

DOCKETED

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CR&R Comments on Revised Clean Transportation Program Investment Plan Update

Additional submitted attachment is included below.



Ms. Patricia Monahan
Commissioner
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: CR&R Comments on the Revised Lead Commissioner Report for the 2019-20 Clean Transportation Program Investment Plan Update

Dear Commissioner Monahan,

On behalf of CR&R Environmental Services, I submit these comments for your consideration on the Energy Commission's (CEC) revised Investment Plan Update (Plan) for the Clean Transportation Program (CTP).

Founded in 1963, CR&R is a Southern California-based waste and recycling collection company, serving more than 3 million people and over 25,000 businesses through Orange, Los Angeles, San Bernardino, Imperial, and Riverside counties. We are contracted with approximately 53 cities, and counties to provide waste and recycling services to support compliance with state laws. We operate the state's largest anaerobic composting facility and power our vehicle fleet from renewable natural gas (RNG) derived from organic waste. This facility provides complete residential organics recycling for 17 Southern California communities under long-term contracts. The services we provide are critical for meeting the organics recycling compliance requirements of SB 1383 (Lara, 2016).

At the advisory committee workshop held earlier this week, staff unveiled a revised Plan, proposing that all funds for the year be spent on zero-emission (ZE) vehicles and infrastructure. While we support ZE technologies, we believe the CEC should continue to invest in near-zero-carbon fuel production projects as well, given their important role in helping the state reduce short-lived climate pollutants, per SB 1383 (Lara, 2016).

Creating Consistency with State SLCP-Reduction Goals

Organic waste, such as food and green waste, has long been recognized as a primary source of methane emissions in the state. In 2016, the Legislature passed SB 1383 (Lara), mandating not only that the state reduce methane emissions 40 percent below 2013 levels by 2030, but that it must also divert 75 percent of organic waste from landfills by 2025 to support that goal. This is further supported by two other key pieces of organic waste diversion legislation – AB 1826 (Chesbro, 2014), and AB 1594 (Williams, 2014) – which require businesses generating a certain amount of organic waste to recycle it, as well as encouraging the recycling of green waste previously used as cover for landfills.

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CalRecycle has determined that to achieve the state's 2025 organic waste diversion target, it must recycle an additional 8.5 million tons per year. Building the proper capacity to handle this much waste is no small task, the most viable

options being traditional composting or anaerobic composting. While traditional composting is prevalent, the state's overall capacity has remained relatively static the last ten years, with little to no increases in ability to take on more organic waste. These kinds of facilities can be hard to permit because of the cost of land and lack of available volatile organic compound offset credits. Even then, many facilities are far from where organic waste is generated, undercutting their economic viability. To underscore this point, CR&R recently abandoned plans to build its composting capacity near the City of Hemet after three years of trying unsuccessfully to obtain a permit.

Alternatively, the state has been investing in anaerobic composting significantly; not only can this technology effectively capture methane emissions, but it can convert that energy into RNG as a transportation fuel, further displacing criteria pollutants and greenhouse gas emissions from diesel-powered trucks. The carbon intensity of this fuel in many cases is negative. Furthermore, CalRecycle's nearly-finalized regulations to implement SB 1383 call for renewable electricity or renewable fuel generation from recycled organic waste; such a requirement will require significant upfront capital to build fuel production facilities. Without support from the state to build this infrastructure, how else will local governments and waste haulers be able to recycle collected organic waste? CTP funding is critical to supporting implementation of these regulations and achieving the broader goals of SB 1383.

Technology Neutrality

Given the complexity of achieving our climate goals, we believe the state should continue to support an all-the-above strategy when it comes to funding clean vehicle technologies and fueling infrastructure. For many vehicle applications, a near-zero-emission version is the only one that exists. These vehicles can provide a valuable emissions reduction benefit that would not otherwise occur, but they needed supportive fueling infrastructure to realize that benefit, much like ZE vehicle applications.

Recommendation

We respectfully recommend the CEC set aside \$10M from the Plan to fund near-zero-carbon fuel production to support the state's SLCP reduction goals. With this set aside, the Plan will more holistically support our climate goals.

Thank you for your consideration.

Sincerely,

Paul Relis
Senior Vice President