

McReynolds, Rana@ARB

Subject: FW: CalCan SLCP Comments
Attachments: Revised Proposed SLCP Strategy Comments - 1-18-16.docx

From: Jeanne Merrill [<mailto:jmerrill@calclimateag.org>]
Sent: Wednesday, January 18, 2017 2:12 PM
To: Mehl, Dave@ARB
Cc: Lester Moffitt, Jenny@CDFA; Walsh Cady, Casey@CDFA; McCarthy, Ryan@ARB
Subject: CalCan SLCP Comments

Dear Mr. Mehl,

My apologies for sending in our SLCP comments a day late. Please find them attached.

Cheers,

Jeanne Merrill

--

Jeanne Merrill
Policy Director
California Climate and Agriculture Network (CalCAN)
916-441-4042 - office
916-600-0083 - cell
www.calclimateag.org
Check us out on Facebook and @calclimateag

Register now for the California Climate & Agriculture Summit!
<http://calclimateag.org/calcan-summit-2017/>



January 18, 2017

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on the Revised Proposed Short-Lived Climate Pollutant Reduction Strategy

Dear Members of the California Air Resources Board and Staff:

The California Climate and Agriculture Network (CalCAN) is pleased to comment on the Revised Proposed Short-Lived Climate Pollutant Reduction Strategy ('SLCP Strategy'), released in November 2016. Our comments focus primarily on the subject of methane reductions in the California dairy sector.

We applaud your efforts, in this most recent version of the SLCP Strategy, to incorporate stakeholder concerns with the previous draft and to address the implications of SB 1383's passage at the close of the 2015-16 legislative session. A number of important changes have been made to highlight the Strategy's synergies with other ongoing state efforts, such as the Healthy Soils Initiative; to give a more grounded understanding of the potential risks and benefits of different emissions reduction pathways; and to acknowledge the significant knowledge gaps that will continue to stymie these efforts unless tackled head-on.

However, in the case of dairy methane issues in particular, we still find the Revised Proposed SLCP Strategy lacking in several key ways. The Strategy should more strongly emphasize ways to constructively engage with stakeholders across the diversity of California's dairy industry. It should not only acknowledge the knowledge and data gaps that exist, but provide more specific recommendations and strategies for how to fill them. And there is still time to incorporate estimates of the potential revenues from 'alternative' manure management activities such as composting and pasture-based practices.

Our comments on the Revised Proposed SLCP Strategy are as follows:

- 1. CDFA's new program to incentivize non-digester dairy methane strategies, the Alternative Manure Management Program (AMMP), should be directly acknowledged as a part of the SCLP Strategy.**

Although the Revised Proposed Strategy makes extensive mention of SB 1383 and its implications for dairy methane reductions, there is scarce mention of relevant language in SB 859, which was also enacted near the close of the 2015-16 legislative session.

That bill includes the legislature's finding that "nondigester dairy methane management strategies", including but not limited to "scrape conversion, open solar drying and composting of

manure onsite, conversion of dairy operations to pasture-based management, and solid separation technologies” can effectively reduce greenhouse gas emissions.

In response to this language, CDFA is launching its new ‘Alternative Manure Management Program’ (AMMP).¹ This program will incentivize dairy producers to adopt non-digester strategies that reduce methane emissions and achieve related co-benefits, and is to receive funding from the \$50 million GGRF allocation for dairy methane reductions in AB 1613.

The Revised Proposed Strategy should highlight this important new state effort and discuss how CARB envisions the AMMP fitting into the broader suite of actions the state is taking to incentivize dairy methane emissions reductions. CARB should discuss the potential synergies between this program and the Healthy Soils Initiative, for example, as the AMMP could spur a significant increase in manure composting and other activities that create valuable soil amendment products.

CARB might also use the Strategy to suggest strategic ways for CDFA to administer the AMMP that help meet other objectives of the Strategy. For example, as we discuss below, demonstration projects could be a key component of the AMMP and help to fill some of the knowledge gaps that the Strategy currently highlights.

2. The Strategy rightfully highlights knowledge gaps and the challenges they pose, but should provide more guidance and vision on how to realistically fill these gaps. The Strategy should include expanded discussion of demonstration projects as a key way to accomplish this.

The Strategy does an admirable job of highlighting the potential of diverse practices/activities for achieving methane reductions in the dairy sector. As the Strategy makes clear, there is still much to learn – particularly related to the implementation of non-digester strategies such as conversion to scrape, solids separation, and pasture-based dairying systems.²

As we commented to CDFA in December 2016³, there is a huge opportunity for the state to dramatically forward our knowledge of alternative manure management practices by supporting demonstration activities through the GGRF incentives programs. The Dairy Digester Research and Development Program (DDRDP) already features a demonstration component, and research and demonstration of digester technologies has been ongoing for many years now. As a result, we know a lot more about the potential (and potential drawbacks) of digester technologies than we do about conversion to pasture or scrape, solids separation, and vacuum technologies. (The lack of complete assumptions in the Strategy’s economic analysis for dairy methane strategies makes this clear.)

¹ See: <https://www.cdfa.ca.gov/oefi/AMMP/>

² See, e.g., p. 69 of the Revised Proposed Strategy: “However, little data exists to quantify costs and benefits associated with these practices.”

³ CalCAN’s December 15, 2016 letter appended to these comments.

The new AMMP should help to align the quality and completeness of data/knowledge on alternative manure management practices with that of digesters to allow better comparisons across activities, and CARB should actively collaborate with CDFA and other agencies to ensure that demonstration is a key component of the AMMP and related programs. Pages 68-9 of the Strategy discuss the importance of research on conversion of flush to solid and solids separation, but do not mention demonstration projects. However, a sizable source of funds for dairy methane reduction *research* has yet to materialize.

As we commented to CDFA, the AMMP is well-situated to support demonstration projects that simultaneously reduce methane emissions and fill knowledge/data gaps on alternative manure management practices in the California context. The Strategy should highlight the value of demonstration projects specifically to the state's efforts to promote non-digester methane reduction activities. In our appended comments to CDFA, we provide some additional thoughts on demonstration project criteria and design.

3. The Strategy should do more to highlight the importance of adequately funding incentives for alternative manure management practices and demonstration.

As mentioned above, and as acknowledged in the report, there is a critical need to not only incentivize a diverse suite of dairy manure management practices, but also data gathering and demonstration. This suggests the necessity of robust investment in alternative manure management practice incentives and demonstration. This robust investment has yet to materialize, however, as all dairy methane funds have gone exclusively to digester strategies thus far. The Strategy would do well to highlight this disparity in funding, and the importance for both the legislature and agencies to put adequate monetary resources to the specific challenge of dramatically ramping up the implementation of alternative manure management practices on dairy operations around the state.

4. The Strategy includes a somewhat improved discussion of the potential for pasture-based dairy management practices in the state (p. 65-6, 132), but should also mention mechanisms for incentivizing these practices as is done with other activities.

We appreciate the additional discussion of pasture-based dairying activities and their potential applicability in the state. In particular, the Strategy states that, “hybrid models that employ aspects of both pasture and conventional systems should also be investigated for their potential benefits and impacts for dairy and livestock operations” (p. 66). We agree that this is a key area for research and demonstration, given the current composition of the California dairy industry. The Strategy should additionally recommend mechanisms for investigating these ‘hybrid’ or ‘mixed’ models – for example, through including them as an eligible practice in the AMMP.

5. The economic analysis is still lacking in terms of value of pasture and compost/soil amendments. (p. 114-115)

In our comments on the previous draft of the SLCP Strategy⁴, we urged CARB to reconsider its decision to omit estimates of *any* economic value from the sale of soil amendments in the economic analysis. Similarly, the Strategy's economic analysis did not assume any economic benefits – only costs – from conversion to pasture-based systems. The Revised Proposed Strategy's economic analysis continues to omit an economic value for soil amendments and pasture-based dairying, with little justification for this decision discussed in the text. As a result, the economic analysis in the Revised Proposed Strategy risks portraying a skewed and unbalanced picture through what is meant to be an objective comparison between methane reduction pathways. We again encourage staff to include an estimate, however conservative, of the revenue that soil amendments generated from manure, as well as higher-value pastured dairy products, could provide to support the economics of the relevant methane reduction strategies considered in the document.

Thank you again for the opportunity to comment. Please let us know if you have any questions.

Respectfully,

A handwritten signature in cursive script that reads "Jeanne Merrill". The signature is written in black ink and is positioned above the typed name and contact information.

Jeanne Merrill
Policy Director
jmerrill@calclimateag.org

⁴ Submitted via arb.ca.gov on May 26, 2016, and available online at: <https://www.arb.ca.gov/lists/com-attach/115-slcp2016-BmUCZVQ5BzcFYgVr.pdf>