CR&R INCORPORATED
environmental services

August 8, 2022

The Honorable Liane M. Randolph
Chair, California Air Resources Board
P.O. Box 2815
Sacramento, CA 95814

Re: CR&R Environmental Services comments on the Public Workshop to Discuss Potential Changes to the Low Carbon Fuel Standard

Dear Chair Randolph,

On behalf of CR&R Environmental Services (CR&R), we appreciate the opportunity to comment on the Public Workshop to Discuss Potential Changes to the Low Carbon Fuel Standard (LCFS) on July 7, 2022. As the California Air Resources Board (CARB) looks to update its LCFS regulation, we urge CARB to consider the following requests:

1. **Prioritize fuels that reduce Short-Lived Climate Pollutants (SLCP) to meet the requirements of SB 1383 (Lara, 2016).**
2. **Update assumed 75% methane landfill capture rate in Tier 1 Low-Carbon Fuel Standard calculator to reflect latest fugitive methane emissions studies at landfills.**
3. **Support increasing the carbon intensity requirement for 2030 and establishing 5-year interim targets between 2025 and 2045.**
4. **Incentivize instate biofuels or at least level the playing field with out of state biofuels.**

Founded in 1963, CR&R is a Southern California-based waste and recycling collection company, serving more than 3 million people and over 25,000 businesses through Orange, Los Angeles, San Bernardino, Imperial, and Riverside counties. We are contracted with approximately 53 cities and counties to provide waste and recycling services to support compliance with state laws. We operate one of the largest AD facilities in North America, and the services we provide are critical for meeting the organics recycling and short-lived climate pollutant reduction requirements of SB 1383 (Lara, 2016).

Please see our specific comments below:

1706 Goetz Road
Perris, CA 92570
P. O. Box 1208
Perris, CA 92572

t: 951.943.1991
f: 951.657.5493

1. **Prioritize fuels that reduce Short-Lived Climate Pollutants to meet the requirements of SB 1383 (Lara, 2016).**

CR&R urges CARB to maintain the LCFS as a performance-based program, based exclusively on the carbon intensity of fuels, as the program was originally designed. This ensures that the program remains focused on its overarching goal – reducing the carbon intensity of transportation fuels – achieves the greatest potential carbon reductions, and makes measuring progress much simpler and more objective.

If, however, CARB is going to continue to adopt incentives for infrastructure or other goals beyond carbon intensity, then CR&R urges CARB to adopt additional incentives for fuels that reduce Short-Lived Climate Pollutants.

Adding incentives for fuels that reduce SLCP emissions makes sense for several reasons. First, SB 1383 requires significant reductions in SLCP emissions – a 40 percent reduction in methane and a 50 percent reduction in anthropogenic black carbon – by 2030. Second, climate science is now very clear that reducing SLCP emissions is by far the most urgent step we can take to address climate change as it is one of very few measures that begins to cool the climate right away, or even in the next several decades. As CARB's *Short-Lived Climate Pollutant Reduction Strategy* states, "The science unequivocally underscores the need to immediately reduce emissions of short-lived climate pollutants (SLCPs)."

Finally, SLCP reductions, unlike reductions in carbon dioxide emissions, provide immediate and significant public health benefits. Black carbon and methane are both air pollutants that impact air quality and public health significantly. Black carbon emissions also impact agriculture and forest health and can impact precipitation patterns. In other words, not only is SLCP reduction more critical for the climate than other carbon reductions, but it also provides more immediate benefits to public health and the economy than carbon dioxide reductions.

CR&R urges CARB to incentivize low carbon fuels that reduce SLCP emissions to help meet the requirements of SB 1383 and to provide direct benefits to public health.

2. **Update assumed 75% methane landfill capture rate in Tier 1 Low-Carbon Fuel Standard calculator to reflect latest fugitive methane emissions studies at landfills.**

During CARB's workshop on SLCP in September 2021, CARB estimated that 39.8 MMTCO2e of methane were emitted in 2018. Of this, CARB determined that 21% of statewide methane emissions were attributed to the decomposition of organic waste in landfills. However, a 2019 study by the NASA JPL estimates that landfills' contribution to the **state's methane emissions is double current estimates – approximately 41% of all methane** point source emissions in California. The updated estimates were facilitated by the use of direct measurements instead of models.

It is critical that CARB utilize the improved monitoring techniques to develop and implement policies that encourage the diversion of organics from landfilling and prevent continued methane emissions from the largest point source SLCP

emitters in the state. CARB's Tier 1 LCFS calculator currently assumes that 75% of landfill methane from food scraps is captured. However, as the NASA/JPL study indicates, over double the amount of methane is being emitted from landfills than what CARB estimated in its 2018 study.

We strongly urge CARB to update its 75% methane landfill capture assumption in the LCFS Tier 1 Calculator to reflect the latest monitoring data. In fact, updating emissions factors and Tier 1 Calculators to "reflect changes in technology and data" is an approach that was recommended by CARB staff during the LCFS Workshop in December 2021.

Updating the fugitive methane emission factor will more accurately reflect the avoided carbon emissions associated with RNG produced at anaerobic digestion facilities using landfill-diverted organics. Having a more accurate CI score for the produced RNG will facilitate the financing and expansion of such facilities, which is much needed for the state to achieve its SB 1383 SLCP reduction targets. As CARB noted in their Draft Scoping Plan, the state will need to substantially build out AD and composting capacity by approximately 8 million tons to achieve its 2025 organic waste diversion requirements. Based on CalRecycle's recent calculations, that translates to more than 100 new facilities required in the State to meet the required organics diversion goals. **Ultimately, this simple policy update to reflect the latest landfill monitoring techniques can have an outsized impact on minimizing fugitive emissions of SLCP at landfills and maximizing landfill diversion infrastructure deployment.**

3. **Support increasing the carbon intensity requirement for 2030 and establishing 5-year interim targets between 2025 and 2045.**

The Staff Presentation on July 7 makes clear that the LCFS is working and that it has achieved a 9.36 percent reduction in the overall carbon intensity of vehicle fuels. The LCFS has also helped to diversify vehicle fuels, which is important to meet all vehicle needs, maintain competition, and maintain a reliable transportation sector for the world's fifth largest economy. While the LCFS program's achievements to date are significant, the program is far behind the carbon reductions achieved in the electricity sector under the state's Renewables Portfolio Standard (RPS) and the LCFS targets are not currently consistent with the state's 2030 and 2045 climate goals.

The Staff Presentation asked whether the 2030 target should be increased and proposes increasing the requirement to 25 or 30 percent in 2030. **CR&R strongly supports increasing the 2030 requirement and urges CARB to set it at <u>at least</u> a 30 percent reduction by 2030.** This would start to bring the LCFS program into closer alignment with the requirement of SB 32 to achieve a 40 percent reduction in carbon emissions by 2030. Since the transportation sector is the state's largest source of GHG emissions, it makes sense to bring the goals of the LCFS program into alignment with the requirements of SB 32. Increasing the 2030 requirement will also help to achieve the state's goal of carbon neutrality by 2045. Requiring only a 20 percent carbon reduction by 2030 is not consistent with SB 32 and does not put California on track to meet its longer-term climate goals.

The Staff Presentation also asked whether CARB should set 5-year interim targets out to 2045. **CR&R strongly supports this proposal for several reasons. First, achieving carbon neutrality will not be possible without aggressive near-term**

carbon reduction targets in the transportation sector. Second, some fuels, such as renewable natural gas derived from the anaerobic digestion of organic waste, can provide carbon negative emissions that will be needed to reach carbon neutrality. Third, establishing longer term targets will make clear that the near term (2030) target needs to be increased substantially to get California on track to meet its 2045 goals. And finally, establishing 5-year interim targets will provide benchmarks and a smoother path for the market by providing longer term market signals and greater certainty.

4. **Incentivize instate biofuels or at least level the playing field with out of state biofuels.**

The Staff Presentation on July 7 shows that biomethane use, along with other biofuels, is increasing in California. Unfortunately, the vast majority of biomethane sold into the LCFS program is generated out of state and little, if any, of the out-of-state biomethane is physically delivered to California. There are several reasons why CARB should incentivize instate biomethane production in the LCFS program:

First, only instate production of biomethane helps to meet the requirements of SB 1383 to reduce methane and black carbon emissions in-state. SB 1383 requires local governments to procure natural gas and other organics-derived products and as mentioned earlier will require additional market development and infrastructure investments to ensure local jurisdictions can meet these targets.

Second, many other state laws require the adoption of policies and incentives to promote the instate production and use of biomethane and biogas, including:

- AB 1900 (Gatto, 2012) requires the adoption of "policies and programs that promote the in-state production and distribution of biomethane."
- SB 1122 (Rubio, 2012) requires the adoption of programs "to facilitate development of in-state biogas for a broad range of purposes."
- AB 2313 (Williams, 2016) requires consideration of options to increase instate biomethane production and use.
- SB 840 (Budget, 2016) states that for "California to meet its goals for reducing emissions of greenhouse gases and short-lived climate pollutants, the state must . . . increase the production and distribution of renewable and low-carbon gas supplies."
- SB 1440 (Hueso, 2018) requires the CPUC to consider adopting a biomethane procurement program focused on in-state biomethane or biomethane that is physically delivered to California.

And lastly, out of state biomethane is rarely if ever actually physically delivered to California, meaning it does not displace fossil fuel gas use in California and does not provide jobs or economic development benefits in the state.

Despite all of these reasons to prioritize in-state biomethane, it continues to be far cheaper and easier to sell out-of-state biomethane into the LCFS program. That is because out-of-state producers do not have to comply with California's pipeline injection standards, not even standards adopted to protect end users' – meaning Californians' – health. Out of state biomethane producers also have far lower interconnection, permitting, and development costs.

For all these reasons, CR&R urges CARB to consider adopting additional policies and incentives to ensure that instate biomethane can continue to participate in the LCFS.

We appreciate the opportunity to comment on the LCFS regulation development, and we look forward to future opportunities to collaborate with CARB on this important work.

Sincerely,

John McNamara
Vice President of Environmental Compliance
CR&R Environmental Services