



October 22, 2021

California Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

Re: Public Workshop: 2022 Scoping Plan Update – Scenario Inputs Technical Workshop

Chair Randolph and Members of the Board:

Agricultural Council of California (Ag Council) represents over 15,000 farmers across California ranging from small, farmer-owned businesses to some of the world's best-known brands. We appreciate the opportunity to provide comments regarding the Scenario Inputs Technical Workshop on the 2022 Scoping Plan Process, provided by the California Air Resources Board (CARB) on September 30, 2021.

The alternatives presented in the workshop reduce the combustion of fossil fuels in every sector to the maximum extent possible. Agriculture continues to do its part to achieve the major carbon milestones to accomplish the statewide goals outlined in AB 32 and SB 32. It is imperative ~~that~~ the state continues to invest in environmentally transformative partnerships that attract industry partners and avoid putting California stakeholders at a disadvantage, therefore creating emissions leakage to other states and nations.

In all input assumptions, Alternative 1 is cost-prohibitive, not feasible, and does not recognize investments the state has already made towards achieving carbon neutrality. We appreciate CARB staff for recognizing the leakage that will occur if the state adopts Alternative 1 and ask staff to continue to take leakage into account as part of the next Scoping Plan.

Although the workshop focused on approaches to reduce emissions from sources in the AB 32 inventory, CARB staff discussed that the framework within the scope of carbon neutrality expands to include all sources, including both emissions and sinks from natural and working lands. In the 30x30 California Nature Executive Order Scoping Plan update, CARB acknowledges California's nine-and-a-half million acres of croplands were a leading global producer of agricultural goods while having significant opportunity to sequester carbon. Specifically, the acknowledgement of perennial crops, including orchards, that store significant amounts of biomass carbon. These carbon sinks should be included in the modeling assumptions to estimate carbon sequestration potential for natural and working lands.

Under the non-combustion methane emission input assumption, alternatives identify the need to increase dairy digester (digesters) methane capture and limit alternative manure management programs (AMMP). As outlined in the Draft Analysis of Progress toward Achieving the 2030 Dairy and Livestock Methane Emissions Reduction Target, both digesters and AMMP have



shown significant success in methane emission reduction. Digesters alone have achieved more emission reductions than any other California Climate investment, representing 20 percent of all emission reductions despite its funding of only 2.1 percent of the total funds – making digesters the most cost-effective investment of any program in the fight against climate change. Although we support the expansion of dairy digesters, we support funding for both digesters and AMMP and that funding should be technology neutral. This means the California Department of Food and Agriculture (CDFA) should maintain the funding authority to allocate dollars to both digesters and AMMP based upon the merits of each project application and the need to reach the state's goals.

Both digesters and AMMP are oversubscribed programs. According to the CDFA presentation during the Short-Lived Climate Pollutants Workshop, the oversubscription rate for digesters is 245% and the oversubscription rate for AMMP is 317%. California dairy producers are eager to reduce emissions with the state as their partner and therefore we urge CARB to continue to invest in these programs.

In the biofuels input assumption, Alternatives 2, 3, and 4 emphasize a transition from traditional biofuels, such as biogas captured from landfills, dairies, and wastewater facilities to the use of more advanced biofuels including liquid fuels from emerging technologies. Since 2014, the state has invested \$195.8 million in dairy biofuel transition funding through the creation of 118 dairy digesters. The state should continue this commitment because of the significant methane reductions achieved through this program and the potential biofuel benefit.

Additionally, all four alternatives presume an enteric strategy will be implemented by 2030. We are concerned with this assumption. Today, there are no methane mitigation strategies commercially available on the market. While there are products going through scientific review at this time, and we are hopeful for successful outcomes, it is premature for California to rely on the assumption that there will be a consumer-accepted methane enteric mitigation strategy to guide its regulatory policy.

Within the industry input assumption, all four scenarios rely heavily on a transition to electrification. Based on current technology, a 100% electrification of food processing, even in the long-term, is not feasible. Most food processors utilize steam, powered by natural gas fired boilers, as their primary thermal process. This process is necessary for food safety. Although the electrical boilers on the market are highly efficient, it is estimated that replacing only one-third of the thermal load powered by steam would require nearly quadrupling the electrical usage. It is estimated that the increase in utility required to power electric boilers would result in a net surplus of emissions. Further, utility companies are unequipped to handle this demand. Even if utility companies could meet the demand, it is not feasible for food processors to carry the burden of this massive increase in energy costs.



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As CARB embarks on its work in the food processing space, continued funding of the Food Production Investment Program (FPIP) is vital. FPIP was created to help California food processors lower greenhouse gas emissions (GHG) through a competitive state grant program housed at the California Energy Commission. FPIP funds emerging energy efficiency and renewable energy technologies at food production facilities. In addition to significant GHG reductions, 86% of FPIP funding is going toward projects located in disadvantaged and low-income communities. As a result, we believe this program should be expanded and funded to include incentives to help this sector reach its goals in the Scoping Plan.

We agree with CARB staff that all four Alternatives present an aggressive transition to Zero Emission Vehicles (ZEV). Agricultural commodities will face great difficulty with the electrification of medium- and heavy-duty trucks. Many raw products are hauled from the field to the point-of-first processing through numerous independent owner-operators, who operate with the help of a single truck or small fleet. Over the past several years, these small companies have made significant investments to upgrade their fleets to meet current truck emission standards enacted through the Truck and Bus Regulation. The increased costs for ZEV Medium- and Heavy-Duty trucks, the charging infrastructure, and the utility costs to power this equipment will adversely impact the number of businesses in operation and the availability to move food products from the field to the processing facilities.

Further, in the state's goals to reduce Vehicle Miles Traveled (VMT), the state must consider that, as truck fleets get electrified, it is likely to result in an increase in tare weight for each truck. Thus, the payload weight per vehicle would have to decrease to offset the increase. While this technology is still in research and development, we speculate there will likely be more trucks on the road due to the decreased amount of cargo electric trucks will be able to haul. If the tare weight per truck increases, vehicle miles traveled will also likely increase.

Ag Council appreciates the work of CARB in partnering with the agricultural industry to achieve statewide goals, and we look forward to continuing our partnership through the next Scoping Plan. If you need additional information, please do not hesitate to contact me at dani@agcouncil.org. Thank you for your time and consideration of our comments.

Sincerely,

Dani Diele
Membership & Public Policy Coordinator
Agricultural Council of California