







October 17, 2022

Mr. Paul Arneja, Air Resources Engineer Mobile Source Control Division California Air Resources Board 1001 I Street Sacramento, CA 95812

<u>Re: Coalition of Waste Management Providers Implementing California's Short-Lived Climate</u> <u>Pollutant Reduction Strategy (SB 1383, Lara, Statutes of 2016) – Comments on the Advanced Clean</u> <u>Fleet Regulation</u>

Mr. Arneja:

On behalf of the undersigned waste management providers servicing the diverse population of California, we greatly appreciate the California Air Resources Board's (CARB) work on the proposed Advanced Clean Fleets (ACF) regulation and for working with the public and private solid waste and recycling industry to better understand our unique position as implementers of SB 1383 (Lara, Statutes of 2016).

A significant portion of California's waste stream consists of organic matter such as food scraps, lumber, paper, landscape trimmings and other organic materials. SB 1383 tasks the state with diverting 75% of this organic waste from landfills by 2025 to critically reduce short-lived climate pollutants (SLCP). SLCPs are at least ten times more damaging to the climate than the carbon dioxide emitted from burning fossil fuels. Because they only stay in the atmosphere for between a couple of days to just over a decade, reducing them will have the fastest impact on the climate crisis.

The statewide SLCP reduction strategy and SB 1383 regulations require each local government to procure a substantial amount of product made from recycling organic material, including renewable natural gas (RNG). To meet this demand, the state continues to invest funds in organic waste recycling and other renewable energy infrastructure that produces RNG. Much of this existing RNG is currently used in the transportation sector, and while we support the state's long-term goal to electrify the transportation sector, there is a need for RNG to remain an option to fulfill this local government procurement requirement, to ultimately achieve the state's SLCP reduction strategy, and to encourage a circular economy.

We recognize that the Public Utilities Commission recently released a proposed decision (R.13-02-008) to help the state reach its SB 1383 procurement targets. We support this effort; however, it will take years before we fully understand the market implications of this rulemaking. CalRecycle estimates that the state's infrastructure will only be able to process 10 million tons of organic diverted waste in 2025, well short of its goal of 18 million tons diverted, and many of the existing facilities do not feed into the gas supply pipeline. We must continue to send a strong signal that there are markets for processed organic waste, whether it be a fuel for transportation, electricity, or heating applications. It will take time to implement this decision, ramp up to process the additional 8 million tons necessary to meet our targets and any additional diverted organic waste, and provide certainty for demand of the recycled organics.

As an industry, we want to ensure that the state's clean transportation and SLCP strategy exist in harmony. Therefore, we propose an alternative compliance pathway as part of a SB 1383 transition plan for private solid waste fleets¹ creating and fueling their fleets with currently available in-state, carbon negative RNG. To maximize climate and air quality benefits, we propose a solid waste fleet eligible to utilize the alternative pathway meet all the following criteria:

- Located in-state.
- Owned by or contracted with municipalities implementing SB 1383.
- Collecting and processing in-state organic waste.
- Creating their own in-state RNG or hydrogen from organic waste or working in partnership with a facility producing in-state RNG or hydrogen from organic waste.
- Using RNG in their own solid waste collection vehicles.

This alternative compliance pathway would align SB 1383 and the ACF regulation, support municipal agencies compliance with SB 1383, and avoid already built, state-funded stranded assets associated with SB 1383 compliance. As part of a larger SB 1383 transition plan, we propose the following alternative pathway for solid waste fleets utilizing the milestone pathway:

- Move front and side loaders / transfer trucks to milestone group 3 (i.e. specialty vehicle group)
 - Moving front/side loads and transfer trucks to milestone group 3 would allow 3 additional years to send market signals in the short term to invest in organic waste processing infrastructure.
- Remove the 50% interim target in 2036.
 - By eliminating the 50% target, the solid waste industry would also have additional time between 2033-2039 to determine a new market for their RNG.

Percentage of vehicles that must be ZEVs	10%	25%	50%	75%	100%
Milestone Group 1: Box trucks, vans, buses with two axles, yard tractors, light-duty package delivery vehicles	2025	2028	2031	2033	2035 and beyond
Milestone Group 2: Work trucks, day cab tractors, buses with three axles	Add front/side loaders & transfer trucks		2033	2036	2039 and beyond
Milestone Group 3: Sleeper cab tractors and specialty vehicles	2030	2033	206	2039	2042 and beyond

¹ According to data collected through the EMFAC emissions inventory, CARB's Solid Waste Collection Vehicle Regulation staff estimates there are roughly 7,400 diesel and 8,930 natural gas solid waste collection vehicles currently operating in California.

Our coalition of waste management providers would be extremely grateful to work with ARB staff and members to craft an alternative compliance pathway and an SB 1383 transition plan that considers a closed-loop organics recycling strategy and the unique challenges of the waste and recycling industry.

Sincerely,

John McNamara

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