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COMPOST  
PRODUCERS**  
"We Build Healthy Soil"



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February 24, 2014

Mr. Howard Levenson  
Deputy Director  
Materials Management and Local Assistance Division  
Department of Resources Recycling and Recovery (CalRecycle)  
1001 I Street--P.O. Box 4025  
Sacramento, CA 95812-4025

**RE: Comments and Recommendations for the "Proposed New Grant & Loan Programs for Greenhouse Gas Reductions from Organics and Manufacturing with Recyclable Materials (Fibers, Plastic, and Glass)"**

Dear Mr. Levenson,

The Association of Compost Producers (ACP) is pleased to have the opportunity to offer our comments and specific recommendations on the "Proposed New Grant & Loan Programs for Greenhouse Gas Reductions from Organics and Manufacturing with Recyclable Materials (Fibers, Plastic, and Glass)."

As you know, ACP is a 501(c)3 non-profit association of public and private organizations dedicated to increasing the quality, value and amount of compost being used in California, [www.healthysoil.org](http://www.healthysoil.org). Our comments and recommendations, therefore, will specifically focus on the organics portion of the grant funds, and they fall into four areas for the use of the Cap & Trade Grant & Loan Funds for organics recycling. Please strongly consider using the funds, via the various grant and loan awards to:

1. Close the gap between permitted capacity and actual organic throughput.
2. Prioritize the awards for more cost effective, low emissions impact compost technologies.
3. Devote funds to compost market & sales expansion, not solely facility expansion.
4. Establish a system to provide organics market intelligence to all processors and compost marketers, ongoing.
5. Edit the "Organics Grant Program Scoring Criteria" to include the above recommendations.

These five items are discussed in more detail in this letter.

1. **Compost Production Capacity Throughput Gap** – CalRecycle should explicitly close the gap between permitted capacity and actual throughput: While it's widely acknowledged that the *permitted* processing capacity can be much greater than the *actual current throughput* of organic material, these grant and loan money should be used to address this compost market/facility capacity gap. That is, if there capacity already exists, then why isn't it being used (see [it is essential that CalRecycle:](#)
  - a. Provide information to the industry, through this grant process, that identifies the gap between current permitted capacity and actual throughput, on a jurisdiction and/or county and regional basis.
  - b. Use this information to determine which projects should be funded, i.e. don't fund additional new capacity where existing permitted capacity is already sufficient. Rather support processing technologies and market development programs to increase throughput that uses existing permitted capacity.
  
2. **Compost Technology Advancement** – Prioritize the funding of cost effective, low emissions compost technologies on existing permitted capacity sites: Focus the Grant and Loan funds on projects that use proven, yet *continually improving*, technologies that *optimize net environmental benefit* (to air, water, solids, soils, etc.) *in addition* to providing potential cost and value benefits to customers and communities. For example, the eASP compost technology, that ACP demonstrated with ValleyAir.org funding (see <http://www.healthysoil.org/acpmarketactions/researchprojects.html>), and other innovative AD and composting technologies currently available in California markets. This can have the fastest positive environmental, social and economic impact, by providing new jobs, combined with relief for environmentally burdened and economically vulnerable communities. The objective should be to fund the shortest path to *expanding* profitable throughput, i.e. economically sustainable, while *decreasing* local negative environmental and social impacts.
  
3. **Expand Compost Use Markets** – Use this Grant & Loan Program to help fund the expansion of regional compost sales: In addition to the capital investments of building more AD and compost facilities, these grant and loan program funds should be used to build and develop outreach materials that can be used by all California composters. In addition, CalRecycle should use these funds to develop and support *specific programs in local & regional markets to create sustainable quality compost utilization*. Without sustainable compost sales expansion, the production facility grants and loans run the very real risk of becoming bad investments, and thus defeating the whole purpose of this grant program, by wasting these cap and trade funds.
  
4. **Organics Market Intelligence System** – Establish a process to provide organics market intelligence *ongoing*: Use this Grant & Loan Program to coordinate and integrate CalRecycle's current disparate waste and recycling information (e.g. AB 939 data, SWIS, 1193 Annual Reports, etc.). Integrate, enhance, package and distribute this information, at the jurisdictional and County levels of organics management, and build a long term foundation, framework and process that provides ongoing market intelligence for compost and biogas producers and stakeholders. This will involve *funding* technology advancements and market intelligence that supports the most rapid market expansion, based on *a combination of* lower impact technologies, faster permitting (i.e. not greenfield) and, especially, focusing on *servicing unmet local and regional market needs*.

5. **Edit the Organics Grant Program Scoring Criteria – to include the above elements of:**
- a. **Permitted:** Explicitly address any permitted capacity vs. throughput gaps – so as to best focus project development investments on both rapid potential expansion sites, as well as focusing new investments where they are needed most by local markets.
  - b. **Technology:** Support and drive most efficient and most cost effective technologies – ensure that investments support more efficient, low polluting technologies, and provides a clear process for how technology advancement will also be supported ongoing, to help make California an established organics technology innovation and implementation leader.
  - c. **Markets:** Make market intelligence and sales expansion investments - as a check and balance on these Cap & Trade funds expenditures, provide organics industry & market development information that supports an ongoing stable and profitable and sustainable organics industry in California. Use this information to support the ongoing compost market and sales expansion investments (by both CalRecycle with these funds) as well as to help focus local investments that objectively and tangibly expand local compost markets, since *all compost markets are local.*

Owing to the fact that our industry association members are the enterprises that are already making the investments in compost production infrastructure, we continue to be in a key position to most quickly and effectively make use of the Cap & Trade GHG reduction Grant & Loan funds. With the implementation of the above recommendations, we are ready to leverage our existing capacity and investments to help CalRecycle and California to both reach the GHG reduction targets, as well as its 75% Recycling Goal by 2020.

Please be in touch directly with us if you need further clarification, have any additional questions, or if you would like to work directly with us in making increased compost production and compost utilization a reality in California.

Very truly yours,



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