



Dairy Cares Comments on 2022 Scoping Plan Update Public Health Workshop.

March 7, 2022

Dairy Cares¹ appreciates the opportunity to provide the following comments on the California Air Resources Board’s (“CARB” or “ARB”) 2022 Scoping Plan Update – Public Health Workshop held on February 15, 2022. These comments offer the following recommendations regarding the role Renewable Natural Gas (“RNG”) can play in improving the public health outcomes identified as endpoints in the 2022 Scoping Plan Update (“Scoping Plan” or “Plan”):

1. The 2022 Scoping Plan Update should prioritize a transition to alternative fuels that provide direct local air quality benefits to the most heavily burdened communities in California.
2. The 2022 Scoping Plan Update should focus on recommended voluntary and incentive-driven actions that will ensure the State achieves the statutory requirements for short-lived climate pollutant (“SLCP”) targets (SB 1383).

DISCUSSION

Dairy digester and other livestock methane reduction efforts also provide well-documented direct and indirect benefits to the State and to local communities. Despite these benefits, digester projects and other emission reduction efforts have faced opposition by various environmental justice advocates such as the Disadvantaged Communities Advisory Group (“DACAG”) and other parties before CARB and other State agencies.² While Dairy Cares does not agree with the opposition of these groups to methane reduction efforts, we do appreciate

¹ Dairy Cares represents the California dairy sector, including dairy producer organizations, leading cooperatives, and major dairy processors. For more information about Dairy Cares, please visit www.dairycares.com.

² See for example, California Public Utilities Commission (“CPUC”) Application 19-02-015, DACAG December 2, 2020 Letter to California Public Utilities Commissioners. See also, CPUC Order Instituting Rulemaking 13-02-008, Comments of Leadership Council for Justice and Accountability, Food & Water Watch at pp. 4 -9 (June 30, 2021), available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M389/K957/389957229.PDF>.

CARB's responsibility to evaluate the impacts and benefits of various climate strategies on front-line communities and ensure that the analysis appropriately reflects the overall significant benefits of dairy methane reduction efforts.

I. The Transition from Diesel Fuel to Renewable Natural Gas Provides Environmental Benefits in Local Communities.

While the greenhouse gas ("GHG") reduction benefits of reducing methane in the atmosphere are significant and growing, methane reduction projects also provide substantial local environmental co-benefits, including the reduction of criteria pollutants. A recent analysis conducted by CARB, as part of the Dairy Methane Reduction Working Group,³ documents the potential for reductions of other emissions including, but not limited to:

- Nitrogen Oxide (NO_x)
- Particulate Matter (PM_{2.5} & PM₁₀)
- Hydrogen Sulfide (H₂S)
- Nitrous Oxide (N₂O)
- Volatile Organic Compounds (VOCs)
- Ammonia (NH₃)

As a result, these efforts provide measurable reductions in odor and reactive organic gas, and provide water quality benefits from improvements in manure management. Three recent reports from CARB and the California Department of Food and Agriculture document the significant environmental, climate, social, and economic benefits of dairy digesters and dairy methane reduction efforts. These benefits include significant direct and indirect benefits to local disadvantaged communities and priority populations.

1. California Climate Investments - 2021 Annual Report⁴

- Documents that the dairy digester program is responsible for achieving **29% of all GHG reductions** from all programs invested in by the State with just 2.1% of total funds implemented.
- Identifies the dairy digester program as the State's **most cost-effective program**, at just \$9 per ton of reduction.
- Reports that **66%** of funds expended on dairy digesters **benefit priority populations**.

2. California Department of Food and Agriculture - Report of Funded (Dairy Digester Research and Development Program) Projects⁵

- Documents the environmental protection of water and air quality.

³ See CARB Emissions Matrix (November 30, 2018), available at:

<https://arb.ca.gov/cc/dairy/documents/05-23-18/dairy-emissions-matrix-113018.pdf>.

⁴ Available at: https://ww2.arb.ca.gov/sites/default/files/auction-proceeds/2021_cci_annual_report.pdf.

⁵ Available at: https://www.cdfa.ca.gov/oefi/ddrdp/docs/DDRDP_Report_March2021.pdf.

- Identifies significant air, water quality, and nuisance (odor) benefits provided to local communities.
- Estimates the cumulative reduction from the dairy digester program as 21.12 million metric tons MMTCO_{2e} over 10 years or 2.11 MMTCO_{2e} annually.

3. California Air Resources Board Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target⁶

- Documents the progress toward the targeted livestock sector methane reductions.
- Identifies the need for additional incentives and grant funding.
- Estimates the societal benefits of reducing methane emissions at up to \$2.46 billion.
- Confirms the 40% targeted reduction in dairy and livestock methane cannot be achieved without significant additional digester development.
- Recognizes that the voluntary, incentive-based approach has helped fund projects that provide additional environmental benefits, including improved air quality and water quality protection.

In addition to the benefits derived from digester projects themselves, the use of RNG in the transportation sector also benefits local communities. The production of RNG as a transportation fuel and its sale in California displaces diesel and other fossil fuels, which is one of the primary sources of NO_x and PM in the San Joaquin Valley as well as the South Coast and other impacted regions in the state. The ARB provided a robust analysis of this displacement in the context of its environmental analysis for the Low Carbon Fuel Standard (“LCFS”) program and concluded that production of RNG from sources like dairies results in net-improvements to California’s air quality.⁷ Dairy digester and other methane capture projects clearly improve local environmental conditions. Any efforts to conflate the effects of dairy digesters with existing environmental conditions in the San Joaquin Valley should be rejected.

A recent comment letter by the South Coast Air Quality Management District recognizes that “NZE [Net-zero Emission] trucks reduce at least 90% of NO_x emissions and eliminate 100% of toxic diesel emissions, providing much needed near-term reductions and public health benefits in the disadvantaged communities impacted by goods movement.”⁸

⁶ Draft available at: <https://ww2.arb.ca.gov/sites/default/files/2021-06/draft-2030-dairy-livestock-ch4-analysis.pdf>.

⁷ See Final Environmental Analysis Prepared for the Proposed Amendments to the Low Carbon Fuel Standard and the Alternative Diesel Fuels Regulation, Appendix D (March 2018) at p. 70, available at: https://ww2.arb.ca.gov/sites/default/files/barcu/regact/2018/lcfs18/finalea.pdf?_ga=2.227622173.1639234547.1576769077-182891752.1541114262.

⁸ See South Coast Air Quality Management District Executive Officer Wayne Nastri’s May 14, 2021 Letter Re: Revised Draft 2020 Mobile Source Strategy at p. 3, available at: https://ww2.arb.ca.gov/sites/default/files/2021-05/6-SCAQMD_Comment_RevisedDraft2020MobileSourceStrategy.pdf.

For these reasons, the 2022 Scoping Plan Update should prioritize a transition to alternative fuels like dairy biomethane for use in heavy-duty trucks that provide direct local air quality benefits to the most heavily burdened communities in California. As zero-emission heavy-duty trucks become available, dairy biomethane can be used to produce clean, renewable carbon negative electricity for use in electric vehicle infrastructure as well as renewable hydrogen for use in the transportation sector. Importantly, this will allow for immediate public health benefits now and can evolve as zero-emission options for heavy-duty freight become available.

II. The ARB Should Provide Recommendations for Funding to Facilitate Near-term Climate Reductions With the Biggest Impact on Climate Change.

In the Scoping Plan, CARB should focus on scenarios that achieve the statutorily mandated 2030 standard (SB 32), the 2045 standard for the electricity sector (SB 100), and the SLCP requirements of SB 1383. Scenarios that are more aggressive than the statutorily mandated planning requirements should only be considered as informative. The data generated by informative scenarios in the 2022 Scoping Plan should be used to inform funding recommendations that may be included in the Scoping Plan.

The Draft *Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target* (“the Analysis”) recently released by CARB shows that the dairy sector is projected to achieve significant additional reductions toward the SB 1383 target by 2030 through modifications to manure management systems – primarily using anaerobic digesters – and additional reductions through decreases in animal populations.⁹ Manure management projects completed or in development are already projected to account for more than 3 MMTCO₂e of reductions annually.

The Analysis also shows that herd population reductions are expected to annually account for an additional 2 MMTCO₂e of reduction by 2030. Achieving additional reductions will require the dairy and livestock sector to implement additional manure management projects and proven enteric mitigation strategies over the next few years. The ARB’s desired target of 9 MMTCO₂e reduction cannot be met without significant State and/or federal funding and incentives as well as commercial availability of effective feed additives. Ensuring availability of incentives in the near-term is particularly important in light of this fact. The State should not broaden the SLCP target before it is clear it can be achieved and there is appropriate funding available.

Finally, Dairy Cares supports the inclusion of voluntary enteric emission reductions in the Scoping Plan. Senate Bill 1383 directs “incentive-based mechanisms” for reducing enteric

⁹ CARB Draft *Analysis...*, p. ES-2, available at: <https://ww2.arb.ca.gov/sites/default/files/2021-06/draft-2030-dairy-livestock-ch4-analysis.pdf>

emissions.¹⁰ It is important that the Plan account for the opportunity for California Cap-and-Trade offset credits, or other registries to help fund voluntary enteric emission strategies.

III. Dairy Biogas Should Remain in the LCFS Program to Support the Achievement of SB 1383 and Maintain CARB’s Status as a World Leader in the Drive to Reduce Short-Lived Climate Pollutants.

Environmental justice advocates have argued for the exclusion of dairy biogas from the LCFS program. These arguments completely overlook several laws governing CARB’s actions in adopting the LCFS program.¹¹ Such a drastic change would undermine past investments in methane reduction projects and send a disastrous message to investors evaluating all types of carbon and methane reduction projects in California. The ARB must not overlook the global impact of the exclusion of dairy projects from the LCFS and the detrimental effect it would have on California’s ability to achieve the ambitious GHG targets established by SB 1383, AB 32, SB 32, and Executive Order B-55-18.

California is a leader on SLCP reductions and is among a small handful of national and subnational governments adopting laws governing SLCP reductions. California’s stringent SLCP laws set a model for the rest of the world. These efforts must be reflected in the Scoping Plan. Participating in voluntary markets must continue to be a core strategy in reducing SLCPs because it is the only way to regulate methane emissions without creating domestic and international leakage. California’s dairy farmers rely on the inclusion of dairy digester projects in the LCFS program as the primary tool for reducing methane emissions. The Scoping Plan must continue to focus on incentivizing the adoption of RNG as a transportation fuel as part of CARB’s efforts to maintain California’s status as a world leader on methane reduction strategies.

CONCLUSION

Dairy Cares appreciates the opportunity to provide these comments on the benefits of prioritizing the transition from diesel fuel to RNG, and the role the Scoping Plan can play in supporting efforts to facilitate this transition, while at the same time protecting public health. Dairy Cares looks forward to continuing to work with CARB on the 2022 Scoping Plan Update process.

Respectfully Submitted,

_____/s/
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Dairy Cares

¹⁰ Cal. Health and Safety Code Sec. 39730.7(f).

¹¹ Some have asserted that LCFS credit revenue results in methane being intentionally created. There is not factual basis for this assertion. Over the past ten years, dairy production has decreased in California. Exclusion of dairy biogas in the program would exacerbate economic and environmental leakage risks faced by the dairy sector in contravention of California Health and Safety Code Section 38562(b)(8), which requires the CARB to “minimize leakage” in designing GHG regulations like the LCFS.