



April 24, 2013

Mary Nichols, Chairman
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

**Re: Comments on the Cap-and-Trade Auction Proceeds
Fiscal Years 2013-2014 through 2015-2016
Strong Support for Waste Diversion Investment and Carbon Negative Fuel Investment**

Dear Chairman Nichols:

The California Refuse Recycling Council (CRRC) is a statewide non-profit trade association comprised of over 120 companies involved in the collection and processing of organic materials that also operate approximately 20 composting facilities, 50 material recovery facilities (MRFs), 25 construction and demolition debris processing facilities, and over 12 landfills statewide. CRRC members operate a fleet of thousands of heavy-duty collection vehicles, and are transitioning from diesel to lower carbon compressed natural gas (CNG) fuel, with plans to make our own carbon negative CNG fuel with the organic waste we collect.

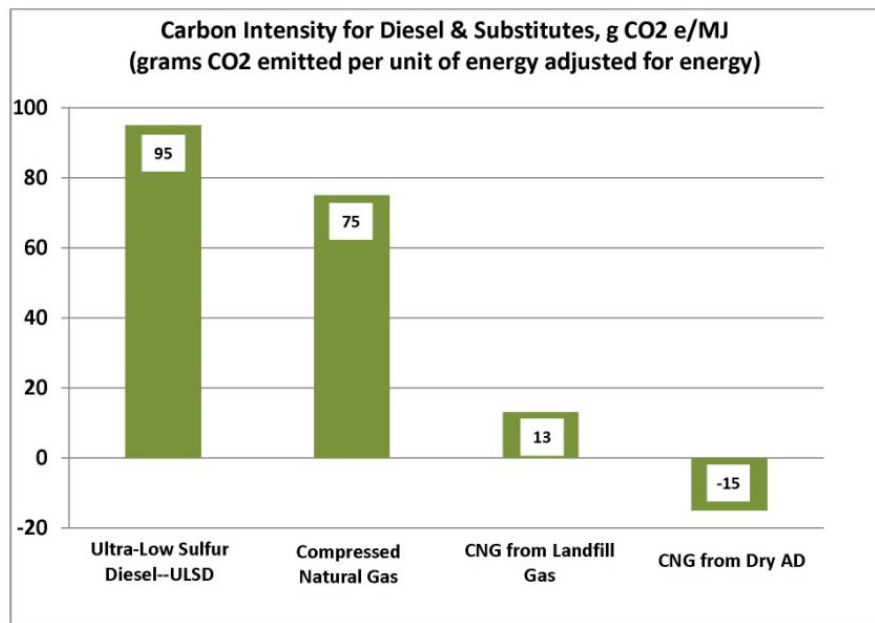
CRRC appreciates the opportunity to submit comments on the **Cap-and-Trade Auction Proceeds Fiscal Years 2013-2014 through 2015-2016**. We are grateful for the Administration's leadership on climate change issues and look forward to working together to help achieve the goals of AB 32. CRRC strongly supports the Air Resources Board efforts to invest cap and trade proceeds into programs regarding Natural Resources and Waste Diversion, which the diversion of organic waste to bioenergy and composting, and organic waste to anaerobic digestion that produces a carbon negative fuel. Anaerobic digestion and composting are at the nexus of the AB 32 Scoping Plan adopted measures where commercial organic wastes are diverted from landfilling to generate renewable energy and negative carbon fuel, resulting in quality compost that is returned to sustainable agriculture in disadvantaged communities.

Operating a Carbon Negative Fleet: There are over 15,000 refuse and recycling collection vehicles in California, with over 2,000 collection vehicles running on CNG, or about 13% of the fleet. The South Coast Air Quality Management District (SCAQMD) projects that there will be 4,500 CNG vehicles by 2020. The refuse and recycling collection fleet is rapidly

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transitioning to CNG that 50% of the fleet will be on CNG within the decade. The Low Carbon Fuel Standard calls for a 10% reduction of the fuel intensity by 2020, where renewable CNG from an anaerobic digestion facility (using dry fermentation of food waste with green waste) has been determined by the California Air Resources Board to be minus 15 g CO₂e/MJ, or carbon negative, as shown in the figure below. CalRecycle, in the recently adopted Program EIR for AD facilities, has projected the need to develop 70 AD facilities processing 50,000 tons per year, or 210 AD facilities of 20,000 tons per year to meet the AB 32 Scoping Plan requirements. The statewide commercialization of AD facilities in this manner could yield 23.5 million diesel equivalent gallons per year, based upon feedstock consisting of a blend of 2.5 million tons per year of food waste with 1.7 million tons of green waste, or enough fuel for 1,800 CNG-fueled refuse and recycling vehicles. With over 6 million tons of food waste disposed of in 2008, the amount of renewable CNG could double to nearly 50 million diesel equivalent gallons per year, or enough for 3,500 vehicles. The organics collection industry could operate a carbon negative fleet with the deployment of AD technology where the CNG vehicle that collects the organic waste runs on the CNG generated from the organic waste it collects.



Renewable CNG Derived From Anaerobic Digestion Is Carbon Negative

CRRC strongly supports the Air Resources Board efforts to invest cap and trade proceeds into programs regarding Waste Diversion, which the diversion of organic waste organic waste to anaerobic digestion that produces a carbon negative fuel.

Should you have any questions, please contact me at (916) 739-1200.

Sincerely,

Mark Figone
CRRC-North President

John Snyder
CRRC-South President

cc: Cliff Rechtschaffen, Senior Advisor to Governor Brown
Ana Matosantos, Director, Department of Finance
Matt Rodriguez, Secretary, California Environmental Protection Agency
Karen Ross, Secretary, Department Food and Agriculture