California Refuse Recycling Council
JOINT STATE OFFICE

September 7, 2010

Chuck Seidler, Manager
California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

Re: CEQA Scoping Meeting for the Proposed Cap-and-Trade Program
Workshop Comments of August 23, 2010

Dear Mr. Seidler,

The California Refuse Recycling Council (CRRC) is a statewide non-profit trade association comprised of over 120 companies involved in the collection and processing of organic materials that also operate approximately 20 composting facilities, 50 material recovery facilities (MRFs), 25 construction and demolition debris processing facilities, and over 12 landfills statewide. CRRC members also operate food waste composting facilities and have plans to expand those operations, in addition to proposing many food waste anaerobic digestion projects throughout the state.

Our industry, in partnership with local government, has been instrumental in our state's efforts to surpass the recycling mandate of 50% waste diversion from landfills, required by the California Integrated Waste Management Act of 1989 (AB 939), and will remain critical to the attainment of future sustainable goals. CRRC fully supports the AB 939 statutory hierarchy of reducing, recycling, composting, transformation, and safe landfilling. CRRC has been supportive and engaged throughout the AB 32 Scoping Plan development and implementation process, and member companies have supported many of the measures pertinent to our sector.

The purpose of this letter is to provide comments on the California Air Resources Board (ARB) Workshop of August 23, 2010 on the CEQA Scoping Meeting for the proposed Cap-and-Trade Regulation. As a basis for environmental analysis, ARB is recommending compliance responses in the Potential Offset Program that includes livestock digester, ozone depleting substances, urban forests, and forests projects; all which have adopted Climate Action Reserve (CAR) protocols. The CRRC supports the inclusion of CAR protocols offset credits for compliance purposes as we are aware of the rigorous and conservative approach taken by CAR to develop protocols.

ARB only proposed to evaluate four of CAR's adopted protocols as listed above for possible inclusion in the cap-and-trade program. Two of the protocols that are not currently being

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considered are the CAR Organic Waste Digestion Protocol, using the same technology of livestock digester, and the Organic Waste Composting Protocol. The inclusion of these protocols would provide an incentive to expand food waste diversion from landfills for treatment at anaerobic digestion (AD) and composting facilities. These efforts will help to meet the emission reduction goals of the Scoping Plan, which calls for a 2 $MMTCO_2e$ reduction from anaerobic digestion of waste, and another 2 $MMTCO_2e$ reduction from "Increased Production and Markets for Organics Products". Meeting these two explicit goals requires increasing the capacity of these two organic treatment processes.

The California Department of Resources, Recycling and Recovery (CalRecycle) is in the process of developing a Program EIR for the anaerobic digestion projects using urban green waste and food waste, and that program information could easily dovetail into your Functionally Equivalent Document (FED) for environmental review and analysis.

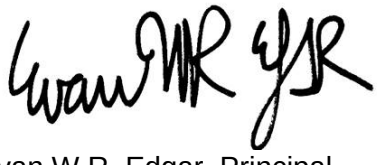
It should be noted that in addition to providing significant emission reductions, the provision of compost to the agricultural industry, from composting facilities or digestate from anaerobic digestion, can play an important role in climate change adaptation. The increased use of compost can provide an important component of soil moisture management, reducing irrigation requirements. Since agriculture uses about 80% of California's water supply, a small decrease in demand can create a significant source for other sectors and help farmers adjust to decreasing water availability.

Another key aspect of the CAR Organic Waste Digestion Protocol is the production of biomethane as well as compost. Biomethane can be cleaned up to produce compressed natural gas (CNG), and to produce liquidifed natural gas (LNG) to be used as a low carbon fuel. ARB has not yet calculated the pathways for CNG or LNG from biomethane, but ARB has calculated the CNG from landfill gas pathway which is an 86% reduction from using ultra low sulfur diesel. My office has calculated the proposed CNG from biomethane pathway to be a 94% reduction from ultra low sulfur diesel.

The CRRC requests that the CAR Organic Waste Digestion and Organic Waste Composting protocols be evaluated by ARB in the FED environmental review for inclusion in the AB 32 cap-and-trade compliance system. Our industry is poised to expand these programs, and the recognition by ARB of the CAR protocols would send a strong and vital message.

Should you have any questions, please contact me at (916) 739-1200.

Sincerely,



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