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October 30, 2015

The Honorable Mary D. Nichols  
Chair, California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Subject:** Comments on the Draft Short-Lived Climate Pollutant Reduction Strategy

Dear Chair Nichols:

The Association of Compost Producers (ACP) is pleased to offer this letter of comments and recommendations on the California Air Resources Board, Draft Short-Lived Climate Pollutant Reduction Strategy. ACP is a non-profit trade association founded in 1995, and now has over 100 public agency and private company compost producer members in California. The ACP members, who manufacture and sell compost throughout California, explicitly state in our mission that we are *"dedicated to increasing the quality, value and amount of compost being produced and used in California."*

In general, ACP members strongly support both the *content and process* stated in the Draft Short-Lived Climate Pollutant (SLCP) Reduction Strategy. This draft Strategy will move California in a positive direction for recycling more renewable carbon (organics), away from fugitive emissions of methane, one of the most powerful short-lived climate pollutants managed in the SLCP reduction strategy. We provide here some comments on both the content of the SLCP Draft strategy, as well as specific recommendations on the process of CARB and other government agencies to work more closely with the California compost industry, i.e. ACP members, who are continuing to expand the production and marketing of compost in our state.

### Content – Compost Production

As stated over two dozen times in the Draft SLCP Reduction Strategy, compost and composting is one of the key methods to keep methane out of the atmosphere, by manufacturing a high organic carbon soil amendment and putting carbon in the soil. The soil organic carbon, then becomes food for the microorganism that, in turn, build healthy soil. Healthy soil made with composted organics has been shown provide multiple benefits, as stated in the Draft Strategy, *"Composting returns nutrients to the soil, builds soil organic matter, improves water holding capacity, and increases carbon sequestration in the landscape."*, pg 48. The benefits of producing other bioproducts are also stated in the Draft Strategy.

California compost producers are well aware of the many benefits of compost, including SLCP reduction. We are the intelligent, skilled, facility investor and operators who are directly responsible for expanding California compost industry. It is our life and business, in each of the local communities where we have facilities and customers. However, the current market pricing for compost, does not monetize GHG, or SLCP reduction into the value of selling each yard of compost. So in order to expand compost production capacity, we will need to work closely with CARB and local districts to both invest in the expanding of existing capacity, as well as building new capacity.

We already have a history of working with local Air Districts to develop new production technologies that reduce ozone forming chemicals that are emitted from traditional composting technologies (volatile organic carbon, VOCs). See ACP's "Greenwaste Compost Site Emissions Reductions from Solar-powered Aeration and Biofilter Layer", ([http://www.valleyair.org/Grant\\_Programs/TAP/documents/C-15636-ACP/C-15636\\_ACP\\_FinalReport.pdf](http://www.valleyair.org/Grant_Programs/TAP/documents/C-15636-ACP/C-15636_ACP_FinalReport.pdf)), funded by the San Joaquin Air Pollution Control District, via a Technology Advancement Program grant, and in collaboration with City of Bakersfield, and CalRecycle). The facility actually lowers the capital and operating cost, as well as diesel use and land area for compost production, while lowering VOC emissions by over 98% compared to turned windrow. So ACP members are actively engaged in lowering the cost and environmental impact of compost production.

However, the increased production of compost, especially with the new air, water and solid waste regulations promulgated in this and recent years, are adding increased cost pressure on compost producers. At the same time, other materials, especially un-composted green waste (which has some benefits as a mulch, but also *many physical, chemical and biological contaminant issues* that can be mitigated by composting), don't have the same regulatory oversight, and are *being sold at a much lower price than the higher quality compost products, putting further price, and investment, pressures on the compost producer*. In addition, as stated above, the SLCP reduction benefits of compost (and *not* of un-composted green waste) are currently *not* reflected in an added value price structure of compost today. Also, as our industry produces more compost (assuming we can raise both the public and private investment dollars to make that happen), there is still the issue of compost market development, i.e. increasing the volume sold *and* price received for compost products. This is a requirement in order that these *investments are supported by robust and long term (sustained) compost sales and use*. Otherwise, the strategy of using compost as a key SLCP reduction method, runs the very real risk of itself being "short-lived," and thus becoming a bad investment.

### **Process – Compost Market Development**

The SCLP Reduction Draft Strategy authors are also clear on *both the importance* of market development *as well as the market barriers* that are faced by the organics industry. "Markets" for recycled carbon products (bio-based products like compost & fuels) are mentioned over 5 dozen times throughout the Draft Strategy. For example, as stated on page ES-4, "*Building market certainty and value for the energy, soil amendment, and other products that come from compost or anaerobic digestion facilities would help to secure financing and scale project deployment.*" So we are clear that CARB understands this issue. However, in the strategy, there was no mention of *how* this strategy of expanding markets will be implemented and achieved.

Since ACP's mission is market development (as stated above, and on our website, [www.healthysoil.org](http://www.healthysoil.org), ACP members are "*dedicated to increasing the quality, value and amount of compost being produced and used in California.*"), we are the industry that will be endeavoring to implement this strategy. To turn the idea into boots on the ground reality. We believe that compost producers are *the hub of California's emerging renewable carbon value cycles*. Given our perspective, knowledge, and ongoing investments, we work every day at developing high quality

compost markets. We also have an ever-more nuanced and detailed view of how compost markets can be expanded.

Compost market development begins with a keen understanding of the integration of *three interacting markets at the local level*:

1. **Feedstocks** – local organic residual feedstock types, amounts and quality and their cost for tipping them at a facility (be it compost, energy or landfill, they all compete for feedstock, currently)
2. **Capacity** – local capacity for processing (remanufacturing) the feedstocks into value added products, including compost (owing especially to its carbon sequestration benefits), and
3. **Use** – the markets (sale & use) of the compost and other bioproducts by local California markets: urban landscapes, agricultural crops, natural, forest and working lands and energy.

We include a more detailed outline of the organics markets, that our compost producer members are accessing and expanding every day, in the attached "Organics inflow-outflow - ACP 10.30.15" document. As higher volumes of feedstocks are added to local markets, however, this will put inevitable price pressures on compost products, *if both value and demand for compost are not also increased*.

ACP stands ready to work with CARB, CalRecycle, CDFA, CEC and local jurisdictions to ensure that compost market expansion benefits local communities, the environment *and* the compost producer industry. By working collaboratively, between state & local government with industry, the process of implementing the Short-Lived Climate Pollution Reduction Strategy, will not itself become short-lived. We share the goal of maximizing carbon returning to the soil, from the atmosphere, by using compost. At the same time enhancing local communities and natural environment, and minimizing as many investment casualties as possible during this process .

Again, thank you very much for the opportunity to provide this important input of the compost producer industry experience and perspective on the SLCP Reduction Draft Strategy. We remain ready and willing to work with the CARB on an ongoing basis to enhance both the California organic recycling industry while building local sustainable economies, thereby reducing short-lived climate pollutants (especially fugitive methane), while reducing waste, and conserving and protecting the ever more precious waters of California.

Sincerely,



Dan Noble, ACP Exec. Dir.  
Jeff Ziegenbein, ACP President

CC:

Members, California Air Resources Board  
Richard Corey, Executive Officer, CARB  
Edie Chang, Deputy Executive Officer, CARB  
Matt Rodriguez, California Environmental Protection Agency  
Director Scott Smithline, CalRecycle  
Cliff Rechtschaffen, Martha Guzman, Graciela Castillo, Office of Governor Jerry Brown