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California Air Resources Board

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Subject: Comments on Draft 2030 Target Scoping Plan Update

On behalf of the Legislative Task Force (LTF) of the California Chapters of the Solid Waste Association of North America (SWANA), I would like to thank you for the opportunity to comment on the Draft 2030 Target Scoping Plan Update published on December 2, 2016. The California Chapters of the Solid Waste Association of North America (SWANA) represent much of the publicly-owned and -operated solid waste management infrastructure in the state and the local governments responsible for implementing waste diversion and recycling programs. The SWANA Legislative Task Force (LTF) represents the California Chapters on legislative and regulatory issues.

The SWANA LTF respectfully submits the comments outlined below on the Draft Plan.

Section E of the Draft Plan describes, in part, the importance of the Waste Management sector in reducing greenhouse gases (GHG), especially in the context of short-lived climate pollutants and CARB's plan to enact SB 1383. The Draft Plan addresses two important elements to achieving the goals of SB 1383; funding to build the necessary organic diversion infrastructure, and optimizing beneficial use of diverted organics through options such as composting or anaerobic digestion (AD). AD is an especially important component of the Draft Plan because of the generation of biogas which can be utilized as a renewable natural gas (RNG). Issues related to each of these are addressed below.

Development of the infrastructure needed to adequately manage diverted organics will require significant funding and investment. CalRecycle estimates that State investments of \$100 million per year for five years are needed, while the solid waste industry estimates that overall investments of \$1 to \$2 billion in new or expanded infrastructure will be necessary. Section E of the Draft Plan identifies an increased landfill tip fee and/or a new generator charge as potential state funding sources for the development of waste management infrastructure, programs, and incentives. The SWANA LTF has significant concerns with this strategy for the following reasons:

- The SWANA LTF is generally opposed to continued reliance on disposal-based funding, as the mechanism unfairly targets landfills to disproportionately finance statewide programs from which they will not benefit. Additionally, as diversion goals are achieved, the funding will not be sustainable, and new funding mechanisms will be needed to sustain recycling and organics diversion programs and infrastructure.

- The SWANA LTF also believes that investments for the new and expanded infrastructure that will be needed to manage diverted organic waste should not

come from state-imposed fees that are collected at the local level, as much of the cost will have to be paid for locally in any case. Adding layers of new state fees that may not benefit the local community is not only inequitable and inefficient (i.e. the money is collected locally, sent to the State, and then local entities have to apply for grants to get

some fraction of it back), but it makes it more difficult to gain public support for the increased rates and fees that will be needed at the local level (because the public will be paying multiple increases at essentially the same time).

- Finally, developing funding only through fees will not be adequate to address the cost of building the necessary infrastructure projects. The State must commit to providing adequate additional funding through the State's cap-and-trade program. This is not only necessary to achieve the goals of SB 1383 but consistent with allocating cap-and-trade funding to the most cost-effective greenhouse gas reduction measures (the LAO analysis has ranked bioenergy and waste diversion as the most cost-effective measures).

With regard to development of RNG, the success of large-scale organic diversion programs will depend upon adequate development of beneficial uses, especially RNG, which has significant additional benefits in further reducing GHG through the displacement of fossil fuels. On page 39 of the Draft Plan it is stated, "*It is important to note that legal, feasibility, cost, and regulatory barriers would need to be overcome to use Renewable Natural Gas ...*". SB 1383 has requirements to address the issue of RNG barriers including a report in 2020 to report on the status of reducing potential barriers. The SWANA LTF strongly encourages that these requirements be enhanced to ensure that successful development of RNG is fully realized. This should include ongoing review of barriers to RNG projects, not just in 2020, so potential obstacles can be addressed as needed.

Finally, the Draft Plan includes a measure requiring a 5 percent increase in utilization of RNG as part of the Alternative No. 1 Scenario. As previously stated, developing robust beneficial use is critical to the success of organic diversion programs. To achieve this, the SWANA LTF strongly supports the 5 percent RNG utilization proposal, but believes that this measure should be part of all three reduction scenarios.

Section E of the Draft Plan also establishes a goal to "maximize recycling and diversion from landfills." To reach this goal, the state should demonstrate support of recycling markets and efforts to expand existing markets and develop new markets.

As the SWANA LTF has commented on similar ARB plans, the state should allow time for existing regulations to be implemented and their success measured before expanding them. We are still in the early stages of implementing AB 1826 (Chapter 727, Statutes of 2014) regarding mandatory commercial organics recycling, and some of our members need the ability to work through related challenges before formalizing a permanent organic waste collection program and considering long-term infrastructure needs. To that end, the SWANA LTF also supports incentivizing the use of available capacity at wastewater treatment plants that have anaerobic digesters that can accept and process food waste. This available capacity will provide much needed organic waste management capability relatively quickly, while long-term infrastructure needs are developed. Funding for infrastructure improvements at facilities such as these, as well as for preprocessing capacity and infrastructure to develop the biogas produced at these facilities into renewable energy products (e.g. electricity, biomethane, fuel) should be made a high priority.

The Draft Plan calls for expanding waste reduction mandates. Until recent regulations have been given space and time to be implemented, establishing more mandates in 2018 would be premature. In this vein, the SWANA LTF would like to acknowledge our appreciation of ARB's decision to take a step back on any additional landfill methane measures.

Again, thank you for your consideration of the SWANA LTF's comments on the Draft 2030 Target Scoping Plan Update released on 12/2/16.

Sincerely,



Jason Schmelzer
SWANA Legislative Advocate