

July 8, 2016

Mr. Richard Corey, Executive Officer California Air Resources Board 1001 I Street Sacramento, CA 95814

Re: California Association of Sanitation Agencies Comments on the 2030 Target Scoping Plan Update Concept Paper

Submitted online via:

http://www.arb.ca.gov/lispub/comm2/bcsubform.php?listname=sp-concept-paperws&comm_period=1

Dear Mr. Corey:

The California Association of Sanitation Agencies (CASA) appreciates the opportunity to comment on the 2030 Target Scoping Plan Update Concept Paper (Concept Paper).

CASA is an association of local agencies, engaged in advancing the recycling of wastewater into usable water, and the generation of renewable energy, biosolids and other valuable resources. Through these efforts we help create a clean and sustainable environment for Californians. Our members are focused on helping the State achieve its 2030 mandates and goals (also referred to as the Governor's Five Pillars), which include:

- Reducing carbon dioxide equivalent emissions to 40% below 1990 levels (including short-lived climate pollutants, SLCPs)
- Providing 50% of the State's energy needs from renewable sources
- Reducing carbon intensity of transportation fuel used in the State by 10 percent
- Effectively diverting organic waste from landfills
- Increasing soil carbon and carbon sequestration under the Healthy Soils Initiative and Forest Carbon Plan

While we largely support the proposed concepts for achieving the 2030 targets, we do have several questions and concerns. We provide the following recommendations to address those issues in the Draft Scoping Plan. We also welcome the opportunity to further discuss and clarify all of these issues with ARB as appropriate.

Progress toward 2020 Target: Specific GHG Reductions and Prioritization/Cost Effectiveness of future GHG Reduction Strategies

Not only is the Scoping Plan tasked to show California's progress toward meeting the near-term 2020 GHG emissions reduction goal as defined in the 2008 Scoping Plan, it

is to align and prioritize the State's 2030 GHG reduction strategies with other State policy priorities. As in the previous Scoping Plan Update, there continues to be a lack of clarity on how the California Air Resources Board (CARB) is tracking progress toward the 2020 target, as well as developing information on the cost effectiveness of existing control measures. It is only with this type of comprehensive information that the selection and prioritization of reduction strategies for 2030 can be established in an informed manner. CASA strongly recommends CARB fully disclose the emission reductions achieved by existing GHG reduction measures, along with their cost effectiveness. Further, with any future development of control measures to achieve the 2030 goals, an attempt should be made to rank control measures by cost effectiveness (dollars per ton of GHG removed), which will provide an opportunity for review of these measures by external parties.

Loss of Auction Revenues if no Cap-and-Trade Program

Two of the concepts suggested in the Concept Paper remove the Cap-and-Trade program as a reduction strategy. Monies in the Greenhouse Gas Reduction Fund (GGRF) from Cap-and-Trade auctions help fund programs to reduce GHG emissions. The two concepts that do not include the Cap-and-Trade program show a greater focus on and need for GHG emission reductions in other areas, but the Concept Paper does not provide a discussion of the indirect impact resulting from the loss of funding. For example, as described below, publicly owned treatment works (POTWs) can potentially serve a major role in managing diverted organic waste streams from landfills. However, these projects may not be able to occur without outside funding, such as from the GGRF, which will jeopardize achievement of goals established for SLCPs (particularly methane). Similar examples can be made for projects in the transportation sector, forest sector, etc. CASA strongly recommends that CARB provide an analysis of the indirect impacts of the loss of auction revenues if there is no Cap-and-Trade program and the resulting impact on achievement of statewide GHG reduction goals.

POTWs Role in Post 2020 GHG Emissions Reduction Targets

CARB has proposed four concepts for achieving the 2030 emissions reduction targets that were built around the Governor's "Five Pillars." CASA agrees that setting post 2020 targets is necessary for **developing policy measures and regulations that provide for the long-term certainty businesses need for financial planning purposes**. For example, it has been established that POTWs can play a vital role in managing organic waste diverted from landfills through co-digestion in existing wastewater digesters, in support of the proposed SLCP reduction goals. Developing the infrastructure to accept and anaerobically co-digest diverted organic waste streams with biosolids at POTWs, as well as managing digestion byproducts (e.g., utilization of biomethane in a sustainable manner such as pipeline injection or as a transportation fuel, land application of biosolids as an agricultural soil amendment, etc.), requires new markets for investors to ensure these projects are viable. In Mr. Richard Corey July 8, 2016 Page 3 of 4

addition, as described above, to fully finance these projects, additional outside funding will be needed from programs such as the Cap-and-Trade Program.

Specifically addressing the beneficial use of biosolids/digestate, CASA supports the addition of land-based activities (i.e., accounting for carbon sequestration and avoidance of fossil fuel based inorganic fertilizer) in the GHG inventory for the Natural & Working Lands sector. As diversion of organics from landfills ramps up and POTWs co-digest those organic waste streams (such as food waste and fats, oils, and grease) with wastewater solids, the carbon sequestration resulting from the land application of digested (and in many cases, composted) biosolids/organics-based soil amendment needs to be accounted for and properly credited to the POTW sector in the control measure strategies.

We understand that CARB is collaborating with the California Department of Food and Agriculture (CDFA) and other agencies working on the Healthy Soils Initiative to quantify the benefits of using compost and other soil amendments (such as biosolids). We strongly encourage CARB to work with the Water Boards and CASA to include biosolids and biosolids compost in building healthy soils and understanding the significant body of research already conducted which demonstrates the plethora of additional benefits (including but not limited to GHG reductions from reduced fossil-based fertilizers use) from their land application, including increased water retention resulting in reduced need for irrigation, increased soil carbon, improved soil tilth, and increased crop yields. The State will need to provide strong support at all levels of government, as well as funding, to ensure such markets are developed and promoted so the State can achieve its organic waste diversion goals.

Again, CASA appreciates the opportunity to provide comments on the Concept Paper. We want to emphasize that POTWs have opportunities to be significant renewable energy providers, suppliers of a marketable renewable fertilizer/soil amendment product, suppliers of a low carbon fuel, suppliers of a sustainable (drought-proof) water supply, and environmental stewards of our natural and working lands - all of which can significantly contribute toward each of the four proposed concepts for meeting 2030 targets. In many cases, all that is lacking is the funding to develop the additional appropriate infrastructure and new markets to make these projects a reality.

Thank you for your consideration of these comments. Please contact me if you have any questions at (925) 705-6404 or via email at <u>sdeslauriers@carollo.com</u>. We look forward to working together as proactive partners on our multitude of shared objectives.

Sincerely,

Sarah a. Dalamiters

Sarah A. Deslauriers, P.E. CASA Climate Change Program Manager

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Mary Nichols - Chair, Air Resources Board CC: Scott Smithline – Director, CalRecycle Wade Crowfoot, Martha Guzman-Aceves, Graciela Castillo-Krings – Governor Brown's Office Ryan McCarthy – Air Resources Board Fran Spivy-Weber, Felicia Marcus, DeeDee D'Adamo, Tam Doduc, Steve Moore, Tom Howard, Scott Couch, Johnny Gonzales - Water Boards Ashley Conrad-Saydah – CalEPA Howard Levenson - Deputy Director, CalRecycle Jamie Ormond, Commissioner Sandoval - CPUC Rob Oglesby - CEC Karen Ross – Secretary, CDFA Jenny Lester Moffitt – Deputy Secretary, CDFA Julia Levin – Executive Director, BAC Bobbi Larson – Executive Director, CASA Greg Kester - Director of Renewable Resource Programs, CASA