

**From:** Bill Buchan, Market Potential [mailto:buchan@mktpotential.com]

**Sent:** Thursday, March 26, 2015 9:22 AM

**To:** GHGReductions

**Cc:** 'Horne, Rick'

**Subject:** Bill Buchan - Comments to Proposed CalRecycle Greenhouse Gas Reduction Programs

CalRecycle:

As a key member of the fiber recycling system in California, Graphic Packaging is pleased to see that CalRecycle will again offer its greenhouse gas reduction program this upcoming fiscal year. While Graphic Packaging did not participate last year, we had a concept that we discussed with CalRecycle to recover and reuse paper fibers from landfill disposal for reuse into our recycled boxboard mill in Santa Clara. We encountered some difficulty in the level of contamination in the waste paper, which necessitated further development. We continue to develop this concept and hope to have a new solution for CalRecycle for the upcoming fiscal year. Give our efforts with the program and future participation, we provide the following comments:

Comment 1: Please reconsider the reduction in grants funds for the Fiber, Plastic, and Glass program. We noted the proposed drop from \$8 million last year to \$5 million for the upcoming fiscal year. CalRecycle most likely made this decision in part due to the heavier interest in the Organics program. GPI suggests that perhaps the heavier interest in the Organics program is because these are the easier problems to solve, while fiber issues are more challenging (as we found out last year). The more difficult challenges may require more funding to solve, so reducing funding to the Fiber, Plastic, and Glass program will make it that much harder to successfully implement. We ask that CalRecycle not make the choice based on grant interest, but rather the quality of the project. We would propose the CalRecycle consider instead a sliding scale for each program - \$9 - \$13 million for Organics and \$5 - \$9 million for Fiber, Plastic, and Glass for example. This flexibility would allow CalRecycle the chance to pick the best project overall for the entire funding effort as we do not know yet where the best projects will be for fiscal year 2015-16.

Comment 2: The proposed changes put emphasis on an agreement between a preprocessor and a separate corporation that generates a finished product. We applaud this change. As a vertically integrated firm, such a requirement does not make sense. We would ask that CalRecycle clarify that vertically integrated firms that preprocess waste and generate a finished product are exempt from this requirement.

Comment 3: We ask that CalRecycle define "expansion" as to include the expansion of waste streams into a manufacturing process not currently designed to handle waste streams. Our recycle boxboard mill processes clean recycled paper materials but is not currently designed to handle waste fiber that is contaminated. The project we would envision modifies our recycle mill to address contamination issues, thereby expanding our ability to accept waste paper. Greenhouse gas levels would be significantly reduced, and the tonnage of waste paper utilized would increase dramatically; but the overall tonnage of boxboard produced would not change significantly unless boxboard demand increases. We think this type of "expansion" project is a tremendous benefit to California as retrofits to the existing recycling infrastructure are the most cost-effective means of seeing meaningful reductions. Thus, we ask CalRecycle to clarify "expansion" to include such projects.

If you have any questions regarding these comments or our project in development, please call me at the number below.

Regards,

Bill Buchan, P.E.

CEO, Market Potential, Inc.

510 928 5786

On Behalf of Graphic Packaging International, Inc.