









October 30, 2015

Mr. Michael J. Tollstrup, Chief   
Project Assessment Branch   
Industrial Strategies Division  
California Air Resource Board  
1001 I Street  
P.O. Box 2815  
Sacramento, CA 95812-2815

Via: Website Post: <http://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=slcpdraftstrategy-ws&comm_period=1>

**Subject: Comments of the Solid Waste Industry on the Proposed Short-Lived Climate Pollutant Reduction Strategy**

Dear Mr. Tollstrup:

Thank you for the opportunity review the Air Resources Board’s (ARB’s) proposed Draft Short-Lived Climate Pollutant Reduction Strategy (Draft Strategy) and to participate in the various public workshops the ARB has held throughout the state. The signatories on this letter represent public and private sector composting, recycling, solid waste collection, processing and disposal. We own or operate and have effectively financed and sited composting, anaerobic digestion, and organic processing facilities.

While we support the goal of removing Short Lived Climate Pollutants (SLCP) from landfills, we believe that there are several critical issues that must be addressed in the Draft Strategy.

These issues are outlined below and are discussed in more detail in Attachment A. We strongly request that the following issues be considered and addressed in the final Draft Strategy:

1. We are very concerned about the Draft Strategies requirement that CalRecycle and ARB develop regulations in 2018 that will achieve 75% organics recycling in 2020 and 90% in 2025.
2. Local governments and the solid waste industry have worked with the legislature, CalRecycle, ARB, and the Governor’s Office to enact some of the most aggressive measures in the United State to increase the diversion and recycling of solid waste by local jurisdictions throughout California.
3. California has added about 13 active anaerobic digestion (AD) facilities and 169 active composting facilities in the past 20 years. At least 135-150 new facilities must be financed, sited, permitted, and built in the next four years to achieve the Draft Strategy’s target of 75% organics diversion by 2020. An additional 100-150 facilities must be added in the following five years to achieve the 90% target by 2025.
4. Our extensive experience siting compost and AD facilities indicates that a new compost or AD facility takes a minimum of five years to finance, site, permit and build. That same experience shows that we simply cannot finance, site, permit and build 150 facilities in four years or 300 in nine years without historic and monumental changes to local siting processes, permitting, and CEQA!
5. The Draft Strategy calls for diversion of 75% of organics by 2020, which will require 9 million additional tons of organics diversion capacity statewide by 2020--four years from now. This equates to needing an additional 120 compost operations and 12-15 more AD facilities over the next five years. Using a low-end estimated cost of $10 million each, those 135 facilities would cost $1.35 billion in four years. This does not include the substantial additional costs to collect, process, and deliver the organics to the facilities. We are concerned that the Draft Strategy does not identify the source(s) of this funding or how the money will be raised in such a short time.

The Waste Sector has been at the forefront of ARB’s efforts to implement Assembly Bill 32, the Global Warming Solutions Act of 2006 (AB 32). The ARB’s policy initiatives in their various Scoping Plans, which we have generally supported, have increasingly pressured local governments and the waste sector to implement more programs for organics diversion to reduce methane emissions – while at the same time minimizing methane emissions from landfills.

To this latter point, the signatories worked cooperatively with the ARB and various Air Districts to implement the Landfill Methane Rule (LMR), one of the very first early action measures adopted by the ARB. This rule was designed to substantially reduce methane emissions at landfills with full implementation of that rule beginning in 2010.

Further, the solid waste industry has worked with the legislature, CalRecycle, ARB, and the Governor’s Office to enact some of the most aggressive measures in the United States to increase the diversion and recycling of solid waste by local jurisdictions throughout California, including:

* AB 939 (1989) which required the diversion of 50% of all solid waste from landfills by 2000. According to CalRecycle, a 65% diversion rate is now achieved. Virtually all California jurisdictions are in full compliance with this important legislation.
* AB 341 (2011) which established a Mandatory Commercial Recycling (MCR) program throughout California. The MCR focuses on increased commercial waste diversion as a method to reduce GHG emissions. It is designed to achieve a reduction in GHG emissions of 5 million metric tons of carbon dioxide (CO2) equivalents. This legislation established a state goal of 75% solid waste diversion by 2020. This measure has only recently been fully implemented.
* AB 1826 (2014) establishes a Mandatory Commercial Organics Recycling (MCOR) program that requires businesses to recycle their organic waste starting on April 1, 2016, depending on the amount of waste they generate per week. This law also requires that on and after January 1, 2016, local jurisdictions across the state implement an organic waste recycling program to divert organic waste generated by businesses, including green wastes generated by certain multifamily residential dwellings.

These initiatives, especially AB 341 and AB 1826, were endorsed as well by ARB, CalRecycle and the Governor as milestones in the implementation of AB 32. Taken together, these policy initiatives (MCR and MCOR, etc.), over the next 5 to10 years, will dramatically increase the amount of organics diverted from landfills and redirect those materials to organics processing facilities, composting and anaerobic digestion (AD). Taken together, these initiatives will dramatically change the solid waste industry over the next decade.

The signers of this letter include some of the state’s largest compost operations and are involved in several existing food waste diversion and anaerobic digestion projects. We have added organics (food waste) processing capacity at our material recovery facilities (MRFs) and have food waste collection programs in place. In addition, we are beginning to add food waste to existing digesters at municipal wastewater treatment plants, with the goal of ramping up this effort to more fully utilize their excess digester capacity.

We all continue to plan for additional composting and organics diversion programs and truly understand the financial commitment and permitting effort that it takes to add infrastructure for organics collection, processing, and beneficial end-use as compost or as renewable energy.

We strongly support the Draft Strategies conclusion that landfills should not be placed under cap and trade. We also support the reasoned approach recommended in the Draft Strategy that a Phase 2 of the Landfill Methane Rule should not be undertaken without additional analysis. We need to know what has been accomplished from Phase 1 before determining if adding additional measures will be effective in reducing methane emissions and that any new measures are cost effective.

We only wish that this Draft Strategy had taken a similar approach in vetting the 2020 and 2025 targets to be implemented by ARB rulemaking in 2018:

* 75% diversion of organics by 2020, and
* Effectively eliminate (90% diversion) organic waste disposal in landfills by 2025.

In setting these targets, the Draft Strategy does not fully contemplate the fact that California already leads the nation in recycling programs and organics management through the passage of AB 1826. What purpose is served by promoting organics bans in other states and some European countries? In doing so, the Draft Strategy implies that nothing significant is being done in California and fails present a complete understanding of those other state’s and nation’s overall recycling policies and the types of bans that have been imposed.

For example, the Draft Strategy touts Vermont as an organics leader. In reality, Vermont’s population is significantly smaller than San Francisco and the state is just now instituting a “pay as you throw” system in hopes of achieving 50% recycling, well below California’s recycling efforts.

Sweden, as another example, claims 99% recycling, but they accomplish this by sending half it’s waste to 32 Waste to Energy (WTE) plants and importing waste fuel feedstock from other European countries. Is this really the model that California wants to follow? The same is true for many east coast states that rely on WTE. California has historically discouraged WTE facilities and that policy is unlikely to change in the foreseeable future.

The solid waste and recycling industry has supported the existing CalRecycle 50% organics diversion policy (CalRecycle Strategic Directive 6.1) and the 75% recycling goal. We believe that they are responsible and achievable standards.

However, we are very concerned about the Draft Strategy’s requirement that CalRecycle and ARB develop regulations in 2018 that will achieve 75% organics recycling in 2020 and 90% in 2025. This requirement falls several years before full implementation of AB 1826.

We also believe that those goals are technically and fiscally infeasible unless the state is willing to commit to major land use siting (and solving the related CEQA challenges) and permitting concessions as well as $2 to3 billion in infrastructure funding. Yet even with those commitments, the path will be very uncertain since we will be funding unproven AD technologies and compost facilities that are historically difficult to site near large urban sources of feed stock. Mixed solid waste and organic residuals will have to be processed at great expense to remove the organic fraction and to insure that feedstock is free of contamination. A wholesale revision of California’s view on conversion technologies will be required.

**What do we recommend?**

We believe that the existing 50% organics diversion by 2020 established in CalRecycle’s Strategic Directive 6.1 is a reasonably target. Prior to considering higher goals we must first implement and assess the ambitious goals set by Strategic Directive 6.1 and the 75% goal set by AB 341.

However, even these goals cannot be achieved without more than just a commitment from agencies to cooperate on permitting and siting issues. We will need concrete support to facilitate siting and permitting at the local and state level. This cannot be accomplished without the creative input and cooperation from local government, state government, and the solid waste industry. We recommend that CalEPA, in implementing AB 1045 (Irwin), establish a workgroup specifically on the siting issue.

We also believe in a reasonable market based approach as exemplified in AB 1826. We need to focus on fully implementing the mandatory commercial organics program required by that bill. Full implementation will not be accomplished by 2018, when the SLCP Draft Strategy calls for additional regulations. Rather, we suggest that the analysis should occur once AB 1826 is fully implemented in 2020. At that point, we will know how effectively the siting and funding strategies outlined in the Draft Strategy have worked and also will know if we are on track to site, permit and build the required organics infrastructure.

We do not believe a 75% organics goal (or higher) should be set without much more analysis of AD and composting technologies. In the near term, we also need a better understanding of available capacity at municipal wastewater treatment plants.

We recommend that ARB and CalRecycle work with the appropriate local agencies to accurately determine realistic regional AD capacity at these facilities and the necessary processing requirements to insure that available food waste streams are compatible with available digester requirements.

Finally, we need surety regarding public funding. We are concerned that the rate structure set through our contracts and franchise agreements will not be revised to help fund organics infrastructure. Also $75 million/year from Greenhouse Gas Reduction Fund (GGRF) will help, but only if that amount and more can be assured on an ongoing basis.

We worked aggressively this past session on tip fee reform. We found significant opposition and concerns. We do not believe that the controversy that will be generated by the costs of implementing a full-scale organics ban will help alleviate those concerns. These very aggressive organics recycling goals set by the Draft Strategy can only be implemented if adequate funding is committed through rate setting, GGRF funding, and tip fee reform.

Please contact any one of the undersigned if you have any questions or require further information about our comments, recommendations and concerns.

Sincerely,

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