

SOUTH SAN FRANCISCO
SCAVENGER
— COMPANY, INC. —

August 30, 2018

The Honorable Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: South San Francisco Scavenger Company's Comments to Amendments to the Low Carbon Fuels Standard

Dear Chair Nichols:

South San Francisco Scavenger Company ("Scavenger") appreciates the opportunity to submit comments in the response to the proposed amendments to the Low Carbon Fuel Standard ("LCFS"). We commend Staff for the success of the program to date, but we are concerned that the recent amendments regarding "Capacity Crediting" will move the program away from what has made it successful – fuel neutrality and quantifiable carbon emissions reductions performance incentives.

Scavenger has provided waste and processing services to San Francisco Bay Area municipalities for over 100 years. Much has changed over this time and our family business has adapted to meet California's needs. We experimented with propane-fueled trucks in the early 1970's, were one of the first to rollout recycling services prior to AB 939 becoming law, and even evaluated using electric trucks in more recent years. As it was years back, electric trucks continue to have limitations in size and scale deeming them not viable for a refuse application. Innovation continues to be one of the pillars of our company and the LCFS has helped us with new environmental programs.

In 2015, Scavenger, in partnership with our municipal customers became one of the first companies in America to develop an Anaerobic Digester ("AD") system to manage organic waste. This facility generates over 500 gallons of renewable natural gas ("RNG") per day that is used to fuel our compressed natural gas ("CNG") trucks. It is an incredibly clean, closed-loop system that provides a solution to meet California's SB 1383 goals. We are proud to be one of the few "Carbon Negative" fleets in the America.

Scavenger helped pave the AD-to-RNG fueling path in California, and we did so without any sort of Capacity Crediting. We are extremely concerned that CARB staff is proposing Capacity Crediting for DC fast charging (DCFC) and hydrogen infrastructure as it threatens the integrity of the LCFS program by allowing two markets to have a material advantage over others. We believe this language should be struck, but at the very

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minimum, Capacity Crediting should not be limited to two industries and should promote actual GHG reductions of transportation fuel. This would still meet the Governor's Executive Order B-48-18, which we were told is the driving force behind the Capacity Crediting concept.

Staff has also concluded that excessive capital costs impede the growth of a robust network of DCFD and hydrogen stations. All fueling infrastructure, low carbon or not, requires significant capital to construct – we spent millions of dollars on our AD-to-RNG fueling project. It is not infrastructure that prohibits growth in DCFD and hydrogen markets but vehicle product technology. As previously mentioned, we explored electric trucks, and like hydrogen, they are not viable for our refuse application.

Again, I want to reiterate Scavenger's support for the LCFS program and how it is helping improve the transportation emissions in California; however, I implore you not to deviate from the programs foundation of fuel neutrality and performance based, quantifiable carbon emissions reduction through a Capacity Crediting concept that favors certain markets over others. California needs all low carbon fuels if we are going to continue to lead the world in carbon emissions reductions.

Scavenger appreciates the opportunity to provide comments and looks forward to working collaboratively with CARB staff to maintain the integrity of the LCFS. Please reach out to me directly at (415) 699-6304 should you have any questions or desire additional information.

Sincerely,



Douglas Button
President

cc: Members, California Air Resources Board
Mr. Samuel Wade, Chief, Transportation Fuels Branch, Industrial Strategies Division