

**From:** Bill Worrell [mailto:bworrell@iwma.com]

**Sent:** Wednesday, March 25, 2015 3:33 PM

**To:** GHGReductions

**Subject:** Bill Worrell - Comments on the proposed GHG/organics grant scoring criteria

Thank you for the opportunity to submit comments on the proposed scoring criteria for the GHG/organics grant.

The proposed criteria includes two changes from last year that should not be implemented. Those changes are:

1. The \$2 million set aside for rural programs
2. The deduction of the 5 points from air and water quality benefit and adding the 5 points to disadvantaged communities.

What is clear from the last year is that there are many more projects (over \$100 million) than grant funding. By making the above two changes, CalRecycle will be limiting the opportunity for projects to compete on their merits.

Rural Program. The proposed change would result in 13% of the total grant funding being reserved for less than 2% of the state's population. Thus a less deserving project may be selected simply because it is located in a rural area. There is no statutory requirement for this set aside and given the competitive nature of the grants, this change should not be made.

Air and water quality benefit verses disadvantaged communities. Each category should be worth 10 points. Placing an outdoor windrow composting facility in a disadvantaged community may not be a desired facility (odor and runoff). While an indoor composting facility in a disadvantaged community would be a much more desirable facility. By continuing to give 10 points to air and water quality benefits, the grant will reward those who propose facilities that maximize air and water quality benefits.

In addition to the above comments on the proposed changes to the scoring criteria, please consider that grant funding should not be used to subsidize the cost of a few typical windrow/static pile compost projects. There are numerous examples of these types of projects and all that grant funding will do is give a financial advantage to one operation over another. Instead grant funding should be used to develop state of knowledge projects that others can then duplicate. This can be achieved as follows:

1. Only fund projects that include anaerobic digestion. This would be consistent with the CalRecycle Anaerobic Digestion Initiative from June 2011. In addition AD facilities provide renewable energy which helps meet the Renewable Portfolio Standard. In addition an in-vessel plant better controls air emissions and runoff from the site. (Note the proposed scoring criteria for air and water quality benefits is only 5 points out of 100, thus discouraging proposers from offering this technology). The funding will also help reduce the cost of an AD facility so that it can compete with existing outdoor windrow composting facilities. Clearly an indoor AD facility is a superior option, but if it is not cost competitive it will fail.
2. Provide bonus points for new AD technology. To date some different AD technologies have been implemented in California (San Jose - Kompofirm, CR&R - Eisenmann, Cleanworld - low solids digester). As part of developing the state of knowledge regarding AD additional technologies should be

funded. Thus projects that propose technologies that have worked in locations outside of California, but have not been built in California, such get bonus points.

3. Restrict funding to capital costs and require matching funds. Projects should be required to provide matching funds. The grant funding should be restricted to capital costs and the matching funds should also be used for capital costs. If grant funding and/or matching funding is used for operating costs, than when those funds are gone, the plant might not be cost competitive. The goal of this grant program should not be to fully fund a project. Rather the grants should be used to build advanced technology projects that by their nature are more expensive than common compost plants. The grant would help make the project cost competitive with existing low technology projects.

4. Long term commitment. A project should have long term commitments (minimum 5 years) from food and greenwaste providers to ensure that there would be feed stock for the project. Without a long term commitment, the future of the plant is always uncertain.

Thank you again for this opportunity to comment on the grant scoring criteria.

Bill Worrell  
San Luis Obispo County  
Integrated Waste Management Authority  
870 Osos Street  
San Luis Obispo, CA 93401  
805-782-8530