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February 17, 2014

Ms. Carroll Mortensen
CalRecycle
1001 I Street
Sacramento, CA 95814

Dear Ms. Mortensen:

RE: Comments on the Proposed New Grant Program for GHG Reductions from Organics

The California Compost Coalition (CCC) is a statewide organization representing operators of composting and anaerobic digestion facilities involved in the processing of green and food waste materials derived from municipal solid waste throughout California. On behalf of these companies, we attended the February 6, 2014, workshop and provided comments.

CCC strongly supports the use of cap and trade revenues for GHG reductions from organic waste. We recognize and appreciate your leadership on the AB 32 Scoping Plan Update and the most recent Budget Change Proposal for the \$30 million allocation to **GHG Emission Reductions through Recycling and Composting**.

CCC supports the proposed allocation of the BCP for this new program. We have encouraged many stakeholders to rally around the infancy of this program and support the general fair allocation among the feedstocks in the BCP. Likewise, we can also see a general even split among composting and anaerobic digestion facilities with the deployment of the organic waste allocation. Composting and anaerobic digestion are co-dependent as the digestate from AD needs to be composted, as digestate from AD is not typically market ready. Co-collected residential green waste with food waste is better suited for composting than AD, with a lower biogas potential. Biomass gasification already has a place with the current RMDZ program, and the expansion of biomass gasification is better placed at the California Energy Commission as part of growing grant program under EPIC. MSW gasification should not be considered for any funding from CalRecycle since the material is mixed, and is not a clean feedstock.

The Governor's Budget Summary for 2014-2015 calls for an investment in new or expanded clean compost, as copied below. We interpret that clean compost means that the compost is derived from "source-separation" of organics material. Such as the recent legislative concepts for mandatory commercial organics collection, "source-separation" is a key aspect of producing clean compost for valuable organic and sustainable agricultural markets.

Waste Diversion

*\$30 million for the Department of Resources, Recycling, and Recovery to provide financial incentives for capital investments that expand waste management infrastructure, with a priority in disadvantaged communities. Investment in new or expanded **clean** composting and anaerobic digestion facilities is necessary to divert more materials from landfills, a significant source of Methane emissions. These programs reduce GHG emissions and support the states 75 percent solid waste recycling goal.*

CCC agrees with the Scoring Criteria that the tons of organic material must be new tons that had been landfilled, as the part of the BCP is to further reduce GHGs and divert the material from landfills. Green waste alternative daily cover (ADC) is going still going to landfills and creating GHGs and should be considered as new tons in the Scoring Criteria, even though it counts as recycling on paper, but not in practice. The stakeholders that oppose phasing out green waste ADC recycling credits need to see economic incentives to create infrastructure for the current volume of ADC. By not counting green waste ADC as new tons, the stakeholders will continue to fight for their ADC recycling credits.

CCC fully supports the need to fund shovel-ready, CEQA-certified projects. Whereas there may only be 10 points for Project Readiness and Permits, CalRecycle should not even grant an award in November 2014, if CEQA certification has not been obtained by then. Projects should be disqualified if CEQA certification cannot be provided by November 2014.

CCC supports the maximum funding award amount of \$3 million. There are plenty of smaller-scale CEQA ready projects that will be applying. Spreading the investment around the state on smaller-scale, local projects will afford the best return on the investment to deploy the resources that build upon the infrastructure in place today.

Should you have any questions, please contact me at (916) 739-1200.

Sincerely,



Neil S.R. Edgar
Executive Director