



JOINT STATE OFFICE

June 20, 2016

VIA E-MAIL & U.S. POST

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Proposed Fiscal Year 2016-17 Funding Plan for Low Carbon Transportation and Fuels Investments and the Air Quality Improvement Program

The California Refuse Recycling Council (CRRC) is a trade association comprised of over 100 refuse and recycling companies across the state committed to superior management of waste resources, including composting, anaerobic digestion and renewable energy production. Thank you for the opportunity to comment on ARB's Proposed Fiscal Year 2016-17 Funding Plan for Low Carbon Transportation and Fuels Investments and the Air Quality Improvement Program.

The CRRC supports California's goals to reduce GHG and criteria pollutant emissions and to transition to low carbon fuels and zero-emission or near zero-emission technologies. Not only are CRRC members transitioning their fleets to cleaner fuels and technologies, some members are already producing "carbon negative" fuel from the organic waste they collect. Through anaerobic digestion, methane is captured and converted into renewable natural gas to fuel CNG heavy-duty trucks. While this technology is crucial to meeting state goals, it continues to be cost-prohibitive for many. Engine purchase and low carbon fuel production incentives can help accelerate the infrastructure development needed to better manage California's organics and improve air quality for all.

The CRRC advocates for funding in the heavy-duty vehicle sector as advancements in this area provide immediate air quality benefits, especially in disadvantaged communities where truck traffic may be higher. In particular we support the investment in Low NOx Engine Incentives with Renewable Fuel and the Very Low Carbon Fuels Production Incentive Project. These initiatives support technology that is available and operational for the waste and recycling industry to meet state goals.

We appreciate the low NOx engine incentive proposal and ask that the Board consider raising the maximum voucher amount from \$18,000 to \$25,000 as this is the incremental cost

necessary to make new truck purchases achievable. We are enthusiastic to read that funding for these engines is expected to continue for multiple years to support larger-scale deployment.

We also hope to see continued funding for the new Very Low Carbon Fuels Incentive. This outstanding proposal serves as an essential complement to other agency investments and the overarching goals of ARB. Incentives remain crucial in combatting the costs of cheaper, less environmentally-responsible alternatives while the waste and recycling industry builds the infrastructure necessary to manage California's organic waste. The CRRC wholeheartedly agrees that reliable, annual funding would reduce some of the investment risk associated with the production of renewable natural gas or other low carbon fuels.

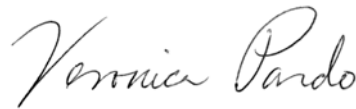
Moreover, it should be noted that the waste and recycling industry has historically made huge fleet investments in the last decade, especially in CNG technology and infrastructure. It is imperative that these 20 – 30 year investments made to adhere to air quality rules have continuity in order to recoup the large capital investments.

We thank you for your continued investment in achieving California's air quality and climate change goals. Incentivizing change through the aforementioned programs will result in meaningful opportunities for the waste and recycling industry to support these goals. Please do not hesitate to contact our regulatory team with any comments or questions.

Sincerely,



Kathryn Lynch
Regulatory Affairs



Veronica Pardo
Regulatory Affairs

cc: CRRC State Executive Committee Members