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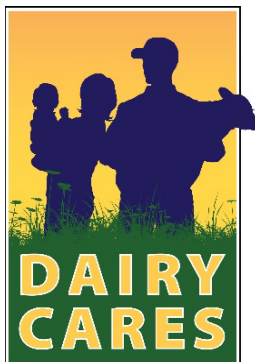
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**Dairy Cares Comments on the IEPR Commissioner Workshop on
Role of Hydrogen in California's Clean Energy Future**

Please see comments attached. Thank you!

Additional submitted attachment is included below.



**Dairy Cares Comments on the California Energy Commission’s
IEPR Commissioner Workshop on the Role of
Hydrogen in California’s Clean Energy Future.**

July 12, 2022

Dairy Cares appreciates the opportunity to provide the following comments on the California Energy Commission’s (“CEC” or “Commission”) June 21, 2022 Integrated Energy Policy Report (“IEPR”) Commissioner Workshop on the Role of Hydrogen in California’s Clean Energy Future (“the Workshop”). Dairy Cares represents California’s dairy sector, including dairy producer organizations, leading cooperatives, and major dairy processors.¹ These comments respond to Vice Chair Siva Gunda’s request for written comments outlining the opportunities that biogas-sourced hydrogen can provide. Dairy Cares offers the following recommendations to ensure that hydrogen development achieves multiple environmental objectives:

1. Enable development of the most cost-effective decarbonization solutions by avoiding categorical prohibitions of feedstocks, such as those proposed by anti-dairy activists.
2. Support hydrogen development in a way that creates accessible markets, including opportunities for methane reduction projects at dairies.

DISCUSSION

1. The IEPR Should Avoid Recommending Prohibitions for Cost Effective Methane Reduction Solutions, Including Access to any Markets for Hydrogen.

Senate Bill (“SB”) 1383 sets a clear statutory requirement for California to significantly reduce short-lived climate pollutants (“SLCPs”) in the near term, including a 40% reduction in methane emissions below 2013 levels by 2030. In writing this bill, the Legislature encouraged a focused and responsible expansion of proven, “technologically feasible” and “cost effective” incentives and regulatory strategies. In the face of anti-dairy activism to foreclose cost effective emission reductions, the state’s dairy farms are succeeding in meeting methane emissions reduction targets. California’s dairy farmers (99% of which are family-owned and operated businesses) are dedicating themselves to preserving jobs in the San Joaquin Valley and meaningfully working toward the achievement of emission reduction targets.

¹ For more information about Dairy Cares, please visit www.dairycares.com.

Dairy Cares is concerned with efforts to exclude dairies from voluntary markets. Anti-dairy activists continue to call for the exclusion of dairy biogas from successful programs without offering an alternative, comprehensive solution that will achieve the State's statutory requirements.

The science is clear. Reducing methane is an urgent step needed to limit and begin to reverse the impacts of climate change. Effectively and efficiently reducing dairy methane in California is also critical to achieving our State's ambitious climate goals. The State's initial incentive-based efforts to reduce dairy methane emissions have been highly successful. Continuing, expanding, and accelerating these efforts will prove critical to State climate goals.

As long as there are cows in California, which there will be for the foreseeable future, methane must be captured and utilized effectively. The State must continue to allow and encourage its dairy sector to participate in renewable energy markets that allow members to contribute toward meeting our methane reduction goals.

2. The IEPR Should Note the Success of Dairy Methane Reductions and Environmental Stewardship, including information from the U.S. EPA.

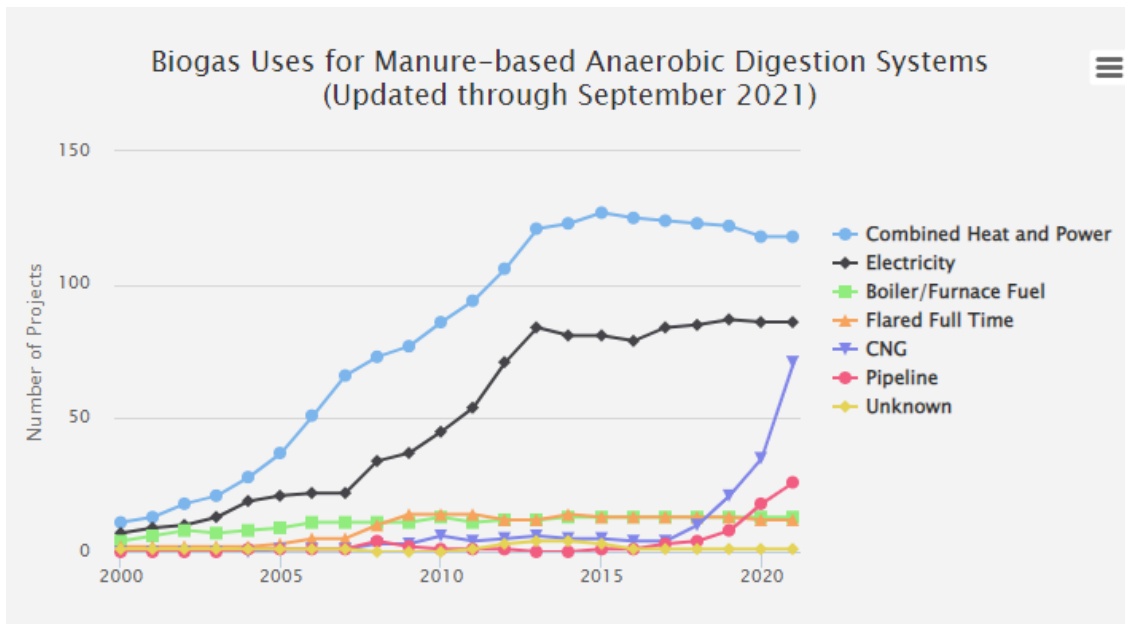
California's dairy sector has made tremendous progress to date.² In order to meet SB 1383's SLCP reduction targets within the timeframe laid out in the statute, it is critically important that California continue to support and accelerate the utilization of existing, proven technologies and markets to send signals for further emission reductions. To enable the most cost effective solutions in California, the State should avoid placing blanket prohibitions on feedstocks for hydrogen.

The United States Environmental Protections Agency ("U.S. EPA") tracks data and trends of operational projects using anaerobic digestion systems to reduce methane emissions by collecting biogas from the degradation of animal manure through its AgSTAR.³ The U.S. EPA also maintains a Livestock Anaerobic Digester Database⁴ that provides key information on anaerobic digester projects on livestock farms in the United States. AgSTAR publishes updated data on this website periodically (generally, two times per year) to enhance public access to information and support the development of biogas recovery projects.

² The Dairy Digester Research and Development Program ("DDRDP"), implemented by the California Department of Food and Agriculture ("CDFA"), is well documented as the State's leading climate investment, providing one ton of CO₂e reduction for each nine dollars invested by the state. Equally important, the DDRDP accounts for nearly 29% of all reductions from all California Climate Investments despite receiving just over 2% of all funding under the Climate Investment Program. *See* California Climate Investments 2021 Annual Report, available [here](#).

³ AgSTAR is a collaborative program sponsored by the U.S. EPA and United States Department of Agriculture that promotes the use of biogas recovery systems to reduce methane emissions from livestock waste: <https://www.epa.gov/agstar/what-epa-doing-agstar>.

⁴ LADD: <https://www.epa.gov/agstar/livestock-anaerobic-digester-database>.



Source: AgSTAR Data and Trends. <https://www.epa.gov/agstar/agstar-data-and-trends>

As this chart demonstrates, renewable energy production from manure digestion is evolving with the State’s and the nation’s energy priorities as we seek to decarbonize the transportation and natural gas sectors. Dairy biogas has the ability to continue evolving with the State’s climate policies as we move to hydrogen, and this evolution should not be categorically precluded.

The need for expanded State investment in digesters and other dairy methane reduction projects and strategies between now and 2030 is also clear. The inclusion of dairy biomethane in California’s ongoing hydrogen strategy will achieve significant local environmental co-benefits, protect local rural economies, and maximize methane emission reductions. Dairy Cares supports the application of emission reduction measures combined with projects that improve baseline environmental conditions. Emission reduction projects have and will continue to improve baseline environmental conditions in the communities that surround California’s dairy farms. The California Air Resources Board, local air districts, the California State Water Resources Control Board, regional water quality control boards, and other responsible agencies are working to improve baseline environmental conditions and achieve the requirements of SB 1383.

In addition to local environmental improvements (e.g., water quality improvement projects), accelerated dairy methane development will provide a short-term hedge against long-term climate change impacts. Furthering reductions in short-lived climate pollutants with high global warming potential provides the biggest near-term impact in mitigating against long-term climate change.

CONCLUSION

Dairy Cares appreciates the opportunity to comment on the Workshop, and looks forward to working with the CEC and other relevant agencies on the role dairies can play in California’s

emerging hydrogen market, and on achieving the State’s SB 1383 targets in a way that protects local communities and state and local economies.

As the CEC considers the role of hydrogen in California’s future, the hydrogen color wheel does not tell the whole story. Carbon intensity (“CI”) of the feedstock must be a key consideration in evaluating the value of different hydrogen variations. Regardless of what it is called, renewable hydrogen, including biomethane-derived hydrogen from dairy manure and other ag-based feedstocks, must be allowed to play a significant part in the State’s overall efforts to create opportunities to utilize hydrogen. Now is not the time to place blanket prohibitions on certain technologies. Methane capture and utilization is only feasible when there are markets available to utilize the captured methane. As long as there are cows in California, the State must facilitate and foster responsible methane reduction projects, and recognize the clear renewable nature of these projects.

Respectfully Submitted,

 /s/
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Executive Director
Dairy Cares