

April 26, 2013

The Honorable Luis Alejo
Chair, Assembly Environmental Safety & Toxic Materials Committee
California State Assembly
State Capitol, Room 2117
Sacramento, CA 95814

RE: AB 686 (Quirk): Hazardous waste: cogeneration activities— SUPPORT

Dear Assemblymember Alejo:

On behalf of the California Healthcare Institute (CHI), the statewide public policy association representing the innovative life sciences sector – biotechnology, pharmaceutical, medical device and diagnostics companies, venture capital firms, research universities and institutes and its 275,000 workers – I am writing in support of AB 686.

Some of our member companies generate high quality solvent by-products during the manufacturing of pharmaceuticals. Pursuant to US Food and Drug Administration regulations, these by-products cannot be recycled in the manufacturing process, but may be well suited for use as fuels in on-site electricity and steam generation systems (called CHP). CHI supports utilizing these cutting edge systems to reduce dependence on natural gas and electricity and to improve the energy efficiency and net environmental performance of manufacturing operations. Unfortunately, existing state hazardous waste law requires facility operators to obtain a Treatment, Storage, and Disposal Facility (TSDF) permit to reuse these by-products in their facility. The expense and administrative burdens of obtaining a TSDF permit discourages our companies from utilizing these by-products, who instead ship them out-of-state to be destroyed.

AB 686 would incorporate a “comparable fuels” exclusion that already exists in federal hazardous waste law and apply it to a limited number of highly regulated pharmaceutical facilities to encourage deployment of CHP systems in the industry. The bill prescribes strict fuel quality specifications and requirements for recordkeeping, public notification, and disclosures to the Department of Toxic Substances Control. It also requires that management of by-product solvents and emissions from CHP systems conform to all applicable local, state and federal environmental protection requirements. Further, AB 686 will be important for California’s pharmaceutical manufacturing sector in an increasingly competitive global market, especially as the state works toward achieving the greenhouse gas emission reduction requirements under the Global Warming Solutions Act.

For these reasons, we strongly support AB 686.

Sincerely,



Eve Bukowski
Vice President, State Government Affairs
cc: Members, Assembly Environmental Safety & Toxic Materials Committee