



August 2, 2023

By Electronic Submission: SKa@aqmd.gov

Sarady Ka, Program Manager
South Coast Air Quality Management District (SCAQMD)
21865 Copley Drive
Diamond Bar, CA 91765

Subject: Comments on SCAQMD Proposed Amended Rule 1153.1 (Working Group Meeting #8 Presentation)

Dear Mr. Ka,

The American Bakers Association (ABA) appreciates the opportunity to provide further comment on the proposed amendments to South Coast Air Quality Management District (SCAQMD) Rule 1153.1: *Emissions of Oxides of Nitrogen (NOx) from Commercial Food Ovens*. This letter supplements our April 13, 2023 comment letter (attached).

ABA is the voice of the baking industry. The baking sector provides nutritious and low-cost products to consumers while also helping to support national feeding programs. Serving its members from global wholesale baking companies and suppliers to baking industry entrepreneurs, ABA is the only bakery-specific national and state trade association, delivering results on priorities affecting the companies that feed the world. Since 1897, ABA has worked to build the talent pool of skilled workers with specialized training programs, and forge industry alignment by establishing a more receptive environment to grow the baking industry. ABA's membership has grown to represent more than 350 companies with a combined 12000+ facilities. The commercial baking sector provides over 86,000 jobs in the state of California along with \$4.46 billion in wages and \$5.53 billion in tax revenues.

ABA wishes to thank the SCAQMD staff for meeting with commercial bakers, equipment manufacturers and other stakeholders in the baking industry in its evaluation of emissions from the baking process. We are pleased that the revised proposed rule and June 7, 2023 slide presentation reflect a better understanding of the economics of baking, the nascent technologies available for lower emissions manufacturing processes, and the challenges in building out electric grid infrastructure to accommodate additional loads if electric ovens are mandated.

As referenced in slide 6 of the June 7 presentation, we appreciate that SCAQMD recognizes the need to undertake the legally required technology assessment to evaluate commercial availability of new technologies and achievability of emissions limits prior to Phase II implementation. ABA remains available to provide input and perspectives on the transition to technologies with alternative emissions profiles. As noted in our prior comments, we believe that this technology assessment would require input from AIB International, Inc. (or other independent body with technical expertise in the baking industry) confirming that zero-NOx emissions oven equipment with comparable heat input, comparable radiant, conductive, and convection heating properties, and comparable throughput capacity as equipment currently installed at such facility, is

commercially available in the U.S. market. The technology assessment should also include a determination by SCAQMD and the California Air Resources Board that, based on cradle-to-grave lifecycle analysis (including supply of electricity on a lifecycle basis), NOx and greenhouse gas emissions from zero-NOx equipment mandated to be installed at such facility will be less than emissions from equipment currently in use at such facility. Otherwise, if emissions are not actually reduced on a lifecycle basis, then the considerable capital costs and disruption of repowering the baking sector will be wasted. We understand that this technology assessment step will be reflected in the forthcoming SCAQMD board directive.

Similarly, ABA looks forward to working with SCAQMD and individual baking facilities in the South Coast region to interface with electric utilities as they build out grid enhancements and interconnection infrastructure to accommodate significantly increased electric loads that would be necessitated by the adoption of electric ovens and EV truck fleets. We welcome any guidance or best practices that SCAQMD can suggest regarding liaisoning with the relevant utilities regarding load planning and grid upgrades.

Finally, we appreciate staff's assurances that SCAQMD will work with individual facilities to navigate the transition through Phase I and Phase II of the proposed NOx rule as baking equipment ages out and facilities commence permit amendment processes. We hope that a cooperative permit process will avoid wasteful stranded assets and unworkable costs that could force facilities to relocate, thus jeopardizing the 86,000 jobs, \$4.46 billion in wages and \$5.53 billion in tax revenues that the baking sector contributes to California.

As we noted previously, the baking sector's NOx emissions footprint represents a small fraction of NOx and greenhouse gas emissions compared to other industrial stationary sources, mobile sources and commercial and residential buildings in the South Coast. ABA's member commercial bakeries are open to adopting electric oven technology when it is truly available, but the transition should be mandated only when feasible and in a stepwise manner, as California has done with electric vehicles. As previously noted, ABA suggests that, prior to requiring any facility to obtain a zero-NOx permit, SCAQMD should obtain an expert opinion from the California Energy Commission confirming that the electric transmission and distribution grid serving such facility is adequate and ready to serve the electric load required by each baking facility after conversion to zero-NOx emissions technology.

Thank you again for the opportunity to voice our concerns and provide the perspective of the baking sector. If you have additional questions, please contact me at RZvaners@americanbakers.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Rasma Zvaners", with a long horizontal flourish extending to the right.

Rasma Zvaners
Vice President Regulatory & Technical Services