



The Honorable Liane Randolph, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: CARB Response April 12, 2022

Dear Chair Randolph:

We appreciate California's climate leadership and we respectfully submit these comments regarding the *Methane, Dairies and Livestock, and Renewable Natural Gas in California* Workshop (Workshop) held by the California Air Resources Board (CARB) on March 29.

Generate Capital, PBC¹ (Generate) is a leading sustainable infrastructure company driving the infrastructure revolution. Generate builds, owns, operates, and finances solutions for clean energy, water, waste, food, and transportation. Founded in 2014 and headquartered in San Francisco, Generate partners with over 40 technology and project developers and owns and operates more than 2,000 assets globally.

Generate is a one-stop shop offering pioneers of the infrastructure revolution tailored funding and the additional support needed to get climate solutions projects built. Our Infrastructure-as-a-Service model delivers affordable, reliable, and sustainable resources to over 2,000 customers, companies, communities, school districts and universities. Over the last seven years, Generate has invested billions of dollars to build a leading portfolio of sustainable infrastructure assets across the energy, waste, water, agriculture and transportation markets. In California we have financed a whole host of projects including solar PV, solar thermal, storage, electric buses, and building efficiency upgrades.

We also have a diverse waste solutions portfolio that includes waste-water treatment, composting, and anaerobic digestion - AD - of food, animal and human wastes. Our anaerobic digesters are large projects requiring significant capital investments up front as well as significant operating expenses over time. Even with the LCFS credits, it takes the better part of a decade to recoup these large up-front capital investments. Unlike solar or wind, anaerobic digesters require large volumes of inputs and outputs daily. Therefore, digester owner/operators must pay for year rounds costs related to these logistics and operations, as well as maintenance.

With the inherently long time-horizons of large infrastructure projects, companies like Generate and our partners need steady policy environments to be able to continue investing in projects that help California achieve its climate mitigation goals. In that regard we appreciate the long-term approach that has been taken with California's climate policies including the Low Carbon Fuel Standard (LCFS) and now also SB1440.

We would just stress that the crediting framework in the LCFS for dairy-waste-derived renewable natural gas resulted from a strong multi-year stakeholder effort, primarily led by CARB, that began in

¹ As a Public Benefit Corporation, Generate's board of directors has a mandate to balance the economic interests of shareholders with the material interests of other stakeholders affected by the company's operations and its stated public benefit. For more information see: <https://generatecapital.com/>



conjunction with the passage of Senate Bill 1383 (Lara) in 2016. SB 1383 established clear legislative direction to reduce methane from the dairy sector using anaerobic digester technologies. This message was reinforced by the CARB Board adoption of the Short Lived Climate Pollution Reduction Strategy in 2017, the Dairy and Livestock Greenhouse Gas Emissions Working Group process from 2017-2018, and the Low Carbon Fuel Standard rulemaking in 2018.

This significant and robust public process made Generate - and other leaders in the sustainable investment space - comfortable that these projects were something that CARB was committed to incentivizing. We have committed significant capital based on this understanding. Any efforts to unwind or significantly alter this framework, without a similar level of public process and opportunity for engagement from the green investment community, would undermine Generate's ability to take action based on CARB's policies and programs and would be generally detrimental to investment in clean technology in California.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "William K. Caesar".

William K. Caesar
President, Generate Upcycle