



March 26, 2015

Ms. Caroll Mortensen
CalRecycle
1001 I Street
Sacramento, CA 95814
sent via email

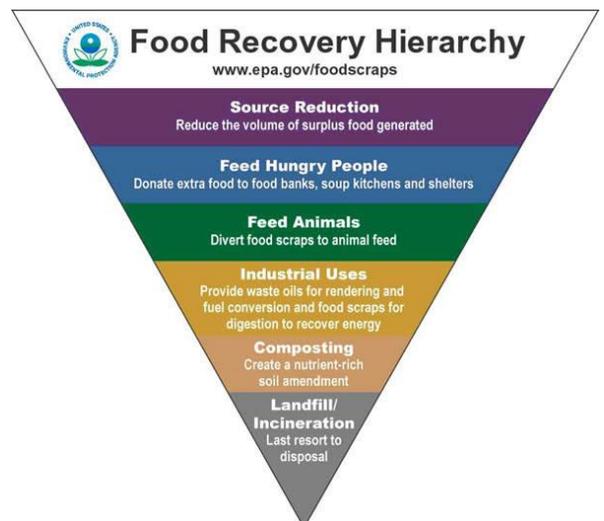
Dear Ms. Mortensen:

RE: Comments on the Proposed Grant Program for fiscal year 2015-16 for GHG Reductions from Organics on implementing the Federal EPA Food Recovery Hierarchy

The Pellegrini Group is a family of independent hauling and processing companies located throughout the Bay Area which consists of Alameda County industries, Garden City Sanitation, Livermore Sanitation, Mission Trail Waste Systems, and Peninsula Sanitary Service. The Pellegrini Group strongly supports the use of cap and trade revenues for GHG reductions from organic waste with a priority of implementing the Federal EPA Food Recovery Hierarchy. We recognize and appreciate your leadership with Scott Smithline on the AB 32 Scoping Plan Update and the most recent Budget Change Proposal for the \$15 million grant GHG Emission Reductions through Recycling and Composting.

We understand that unless food waste dehydrators and liquefiers are coupled with additional composting or digestion they may not be eligible for funding as some projects may not be able to demonstrate safe and secure end markets. We also understand the concept that food waste prevention projects that rescues edible food from being wasted, (i.e. that is normally destined to landfills) and results in increased food distribution to people is an eligible project. The Pellegrini Group would like to extend this concept a step further, in line with the EPA Food Recovery Hierarchy, to include animal feed derived from post-consumer food waste.

The Federal EPA Food Recovery Hierarchy (provided herein) makes a primary goal of source reduction, followed by feeding hungry people and then feeding animals. Industrial uses such



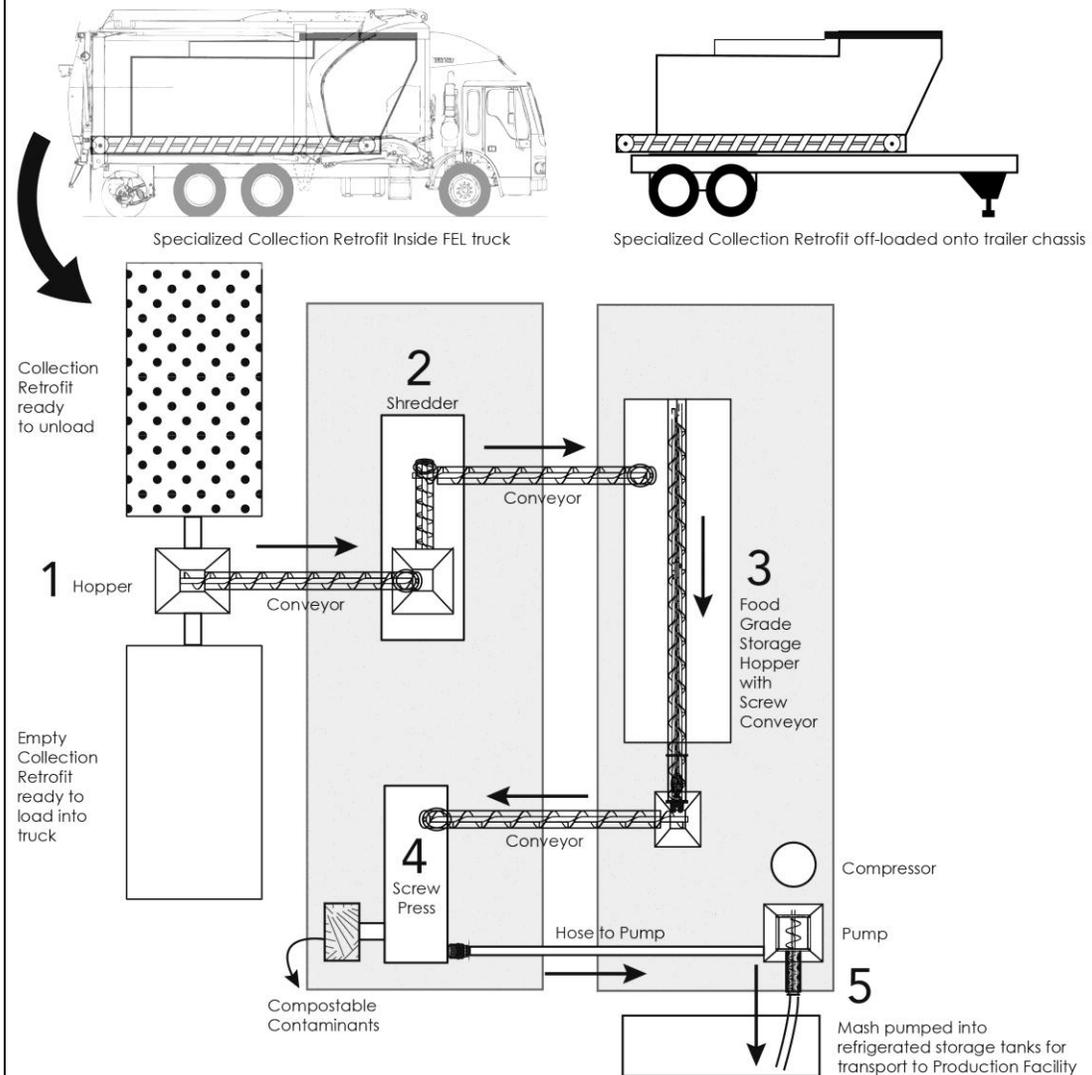
as anaerobic digestion and composting follows next with landfilling and incineration last. Post-consumer, or secondary, food waste processing equipment when coupled with dehydrators can provide safe, excellent quality and nutritional animal feed. Post-consumer food waste occurs after source reduction and feeding hungry people, as post-consumer food waste is not a viable option for either of those two more preferred options.

We understand the grant could be used for expansion of facilities to turn food waste into value-added products. The Pellegrini Group is in the process of locating the first pilot facility at our Mission Trail Waste Systems facility in Santa Clara, which we plan to replicate at our other facilities and throughout California.

The expansion of our facility includes the installation of secondary food processing equipment, which is a mobile, trailer-mounted system consisting of a slow-speed shredder and screw press. The post-consumer food waste is first conveyed, using an enclosed screw conveyor into the slow-speed shredder, where it is pulverized into a wet pulp. The pulp is then delivered via enclosed screw conveyor into a secondary trailer-mounted holding tank, along with all residual liquids from the process. The pulp material is conveyed to a screw press, located on the primary trailer with the shredder, where it is extruded to remove solid residue and excess water. The residual liquid and clean pulp material is conveyed into a separate, sealed container for delivery to an appropriate, permitted receiving facility, which we are in the process of constructing at our Garden City Sanitation facility in Santa Clara. This food dehydrator system will safely produce animal feed from this post-consumer food waste feedstock. The residual overs fraction of the food waste is expelled from the screw press into a covered container for delivery to a permitted composting facility or anaerobic digestion facility.

The food processing equipment is presented on the following page.

SAFE EXTRACTION PROCESS



- Material collected into Specialized Collection Retrofit inside FEL truck.
 - Collection Retrofit moved from truck to waiting trailer chassis (Retrofit can also be emptied directly from truck).
1. Collection Retrofit positioned to empty into hopper with Screw Conveyor.
 2. Material moved by conveyor to Shredder
 3. Food Grade Storage Hopper moves material to Screw Press.
 4. Screw Press separates Compostable Contaminants and reduces material to Liquid Mash.
 5. Liquid Mash pumped to refrigerated storage tank for transport to Production Facility.

There are viable and stable end use markets available for this animal feed as a replacement for traditional corn, soy and proteins. In addition, this technology is shovel-ready, CEQA certified and easily replicated throughout the State due to its small footprint. Because of these factors, and the importance placed by the EPA to feed animals above other industrial uses of organic materials, the Pellegrini Group

strongly believes that grant eligible projects should include post-consumer food waste processing equipment coupled with food waste dehydrators and additional programs to produce safe animal feed.

We support the need to fund shovel-ready CEQA certified projects. We also support the maximum funding award amount of \$3 million. There are plenty of smaller-scale CEQA ready projects that spread funding around the state and can 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 (650) 814-9532.

Sincerely yours;

/s/

Louie Pellegrini, Jr.
The Pellegrini Group
339 Bonair Siding,
Stanford, California 94305

Cc: Scott Smithline, CalRecycle Policy Director