



ENVIRONMENTAL ENTREPRENEURS®

The Independent Business Voice for the Environment

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State of California, Air Resources Board
1001 I Street, 23rd Floor
Sacramento, CA 95814

Environmental Entrepreneurs (E2) appreciates the opportunity to offer comments on the 2013 Update to the AB 32 Scoping Plan. E2 supports AB 32 because of both the economic benefits it will provide to California consumers and business, and the leadership position California will enjoy as we lead the world in addressing global warming.

These preliminary inputs are based on the June/July 2013 AB 32 Scoping Plan Workshop slide presentation and meeting comments, plus the technical papers prepared for stakeholder input in the Waste Sector.

General Comments

- E2 strongly supports the original objectives of AB 32, and the continued updating of the plan based on current climate science, the state of technology, and emission reduction progress trends.
 - The AB 32 requirement to reduce greenhouse gas emissions remains the primary objective as California defines priorities for reaching the 2050 reduction goals. E2 would like to suggest that ARB explicitly state that generation of State revenue is not one of the goals of AB 32.
 - While respecting the urgency of updated climate assessments, and the calls of other organizations to set more aggressive CO₂ reduction goals and take faster action, it is E2's perspective that ARB should take a measured approach. To enable maximum GHG reduction impact, it is essential that California provide a successful model for future climate change efforts across the region, nation, and internationally, which can be replicated or highly leveraged.
- Many of the new technologies that would be required to meet the sector goals have significant permitting hurdles to overcome in California. AB 32 related projects should receive high-level assistance to facilitate the myriad of permits and waiting periods. Perhaps a targeted partnership with the GO-Biz office for AB 32 related requests could streamline the process to shelter potential businesses from the complexities and multiple agency interaction where feasible, while ensuring the highest standards in community and environmental protections are upheld.

Sector Comments

Waste:

- E2 supports taking a Life-Cycle Analysis approach to determining a hierarchy of best-use management practices for Municipal Solid Waste. In our view, maximizing recycling is not necessarily a goal. Reduce or eliminate landfill matter, first. Second, waste should be diverted to its best ecological and economic use, whether it is sending recycling to an international facility, converting to fuel locally, or some other option. We encourage a peer-reviewed LCA approach to determine the hierarchy of an increased number of pathways.

- Market based incentives to divert from landfills, versus bans on landfilling certain materials, are preferable because they would likely encourage enthusiastic investment more than reluctant compliance. E2 does not recommend looking at MSW to qualify as renewable under the RPS – such a designation could plausibly be applied to certain components of MSW but makes no sense with respect to others. Additionally, until issues with the current regulatory environment are addressed, pursuing inclusion of waste-to-energy facilities under Cap and Trade is most likely premature, and may be counter-productive to diversion goals.
- In our view, early evaluation indicates significant potential associated with diversion of certain components of MSW from landfills into very low carbon intensity, renewable gasoline and diesel. Sufficient quantities of biomass are already being collected to produce meaningful quantities of fuel, which could yield waste sector GHG reductions as well as meet a majority of the LCFS requirements. With infrastructure investment and scaling, significant impacts appear achievable in the mid-term. E2 recommends further analysis of non-combustion conversion technologies as part of defining priorities toward the 2050 vision.

Energy:

- E2 applauds the State's efforts on Energy Efficiency to-date and encourages redoubled efforts here. Energy Efficiency is the most cost effective form of carbon reduction, and Demand Response load shifting can also have a significant effect on reducing higher emitting power consumption. Our view is that EE and DR programs have been siloed and should be integrated, especially since the success of both lies in behavior change.
- The plan should include a focus on strategies that attempt to reduce the transaction costs, permitting delays, and inefficiencies for distributed generation and energy efficiency, as well as utility scale renewables.
- E2 continues to support community-based renewable energy self-generation (SB 843) as a mechanism with positive economics, to expand access to renewable energy.
- We agree with the recommendation from other organizations, that the updated plan should give attention to short-lived GHGs like methane and black carbon, assessing options to drive faster GHG reductions. It is, of course, critical to continue efforts on CO2 reduction goals and long term priorities.
- E2 would additionally like to see the updated plan consider opportunities in Energy Data Transparency and Energy Efficiency Capacity Markets.

Water:

- As the water sector uses large amounts of energy, water and wastewater agencies should be encouraged to measure and report their energy use and GHG emissions through The Climate Registry. This will enable the sector to better understand and identify opportunities.
- E2 offers the suggestion that consideration be given to the vast research underway at the UC San Diego Center for Algae Biotechnology. They are working to identify innovative solutions that partner algae research with private industry for commercial success, and are a likely resource of ideas for scaling algal wastewater treatment facilities.

Natural and Working Lands:

- We generally encourage a focus on carbon-positive agricultural practices such as no-till agriculture and biochar, plus the reduction and re-use of agricultural waste.
- When assessing potential opportunities in this area, one suggestion is to consider investigating the benefits and impacts of using selected working lands for biomass cultivation. In concept, this could then potentially be used to court a low carbon fuel producer into the State.

Transportation:

- E2 would like to suggest that the critical focus in this area be on land use and infrastructure. Finding ways to enforce compliance with SB 375, and make it more aggressive. Caltrans focus on Level of Service above all else gets in the way of infill and other Sustainable Communities objectives. Ideas include making sprawl more expensive than infill through CEQA mitigation, focusing attention on transportation demand side management for transit systems that are under-utilized, infrastructure build-out for systems that are at capacity, and active traffic and infrastructure management to discourage driving alone.
- E2 has been actively supportive of the Low Carbon Fuel Standard, and continues to see this landmark rule as a key component of meeting the 2050 transportation sector goals. E2's previously submitted comments can be referenced '[here](#)', including options for a Cost Containment Mechanism, and supplemental enhancements to expedite the delivery of low carbon fuels to California, create a more transparent and predictable program, and reduce greenhouse gas emissions.

E2 thanks the Air Resources Board for the opportunity to contribute comments for consideration in the Scoping Plan update process, and congratulates ARB and sister agencies on their dedicated efforts to develop a balanced approach to address climate change, improve air quality, drive investment in innovation and clean technology, and provide a model for future climate change efforts.