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Noble Resources Group

May 25, 2016

Ryan McCarthy, Science and Technology Policy Advisor
California Air Resource Board
1001 I Street, P.O. Box 2815
Sacramento, CA 95812-2815

**Subject:** **Implementing Short-Lived Climate Pollutant Reduction Strategy, by expanding compost production and use in California**

Dear Ryan,

The Association of Compost Producers (ACP) is pleased to offer these specific recommendations and next steps on using compost to reduce CH4, N2O and carbon black pollutants for the Short-Lived Climate Pollutant Reduction Strategy (“Strategy”). ACP is the California State Chapter of the US Composting Council representing nearly all of the compost manufacturers in California. ACP respectfully requests that ARB and CalRecycle work with us to develop and implement the Strategy.

ACP and ARB are in clear agreement and supportive of the fact that compost is important to implementing the Strategy. Compost and composting are the key methods to keep methane out of the atmosphere by keeping it out of the state’s landfills, and is a simple and cost-effective strategy that converts polluting organic residuals into valuable soil amendments.

Our goal with this letter is to suggest ways that the California compost industry (ACP) can *use its capacity and markets to assist the ARB staff to implement the* Strategy. Specifically, ACP desires to work with ARB and CalRecycle to engage directly and ongoing to ensure that any proposed incentive programs (“carrots”) and new regulations (“sticks”) are used to both *enhance the economy,* *while lowering SLCP’s.* We propose the following specific steps for working together in a government/industry collaboration to develop and implement:

1. **Compost processing data collection to quantify carbon and nitrogen recycling:** II.B. Put Organic Waste to Beneficial Use, pg. 24
2. **Technology Innovation:** II.E&F. Advance the Science, &SLCP Programs, pg. 28
3. **Capacity Building:** V. B. Recommended Actions to Further Reduce Methane Emissions, pg. 63
4. **Collaborative Planning:** VII.A. Integrate and Coordinate Planning, pg. 92
5. **Collaborative Management:** VII.B. Enable Local and Regional Leadership, pg. 93, VII.C. Investments, pg. 95, and VIII.A. Economic Assessment…, pg. 100
6. **Compost processing data collection**: II.B. Put Organic Waste to Beneficial Use, pg. 29

An *accurate market assessment is required* to better understand current practices and material flows to identify and prioritize what’s needed to meet the State’s goals. ACP, ARB and CalRecycle should *establish a government/industry working group* to rapidly identify information systems to track the State’s *practices and material flows on an ongoing basis,* consistent with AB 901 and other pertinent legislation, especially including existing and developing regulations.

This information system will be needed to intelligently invest in building economically viable and sustainable composting and other bioprocessing facilities. It will need to include sufficient information to understand on an ongoing basis, the three interrelated markets of organics residuals re-manufacturing. These three key organics market elements are shown in Attachment #1, “Regional Inflow-Outflow Organics Market Diagram” on (page 4) this letter. These four interrelated “markets” that need to be analyzed in perpetuity are:

1. Feedstocks– organic residuals generated by all market segments.
2. Technologies – organics processing and conversion technologies
3. Bioproducts – compost and other bio-based products that are produced at organics processing facilities in California.
4. Economics – to gather and track the information necessary for section VIIIA. Economic Assessment of Measures in the Proposed Strategy

**2. Technology Innovation**: II.E&F. Advance the Science, &SLCP Programs, pg. 28

Compost industry experts, ACP Members, as well as technology suppliers to industry, are available to assist in identifying and narrowing the types of appropriate technologies to be considered and evaluated for use throughout California.

ACP members have demonstrated that it is possible *to use stringent environmental compliance objectives to help drive industry technical and operational innovation for differentiated market development*. As markets mature, the industry will become more sustainable and move from regulatory drivers of GHG reductions, to sustainable market drivers of renewable resource utilization. The compost industry must be directly engaged with other technology providers and government in these innovation workgroups and programs, since they will be the ones actually implementing them.

**3. Capacity Building**: V. B. Recommended Actions to Further Reduce Methane Emissions, pg. 63

As stated on page 42 of the Strategy, “…significant anaerobic digestion and composting infrastructure capacity needs to be established … before the State can fully use existing organic waste streams for beneficial purposes.” This is true since 53% of methane emissions come from otherwise compostable material, dairy manure (25%), non-dairy livestock (10%) and landfills (18%).

As stated above, improving the market intelligence data gathering regarding the quantities, qualities and prices of *local* compostable feedstock, compost processing technology, compost markets and the costs of securing capital, is a critical first step to implementing the SLCP Reduction Strategy. Accurate data can significantly reduce the risks of funding aggressive organics management market expansion. This means that banks or private investors are more likely to invest in these facilities. Compost producers, ARB and CalRecycle can collaborate to prioritize and implement those capacity expansion investments (as the “Collaborate to overcome barriers” and “Foster markets” sections state on page 74; and “CalRecycle will work collaboratively with other agencies and departments to help establish food rescue programs and to identify, develop, and expand markets for use of compost…”).

**4. Collaborative Planning:** VII.A. Integrate and Coordinate Planning, pg. 92

As stated on page 92, “Successfully implementing a strategy to reduce SLCP emissions will require integrated planning to achieve multiple objectives, coordination and collaboration among agencies at all levels of government, and focused investments and market support.” However, there is no mention in this section about how all this inter-agency planning processes will, in turn, collaborate and integrate with the compost and recycling industry, who will actually be doing the implementing required to reduce the SLCP’s.

The compost producer industry requests an ongoing open forum process to develop fundable and sustainable composting and other organics processing facilities and engage with ARB to share necessary development information.

**5. Collaborative Management:** VII.B. Enable Local and Regional Leadership, pg. 93, VII.C. Investments, pg. 95, and VIII.A. Economic Analysis, pg. 100

As stated on page 93, “State policy is most effective with the support, engagement, and complementary actions of regional and local efforts.” Page 95 states, “Investments in financial incentives and direct funding are critical components for successful implementation of SLCP emission reduction strategies.” And page 100 says, While there are potentially significant market opportunities associated with some of the proposed measures, and including putting organics to beneficial use, there are also substantial costs and funding needs” These three aspects of renewable carbon industry development, with compost at the hub of these renewable resource cycles, have already been discussed above. That is:

* Integrated, collaborative leadership,
* Investments, and
* Economic & market analysis.

ACP’s compost producers have a very large stake in the success of the SLCP Reduction Strategy. The four elements of the strategy outlined above all converge into a coherent plan that can be used to address the tangible implementation of sustainable SLCP reduction strategies to achieve the GHG reduction objectives. As stated both in the Strategy and in this and previous letters, the compost industry is a cornerstone for implementing renewable carbon management. An example of specific wording changes that could be used in the Proposed Strategy, are provided in Attachment #2.

Again, thank you very much for the opportunity to provide this important input of the compost producer industry experience and perspectives on the SLCP Reduction Strategy *implementation*. We remain ready and willing to work with the SLCP Strategy team on an ongoing basis to enhance both the California organic recycling industry, while building local sustainable economies.

We would like to set up a next meeting, where we can discuss our recommendations and next steps in greater detail.

Sincerely,



Dan Noble, ACP Exec. Dir. Jeff Ziegenbein, ACP President

cc: Ms. Mary Nichols, Chair, California Air Resources Board

 Mr. Scott Smithline, Director, CalRecycle

**Attachment #1**



**Attachment #2**

**B. Recommended Actions to Further Reduce Methane Emissions** - ***Landfills***

Page 74.

The following are some specific wording changes, in blue, that provide for specific connections and collaborations between this SLCP Reduction Strategy, other State Agency stakeholders, and the California compost producer industry. Specifically, it creates a direct statement of the areas where ACP can work with CARB – SLCP Reduction Team to help implement this part of the strategy.

**Foster markets**. CalRecycle will work collaboratively with other agencies and departments, and compost industry stakeholders (associations, NGO’s, individual companies, etc.) to help establish food rescue programs and to identify, develop, and expand markets for the use of compost, mulch, and renewable fuels and energy. CalRecycle and CDFA will work with compost producers and growers to continue their efforts to define and create industry standards for healthy soil metrics and specifications. Also, incentivize the use of compost on agricultural lands in support of Healthy Soils Initiative, including developing best management practices for agricultural use, based on agreed upon metrics standards and specification. This can also become a key feature in the development of CDFA’s Climate Smart Agriculture as it develops near term. They will also work with the State Water Resources Control Board to evaluate potential mechanisms to account for the use of compost and its impacts on nitrogen budgets in the Irrigated Lands Program, using ongoing research on the interactions of nitrogen compounds with the organic carbon and soil biota, to maximize nitrogen sequestration, uptake and minimize nitrogen and carbon water pollution runoff.

CalRecycle will continue to work towards strengthening State procurement requirements relative to compost and mulch and expand outreach and support to solid waste jurisdictions to assist them in developing local compost production facilities and the corresponding market development systems and communications. This will include the role that organic waste reduction is part of direct management of the urban forest assets, integrated with the sustainable cities programs with full cycle organics programs.

~~Finally, b~~Building on the existing use of compost as a water conservation practice that is essential for climate adaptation with respect to drought, State agencies will support research and extension of the developing knowledge of the ~~to quantify~~ water conservation benefits, along with ~~and~~ ~~consider~~ developing market-based economic mechanisms to account for and value them. This can be integrated with the sustainable landscape programs that are being promulgated statewide through the implementation of the Model Water Efficient Landscape Ordinance, and the use of compost as USEPA recommended BMP’s for Low Impact Development, that support the MS4 stormwater programs and other agricultural water efficient irrigation programs currently being implemented.

Finally, California Air Resources Board will continue its research and outreach efforts toward quantifying and monetizing the benefits of carbon sequestration in soils amended with compost. Also, supporting the further improvements in air emissions from compost operations as demonstrated in the Valley Air TAP project. It will work with other State agencies to see that all the water and GHG benefits of building healthy soil with compost are realized in the emerging renewable organic carbon marketplace.