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Comments on 2021 IEPR “ Renewable Natural Gas - Docket Number 21-IEPR-05

At one time the CEC were champions of funding AD-to-RNG facilities, and fleet diesel replacement. At this time, CEC should return to their preeminence. See attached letter.

Additional submitted attachment is included below.



CALIFORNIA COMPOST COALITION

September 14, 2021

The Honorable J. Andrew McAllister
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Re: Comments on 2021 IEPR – Renewable Natural Gas - Docket Number 21-IEPR-05

Dear Commissioner McAllister:

The California Compost Coalition (CCC) is a statewide organization representing operators of permitted facilities involved in the collection, hauling, processing, and composting of green and food waste materials throughout California. CCC members collect organic waste at the curb in Class 7 heavy-duty vehicles that have transitioning from diesel to near-zero NOx trucks, using in-state, carbon-negative, renewable natural gas (RNG). After processing organics which are diverted from the landfill to achieve SB 1383 mandates that reduce short lived climate pollutants, CCC members haul the compost, digestate, and wood chips in Class 8 heavy-duty vehicles. CCC members transitioned from diesel to near-zero NOx trucks, using in-state RNG, to support regional markets within the State of California. Our markets include the natural working lands of California, and City and County parks. We are in the wheelhouse of the circular economy now and do not rely on export markets as we build infrastructure and create green jobs in California.

The California Compost Coalition submits these comments on the August 31 workshops on Renewable Natural Gas for the *2021 Integrated Energy Policy Report*. CCC supports a focus on RNG in the 2021 IEPR given the importance of RNG to meet California's climate, air quality, and waste reduction policies. CCC's comments on the August 31 workshops focus on four main issues:

- The urgency of reducing SLCP emissions, such as methane.
- Need to prioritize instate RNG.
- Defining the highest and best use of RNG.
- Incentives to promote RNG in the transportation sector such as funding near-zero NOx trucks with in-state RNG
- Grant funding for anaerobic digestion (AD) facilities that produce RNG

At one time the CEC were champions of funding AD-to-RNG facilities, and fleet diesel replacement. At this time, CEC should return to their preeminence.



CEC had depending on CARB to provide these incentives and CARB has not as they fail to address diesel replacement with RNG and move directly into electrification that is a generation away in the heavy-duty sector.

Need to Prioritize Instate RNG to Achieve the SLCP Reductions Required by State Law.

In order to meet the methane of SB 1383, California must prioritize the development of instate RNG. Procuring out of state RNG – which may or may not be physically delivered to California – does not help reduce instate emissions. Instead, the IEPR should focus on opportunities to convert instate organic waste to RNG. In the past decade, California has enacted numerous laws that require a focus on instate biomethane and biogas to help reduce SLCP emissions, landfill waste, wildfire, and more. Those laws include:

- AB 1900 (Gatto, 2012) requires the commission to “adopt policies and programs that promote the in-state production and distribution of biomethane.”
- SB 1122 (Rubio, 2012) requires the commission to “encourage gas and electrical corporations to develop and offer programs and services to facilitate development of in-state biogas for a broad range of purposes.”
- AB 2313 (Williams, 2016) requires the commission to consider options to increase instate biomethane production and use.
- SB 840 (Budget, 2016) states that for “California to meet its goals for reducing emissions of greenhouse gases and short-lived climate pollutants, the state must reduce emissions from the natural gas sector and increase the production and distribution of renewable and low-carbon gas supplies.”
- SB 1440 (Hueso, 2018) requires the CPUC to consider adopting a procurement requirement for biomethane that is produced and used in state or is physically delivered to California.

The IEPR chapter on RNG should focus on strategies to increase instate RNG to help meet the requirements of SB 1383, SB 901, and other important state policies.

Highest and Best Use of RNG

The CEC and CARB have both asked in recent workshops what the highest and best use of RNG is. SB 1383 required the CEC to address this question in the 2017 IEPR and the CEC largely avoided answering the question – for good reason. It is impossible to determine what the highest and best use of RNG will be decades from now when it depends on many hard to predict factors across multiple sectors and technologies. It is far more urgent to increase instate production of RNG – to reduce SLCP emissions as fast as possible – regardless of the end use.

In addition, the highest and best use of RNG is likely to change over time. BAC agrees with Sam Wade’s comments at the August 31 workshop when he suggested that we consider the highest and best use for the short-, medium, and long-term separately. BAC agrees with Mr. Wade that the highest and best use in the next decade is to replace diesel, especially in diesel powered trucks that are the largest source of air pollution in the San Joaquin Valley and the South Coast Air Districts, the two most polluted air districts in the country. We should also use RNG in place of diesel-powered backup generators, which are proliferating in California due to PSPS events and other grid challenges. Using RNG in place of diesel

reduces SLCP emissions both from organic waste and from diesel, so it's a double win for the climate and air quality.

Deciding on the highest and best use of RNG also depends on the location of the RNG production (the organic waste). The cost-effectiveness of projects (and the feasibility generally) depends heavily on whether they are close to power lines, pipelines, large fleets, and other factors. The assessment of highest and best use is highly dependent on the location of the project. RNG simply does not lend itself to a "one size fits all" approach.

CEC needs to identify strategies to increase all end uses of RNG rather than trying to identify the highest and best use.

Need Incentives to Increase RNG Use in Transportation Sector

CC supports adoption of a biomethane procurement requirement for the utilities, but that is not a sufficient market for RNG to meet the requirements of SB 1383 nor does it help eliminate diesel use as fast as possible.

To meet the state's SLCP, waste, and wildfire reduction policies, the IEPR should recommend policies and incentives to increase RNG use to replace diesel in the transportation and electricity sectors. In particular, the CEC should provide incentives to increase the use of RNG in the transportation sector. Above all, CCC urges the CEC to continue to incentivize near-zero emission trucks that run on RNG. This is the only way to eliminate diesel-powered, heavy-duty trucks where there is no ZEV option. Incentivizing near-zero emission trucks that run on RNG would reduce SLCP emissions from organic waste and from diesel, providing many times greater carbon reductions than electric vehicles running on the California power grid. For Class 7 and 8 trucks, as well as garbage trucks, there is no ZEV option and may not be one for a decade or longer. In the meantime, near-zero emission trucks running on RNG can cut NOx by 90 percent or more and virtually eliminate toxic air contaminants.

Given the urgency of reducing SLCP emissions and NOx from heavy duty trucks, the CEC should continue to offer Clean Transportation Program funding for near-zero emission trucks that run on RNG. CEC should allocate 20 percent of Clean Transportation Program funding to near-zero emission trucks that run at least partially on in-state RNG until a commercially viable ZEV is available in the equivalent vehicle class.

Should you have any questions, please contact me at 916-444-5345.

Sincerely,



Evan W.R. Edgar
Regulatory Affairs Engineer