regulations. The destruction of ODS materials at a hazardous waste incinerator is a small portion of the wastes destroyed. If the incinerators are required to make costly changes, or the recordkeeping requirements are too onerous a hazardous waste incinerator will not participate in the destruction of ODS materials as outlined in this protocol.

In a related manner, Jette Findsen, SAIC Program Manager, Climate Change Services, requested information from Veolia regarding the destruction of CFC-113 in 2003 and 2004. A review of our records indicates that we reported destroying 268,445 kilograms of CFC-113 at Veolia incinerators in 2003. A review of our records to determine if the CFC-113 destroyed is a solvent or a refrigerant is an time consuming task, and therefore expensive task, so we are currently reviewing whether we will undertake this effort.

Thank you for your consideration of our comments on the draft protocols. If there are any questions, please contact me at (402) 991-6666.

Sincerely,

Kevin D. McGrath Senior Manager of Environmental Affairs Veolia ES Technical Solutions, L.L.C.

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