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COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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GAIL FARBER, Director

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> IN REPLY PLEASE REFER TO FILE: EP-4

March 29, 2011

Ms. Mary D. Nichols, Chair California Air Resources Board P.O. Box 2815 Sacramento, CA 95812-2815

Dr. Robert B. Weisenmiller, Chair California Energy Commission 1516 Ninth Street, MS-33 Sacramento, CA 95814-5512

Dear Ms. Nichols and Dr. Weisenmiller:

COMMENTS REGARDING THE 2011-12 INVESTMENT PLAN FOR THE ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM

On behalf of Public Works, Environmental Programs Division, I would like to express our appreciation to the California Energy Commission Staff and the Advisory Committee for their work in developing the 2011-12 Investment Plan for the Alternative and Renewable Fuel and Vehicle Technology Program (Investment Plan). This is the most comprehensive Investment Plan to date and we believe it will have a positive impact on the development of renewable fuel projects throughout California. We were especially encouraged that the Investment Plan allocated \$8 million in funding specifically for prelandfill biomethane production.

However, we are concerned that the proposal made by the Air Resources Board to reduce the proposed funding allocation for biomethane/natural gas from \$28 million to \$20 million for Fiscal Year 2011-12 would stifle development of biomethane projects in California, and urge you to retain the proposed funding level of \$28 million.

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Biomethane, especially when produced from waste-based resources or byproducts, achieves one of the lowest carbon intensities of any fuel. Anaerobic digestion of waste feedstocks is proving to be a reliable and cost-effective technology for creating very low carbon transportation fuels that can be readily incorporated into existing vehicles and fueling systems that use natural gas. Last fiscal year, the Energy Commission awarded a \$4.5 million grant to CR&R Incorporated, a solid waste hauling company in the Los Angeles region. This company is proposing to use anaerobic digestion at one of their recycling facilities to convert the residual solid waste into biogas, which would in turn be upgraded to biomethane for use in their hauling fleet. The Los Angeles County Board of Supervisors officially endorsed this project in April 2010. This and other similar projects would be highly beneficial to California for several reasons:

1. Reduce solid waste going to landfills

Each year, nearly 40 million tons of solid waste is disposed by residents and businesses in California. Converting this waste to biomethane could substantially reduce the amount of organic waste sent to landfills.

2. Create jobs

Projects such as the CR&R project would create a range of new, hightech green collar jobs in scientific research and development, engineering, construction, and facility operations. These facilities must be built close to the feedstock and are designed for long-term operation of 20 to 30 years or more.

3. Benefit the environment

Converting organic waste to biomethane provides a triple benefit to the environment by (1) reduction of transportation emissions resulting from long distance shipping of waste; (2) elimination of methane production from waste that would otherwise be landfilled; and (3) displacement of the use of fossil fuels by net energy (fuel and electricity).

4. Local biofuels production

There are numerous efforts underway in our county to clean up the air and create greener ways to travel. Biomethane is another alternative fuel option that could be produced locally to offset fossil fuels, including natural gas. After required processing, biomethane could also be a renewable substitute to fuel natural gas vehicles. Ms. Mary D. Nichols Dr. Robert B. Weisenmiller March 29, 2011 Page 2

We appreciate your leadership on the important issue of alternative fuel production in California. We encourage you to allocate funds through the Investment Plan to the most reliable and cost-effective technologies, such as biomethane. Continuing the Fiscal Year 2010-11 level of funding through Fiscal Year 2011-12 would be beneficial to jurisdictions such as ours. We look forward to working with you on this important issue. If you have any questions, please contact me at (626) 458-3500, Monday through Thursday, 7 a.m. to 5:30 p.m.

Very truly yours,

GAIL FARBER Director of Public Works

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PAT PROANO Assistant Deputy Director Environmental Programs Division

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cc: Each Member of the AB 118 Advisory Committee

