

December 19, 2022

Rajinder Sahota, Division Chief Industrial Strategies Division

Cheryl Laskowski, Chief Fuels Evaluation Section

California Air Resources Board 1001 | Street Sacramento, CA 95814

Submitted electronically to Icfs-wkshp-oct20-ws

Re: California Association of Sanitation Agencies Comments on the Low Carbon Fuel Standard Potential Regulation Revisions as presented during the November 9, 2022 Workshop

Dear Ms. Sahota and Laskowski:

The California Association of Sanitation Agencies (CASA) appreciates this opportunity to provide comments on the potential revisions to the Low Carbon Fuel Standard (LCFS) as presented during the November 9, 2022, workshop hosted by the California Air Resources Board (CARB).

CASA is an association of local California wastewater agencies, known as Water Resource Recovery Facilities (WRRFs), engaged in advancing the recycling of wastewater into usable water, as well as the generation and beneficial use of renewable energy, biosolids, fuel, 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 climate change mitigation mandates and goals, which include:

- Reducing short-lived climate pollutant (SLCP) emissions by accepting and co-digesting diverted organic (food) waste from landfills pursuant to SB 1383
- Reducing carbon intensity of transportation fuel by using the biogas we generate
- Providing 100 percent of the state's energy needs from renewable sources
- Increasing soil carbon and carbon sequestration by land applying biosolids and supporting the Healthy Soils Initiative, Climate Smart Strategy, and Wildfire and Forest Resilience Action Plan

As we have noted in previous discussions, the wastewater sector represents an important in-state partner for development of low-carbon fuels as well as for meeting SB 1383 organic waste diversion goals. As documented in the report released in August 2020 assessing co-digestion capacity, the California State Water Resources Control Board (SWRCB) estimated total existing available wastewater digester capacity may be able to receive all of the food waste required to be diverted from landfills in California for co-digestion. This will exponentially increase the biogas produced and captured at WRRFs.

The wastewater sector is aligned with goals of the LCFS program, notably to diversify transportation fuels away from fossil sources and achieve carbon neutrality. As noted by the SWRCB, WRRFs across California have the ability to increase co-digestion in support of SB 1383 implementation but can only do so if it is cost-

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effective. The economic analysis performed as part of the SB 1383 process identified use of the biogas (resulting from digesting the diverted organic waste) as a low carbon transportation fuel supporting the program's feasibility. The LCFS should continue to provide a viable incentive for co-digestion of diverted organic waste and the conversion of our renewable biogas to transportation fuel.

However, we are concerned about scenarios that phase out avoided methane crediting or disincentivizes the use of non-fossil derived biomethane from the LCFS program, as Alternatives A and B do on slides 30 – 32 of the presentation. CalRecycle incentivizes co-digestion in their regulations to implement SB 1383 by requiring jurisdictions that must divert organic waste to procure a corollary product of that diversion, including the use of biogas as low carbon transportation fuel. While the LCFS program has not been widely utilized at WRRFs to date, we expect that to change as co-digestion becomes more common.

We strongly urge CARB to maintain the use of our biogas as a viable LCFS fuel in perpetuity since it will always be produced, and its beneficial use should be promoted. As CASA noted in our recent comments on the proposed Advanced Clean Fleet Rule, Medium- and Heavy-Duty electric trucks and vehicles unique to the needs of our sector are not commercially available and we do not expect them to be for many years. Likewise, biogas to hydrogen as a transportation fuel for these vehicles is not yet commercially available and research and demonstrations are necessary to advance that technology. State regulations and policy should promote biogas deployment using proven technology that most efficiently reduces GHGs to mitigate climate change while also complying with the Omnibus regulations.

CASA has previously had productive discussions with CARB where it seemed understood that multiple benefits are realized through co-digestion and that credit should be awarded for the GHG emission reductions achieved. This requires immediate further action by either developing new simplified calculators or integrating existing ones for sewage sludge digestion and food waste digestion as a Tier 1 option. Rather than phasing out the use of WRRF biogas from the program, prioritizing a diverted food waste pathway within a co-digestion system at WRRFs would encourage SB 1383 organic waste diversion as well as accelerate development of low-carbon fuel production from these systems. Certification of a fuel pathway for each individual co-digestion feedstock would be onerous and we suggest that the food waste contribution to biogas production be prioritized and prorated. We strongly recommend a simplified approach assuming a baseline biogas production from sewage sludge digestion operating within defined parameters (mean cell residence time, temperature, volatile solids destruction, etc.) and assume all additional biogas is the result of the additional organic feedstock, eliminating the unnecessary burden of excessive testing. A similar approach has been proposed by USEPA in their Renewable Fuel Standard update signed on November 30, 2022, and currently out for public comment.

In order for the receipt of diverted food waste for co-digestion to be viable, it must be cleaned of contaminates so as not to have adverse impacts on equipment, the microbial community in the anaerobic system, nor on the biosolids which are a product of digestion. LCFS credits, particularly those with a negative carbon intensity (CI) value, could be a strong economic incentive to invest in the needed equipment and the ability to accept more food waste. To achieve the state's organic waste diversion and GHG emission reduction goals, it is critical that the appropriate pathways are established in an expeditious manner to provide this incentive. We strongly urge CARB staff to work with CASA and our members to expand these pathways that can serve as a model for others.

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CASA believes that both renewable natural gas and electric fueled vehicles should be incentivized under the LCFS (passenger and light-duty trucks and vehicles are now available). We therefore recommend that CARB should extend the electricity endpoint option to the Tier 1 Simplified CI calculator for organic waste and sewage sludge digestion/co-digestion. Consistent with the Governor's Executive Order N-79-20, requiring all new vechicles sold in California be zero-emission vehicles by 2035, this enhancement to the CI toolkit would aid in development of low-carbon electricity projects.

CASA also supports the comments of the Bioenergy Association of California and the recommendations in their comment letter.

We appreciate this opportunity to comment and your willingness to consider our recommendations. We greatly appreciate how responsive staff has been to CASA and we look forward to continued collaboration to develop pragmatic solutions to these issues. Please let me know if we can set a time to meet for discussion of our recommendations. I can be contacted at <u>gkester@casaweb.org</u> or at 916-844-5262.

Sincerely,

Grey Hester

Greg Kester Director of Renewable Resource Programs

cc: Adam Link, Executive Director, CASA Sarah Deslauriers, Climate Change Manager, CASA Anil Prabhu, CARB Chris Hyun, State Water Resources Control Board Mark de Bie, CalRecycle