



September 17, 2021

Ms. Rajinder Sahota,
Deputy Director for Climate Change
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Comments on the Cap & Trade Investment Plan 2022-2025

Dear Ms. Sahota:

The California Association of Sanitation Agencies (CASA) respectfully requests allocating additional cap-and-trade revenue to projects that maximize the wastewater sector's uniquely positioned ability to achieve tangible, cost-effective greenhouse gas (GHG) and short-lived climate pollutant (SLCP) emissions reductions.

The California Association of Sanitation Agencies (CASA) represents more than 125 local public agencies engaged in the collection, treatment and recycling of wastewater and biosolids to protect public health and the environment. Our mission is to provide trusted information and advocacy on behalf of California clean water agencies, and to be a leader in sustainability and utilization of renewable resources. CASA is the leading California association dedicated to advancing wastewater interests, including the recycling of wastewater into usable water, generation of renewable energy, biosolids and other valuable resources. Through our efforts, we help create a clean and sustainable environment for California.

Wastewater agencies have the unique ability to provide tangible GHG reductions that will help the State meet GHG and SLCP reduction goals by utilizing existing publicly owned wastewater treatment works (POTW) infrastructure. More than 94% of the state's wastewater flow is treated through anaerobic digestion which generates biogas. As quantified in the [SWRCB's Co-Digestion Capacity Analysis](#) (released by the Governor's office in August 2020), POTWs can utilize their existing infrastructure in the form of anaerobic digestion, with relatively minor upgrade needs, to co-digest all of the divertible food waste across the state thereby removing a major source of fugitive methane from landfills (which account for ~20 percent of the state's methane). The anaerobic digestion process results in the production and capture of digester gas, also known as biogas, which is generally about 60% methane and can be used to produce renewable power and biofuel, displacing fossil fuel use. There is a need to invest in technology to ensure diverted food waste is clean enough for receipt at wastewater plants for co-digestion. Additionally, the resulting biosolids can be utilized as a soil amendment to enrich the soil on which it is land applied as well as sequester carbon as called upon by the Governor's [Executive Order N-82-20](#), the [Healthy Soils Initiative](#), [Natural and Working Lands Climate Change Implementation Plan](#), and the [Forest Carbon Plan](#).

Biosolids recycling through land application and composting can also help the state achieve its water conservation and agricultural efficiency goals – by improving soil health through increasing soil organic content not only leads to increasing crop production, it also increases the soil's water holding capacity, thus allowing for more efficient irrigation practices. Innovative technology is also under development to use biosolids in the production of renewable energy products such as fuel.

The Legislative Analyst's Office indicated that cap-and-trade investments in waste diversion and other bioenergy categories is the single most cost-effective allocation of all Greenhouse Gas Reduction Funds. Given the significant GHG and SLCP emissions reductions that can be achieved by projects within the wastewater sector, CASA respectfully requests your consideration for the following FY 2022-23 cap-and-trade allocations:



CALIFORNIA ASSOCIATION of SANITATION AGENCIES

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- A minimum of \$100 million for Organic Waste Diversion purposes for use by the wastewater sector. We strongly encourage the maximum investment possible in waste diversion projects.
- Express a preference for organics diversion projects that can demonstrate the most significant GHG and SLCP reductions, including those utilizing existing wastewater infrastructure.
- Consider including priority funding criteria for emissions reductions projects that address the water-energy nexus, improve soil health, and provide water conservation and efficiency benefits.

To maximize the collaborative opportunities with the wastewater sector, there are several barriers for which policy support is necessary and requested. The sector needs cost neutral alternatives but also market certainty for the products of co-digestion – biogas and biosolids. Currently some air districts in the state impose such restrictive permit limits on the production and use of biogas that co-digestion is dis-incentivized. State assistance is requested to work with the wastewater sector and local air districts to resolve such issues.

We look forward to working together as proactive partners on our multitude of shared objectives. Please contact Greg Kester at gkester@casaweb.org (or 916-844-5262) and Sarah Deslauriers at sdeslauriers@carollo.com (or 925-705-6404) if you have any questions.

Sincerely,

Greg Kester
Director of Renewable Resources

Sarah A. Deslauriers, P.E., ENV SP
Climate Change Program Manager