



July 14, 2021

California Air Resources Board  
1001 I St  
Sacramento, California 95814

**RE: Draft Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target**

To Whom It May Concern:

The American Biogas Council (ABC) appreciates the opportunity to comment on the California Air Resources Board's (CARB) "Draft Analysis of Progress toward achieving the 2030 Dairy and Livestock Sector Methane Emissions Target." ABC represents nearly 300 businesses and 3000 professionals in California and across the US who are dedicated to developing the biogas industry. Our member companies span the entire biogas industry supply chain, including project developers, farms, anaerobic digestion technology, and biogas processing equipment providers, wastewater companies, waste managers, utilities, financial firms, and others.

ABC's supports California's efforts to reduce dairy and livestock sector methane emissions to 40% below 1990 levels by 2030. While we generally concur with many of the findings and assertions presented by staff in the draft analysis, we have specific concerns related to implementing future regulatory requirements to reduce manure methane emissions from livestock and dairy projects. Our concerns are as follows.

**Analysis Item 1: California's Dairy and Livestock Methane Emissions Reduction Progress and Projected Annual Emissions Reductions through 2030**

Staff asserts that the California Department of Food and Agriculture's (CDFA) Dairy Digester Research and Development Program (DDRDP) and Alternative Manure Management Program (AMMP) have been instrumental in driving manure methane emissions reduction projects at California dairy operations. ABC believes that manure management strategies, including dairy digester projects, are the most effective method of reducing methane emissions related to manure management. In the absence of safe, effective, and commercially available options to mitigate emissions from enteric methane, ABC encourages increases in funding for manure based biogas and RNG projects and strengthening incentive programs like LCFS so that they can provide a more stable revenue stream to digester projects.

ABC agrees with the strategy's recommended minimum funding level of at least \$100 million per year for five years, especially given that CDFA's DDRDP projects have been the primary driver of GHG emissions reductions in the dairy and livestock sectors FY 2014-15. ABC agrees that incentives including through CARB's cap-and-trade and LCFS programs are vital to increasing the attractiveness of digester projects.

These programs have been instrumental in driving new dairy projects by enhancing their economic viability. Without such incentives, ABC believes that private investment in the sector would drop significantly. Revenue generated through the available environmental credits is of great significance to dairy operators and project developers and is crucial in making progress economically viable given the significant development and operational costs of such projects.

**Analysis Item 2: Progress Made in Overcoming Technical and Market Barriers to Dairy and Livestock Methane Emissions Reductions Projects**

As identified in the draft report, the leading market barriers for manure methane projects include high project development costs and a perceived lack of environmental credit certainty. Much of the progress made in methane emissions reduction has come to fruition due to state and federal incentive programs. The fact that these programs are consistently oversubscribed illustrates the interest in project development under market conditions that reduce risk to lenders and deliver reliable returns on investment.

Biogas harvested from digester projects is a critical component in reducing SLCP emissions. As CARB considers regulation development to comply with the statutory direction of SB 1383, we urge the board to avoid implementing a mandate that would prevent projects developed after the implementation of a regulation from claiming avoided methane emissions in LCFS crediting. Doing so would severely reduce the incentives which are driving the development of new biogas projects and are creating the targeted methane reductions. ABC believes that barriers to claiming avoided methane emissions in new projects participating in the LCFS program would eliminate key economic incentives driving private sector interest and investment in digester projects and significantly hinder progress towards California's methane emissions reduction goals.

We appreciate the opportunity to offer you our comments and recommendations, and we look forward to continuing to work with you as you evaluate progress toward achieving the 2030 Dairy and Livestock Sector Methane Emissions Target. Please feel free to contact ABC directly should you have any questions about these comments. ABC's State Policy Manager, Will Higgins, can be reached at 202-261-1320 or [whiggins@ttcorp.com](mailto:whiggins@ttcorp.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Serfass". The signature is stylized with a large, looped "P" and a cursive "Serfass".

Patrick Serfass, Executive Director