

## DOCKETED

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*Comment Received From: Howard Levenson, Ph.D.*

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**CalRecycle Comments on the Draft 2016/2017 ARFVTP Investment Plan, Docket No. 15-ALT-01**

*Additional submitted attachment is included below.*

**DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY**

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November 5, 2015

Commissioner Janea A. Scott  
California Energy Commission  
Dockets Unit, MS-4  
Re: Docket No. 15-ALT-01  
1516 Ninth Street  
Sacramento, CA 95814-5512

Via Email: [docket@energy.ca.gov](mailto:docket@energy.ca.gov)**Subject:** Comments on the Draft 2016/2017 ARFVTP Investment Plan, Docket No. 15-ALT-01

Dear Commissioner Scott:

Thank you for the opportunity to provide comments on the 2016/2017 draft AB 118 Investment Plan. CalRecycle agrees with the draft Investment Plan's overall recommendations, which support California's transition to low carbon transportation fuels and the production of biomethane from waste-based feedstocks.

At the same time, CalRecycle would like to recommend one policy change relative to the biomethane category. In particular, the draft Investment Plan states on page 34 that the CEC "may consider prioritizing pre-landfill biomethane production in future solicitations over landfill gas projects, while still allowing landfill gas project to compete." CalRecycle has raised concerns about using limited AB118 funding for landfill gas projects in previous plans and recommends that CEC undertake this prioritization as part of the 2016/2017 Plan as opposed to at some point in the future.

The rationale for this recommendation is as follows. While landfill gas projects can use the gas from organic materials previously disposed of in landfills, they also can incentivize continued disposal of organic materials. Disposal of organic materials in landfills is at odds with several policy drivers in California that are calling for significant decreases in the amount of organics that can be landfilled in the near future. For example, the Air Resources Board has developed a draft Short Lived Climate Pollutant (SCLP) strategy that includes effectively eliminating landfill



disposal of organics by 2025. Additionally, several elements of the Governor's 5 Climate Pillars, the state's 75% recycling goal, and new statutory requirements established by AB 1826 ([Chapter 727, Statutes of 2014](#)), which requires businesses to recycle their organic waste, all send a clear signal that now is the time to prioritize pre-landfill biomethane production over landfill projects. The infrastructure needed to reach these goals does not involve landfilling; instead it will in part include pre-landfill biomethane production facilities.

Additionally, although not directly addressed by the draft Plan, CalRecycle wishes to note that a significant barrier for biomethane projects is pipeline and electric grid interconnection. CalRecycle would welcome the opportunity to work with the CEC, the CPUC, other interested stage agencies, and Investor Owned Utilities to expedite the interconnection process and limit costs. Biomethane projects that are able to connect have greater market flexibility and a greater chance for success.

Additional comments on the draft 2016/2017 ARFVTP Investment Plan, organized by page number, are attached.

In summary, the Draft 2016/2017 Investment Plan offers an excellent opportunity for continued progress, and CalRecycle looks forward to ongoing collaboration with the CEC in support of the AB118 program. If you have any questions, please do not hesitate to contact me directly at (916) 341-6311.

Sincerely,



Howard Levenson, Ph.D.  
Deputy Director, Materials Management and Local Assistance Division  
Member, Alternative and Renewable Fuel and Vehicle Technology Program  
Investment Plan Advisory Committee

Cc: Scott Smithline, Director, CalRecycle  
Ken DeRosa, Chief Deputy Director, CalRecycle  
Christine Hironaka, CalRecycle  
Brenda Smyth, CalRecycle



### Additional Comments

- Pages 3, 25-26, and 37 discuss the 2015/2016 GGRF program. CalRecycle recommends that CEC coordinate with ARB to best describe the program's status.
  - Pages 25-26: Transportation-related proposed GGRF allocations did not include CalRecycle's proposed GGRF allocations for organic material. Biomethane derived from organic waste material should be added to the transportation fuel production section.
  - Page 37: Paragraph 2 is based on the GGRF provisions in the Governor's provision and should indicate that the majority of the \$60 million in GGRF allocations would have been devoted to organics grants and loans.
    - The organics portion that entails biomethane projects would have been on the order of \$40 million, whereas page 37, paragraph 2 states \$14 million.
- Page 35 Table 9: CalRecycle suggests CEC verify the number of commercial biomethane facilities that have been funded through ARVTP. By CalRecycle's count, there are at least 9 including: CR&R Incorporated (ARV-10-052), North State Rendering (ARV-10-040), Clean World Partners, LLC (ARV-11-021), Harvest Power Tulare, LLC (ARV-12-064), Environ Strategy Consultants, Inc. (ARV-12-021), Blue Line Transfer, Inc. (ARV-12-031), Recology, Inc. (PON-13-609), City of Napa (ARV-14-037), Colony Energy Partners Tulare LLC (ARV-14-029)
- Page 36: Suggest adding a project example that is producing transportation fuel from waste based feedstocks such as Blue Line Transfer, Inc. (ARV-12-031).
- Page 37 re: duplicative funding: CalRecycle worked with CEC staff to ensure there was no duplicative funding for the three anaerobic digestion projects awarded through the 2014/2015 Greenhouse Gas Reduction Fund (GGRF).
  - Page 37, paragraph 2 should explicitly state that CEC and CalRecycle will continue to coordinate to ensure that duplicative funding does not occur.
- Page 37 paragraph 3 and page 13: The Plan should mention that CalRecycle is considering organics incentive payments, which is dependent upon landfill tip fee reform, a subject of ongoing Legislative discussions.
- Page 37 paragraph 4: Woody material that normally is directed to landfills is a feedstock option, CalRecycle suggests CEC consider in the Plan a separate solicitation for transportation fuel production using this type of material.
- Page 37 paragraph 4: The statement that foodwaste supply is ultimately limited needs clarification.
  - Foodwaste generation will continue and will require infrastructure to handle it, especially given policy drivers such as AB 1826 and ARB's SLCP strategy.
- Page 49: Hydrogen Fueling Infrastructure should prioritize projects generating hydrogen from renewable sources, such as biomethane.
- Page 50-52: Biomethane based transportation fuel producers require natural gas fueling infrastructure to get fuel into the marketplace. The natural gas fueling infrastructure category's funding should be increased to assist these projects.
  - Infrastructure projects that utilize biomethane should be prioritized
  - A separate biomethane fuel infrastructure funding category is recommended for consideration

