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CR&R Comments on Natural Gas Distribution Infrastructure and Decarbonization Targets

Additional submitted attachment is included below.

CR&R INCORPORATED
environmental services

June 21, 2019

Laurie ten Hope
Deputy Director
Energy Research and Development Division
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: CR&R Comments on the Natural Gas Infrastructure and Decarbonization Targets Workshop

Dear Ms. ten Hope

On behalf of CR&R Environmental Services, I submit these comments on the Energy Commission's Natural Gas Infrastructure and Decarbonization Targets workshop, as presented by E3. 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.

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.

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.

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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. These emission reduction benefits would not have occurred otherwise, as many of the classes of medium- and heavy-duty vehicles that use RNG as a fuel do not have a commercially-available electric version and will not have one for the forseeable future.

However, given the large amounts of methane that can be captured from organic waste with anaerobic composting, the resulting RNG will need to be stored and transferred through the state's natural gas pipeline. Without the pipeline, the applicability of RNG as a transportation fuel is limited; fleets will only be able to have so much fueling capacity on-site at their depots; the pipeline is critical to storing larger amounts.

We strongly recommend that any plans to wind down the state's natural gas pipeline over time carefully consider the impacts on the ability to recycle organic waste into RNG as a transportation fuel. The Energy Commission should continue to support the pipeline in strategic locations where the ability to transfer RNG as a transportation fuel is critical, such as dense urban areas, freight corridors, ports, depots, and distribution centers. We believe such a strategy could be implemented to support building electrification and reduce costs for ratepayers while also supporting the state's organic waste recycling and short-lived climate pollutant reduction mandates.

Thank you for your consideration.

Sincerely,

Paul Relis
Senior Vice President