



The California Compost Coalition (CCC) is a registered Lobbying Coalition with the Fair Political Practices Commission (FPPC), created in 2002 by a group of compost operators in response to demands for increased recycling of organic materials and production of clean compost and bioenergy.

The California Compost Coalition represents member organic material recyclers and compost operators with a unified statewide voice on many issues: product safety and standards, government regulations, environmental planning, and marketing.

#### Members

Agromin  
Atlas ReFuel  
Caglia Environmental  
California Wood Recycling  
Cold Canyon Compost  
Marin Sanitary Service  
Mt. Diablo Recycling  
Napa Recycling Compost  
Northern Recycling Compost  
Organic Waste Solutions  
Phoenix Energy  
Quackenbush Mt. Compost  
Sonoma Compost  
Tracy Delta Compost  
Upper Valley Recycling  
Zanker Road Resource Management  
Z-Best Compost Facility

#### Executive Committee

Bill Camarillo  
*Agromin*  
Greg Kelley  
*Northern Recycling Compost*  
Will Bakx  
*Sonoma Compost*  
Christy Pestoni Abreu  
*Upper Valley Recycling*  
Michael Gross  
*Z-Best Compost*

#### Staff

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#### Legislative Affairs

Justin Malan, EcoConsult  
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[www.californiacompostcoalition.org](http://www.californiacompostcoalition.org)

## Cap-and-Trade Billion Dollar Update

**Cap-and-trade** raised \$850 million for the 2014-2015 budget with \$30 million allocated to recycling and composting, \$200 million to low carbon transportation, and \$20 million to agricultural efficiencies (see insert). The allocation was based upon the investment priorities set by the Governor and his Climate Action Team which promoted three key sectors to reduce greenhouse gases: Sustainable Communities & Clean Transportation, Energy Efficiency & Clean Energy, and Natural Resources & Waste Diversion.

Anaerobic digestion with composting is the only program that intersects all three key sectors and should receive greater allocation in the future. On November 7, 2014, CARB will be holding a public workshop on the development of the 2015-2016 budget to allocate cap-and-trade proceeds towards low carbon transportation. This is the kick-off to the Governor's budget due in early January 2015 that will allocate an expected \$3 billion to \$5 billion in cap-and-trade revenue.

On January 1, 2015, the cap-and-trade program will expand to include transportation and natural gas suppliers, placing these fuels under the cap. With legal challenges to both the low carbon fuel standard (LCFS) and the cap-and-trade program being upheld, CARB will be re-adopting the LCFS in early 2015 and reaffirm their cap-and-trade program. The carbon intensity of transportation fuels will need to be 10% less in 2020 from a 2010 baseline, where allowances will need to be purchased starting in 2015 to comply with the LCFS. There will be at least \$3 billion in proceeds coming soon.

The California Legislative Analyst Office (LAO) reviewed the \$850 million 2014-2015 budget and determined that it was important that proceeds be invested in a way that maximizes GHG emissions reduction given the level of

spending, thereby putting downward pressure on the price of allowances. The LAO concluded that the budget lacked a coordinated approach with metrics and oversight in order to evaluate programs and their co-benefits. Plus, the LAO understood that there was no specific guidance on how to compare GHG emissions reductions, as each state department had their own process. The LAO recommended that the Governor may want to increase or decrease funding for specific programs in the future that will maximize GHG emission reductions.

**A Cost-effectiveness Analysis of AB 32 Measures** authored by Stanford University in 2008, prepared the GHG Reduction Supply Curve, comparing various programs in a marginal abatement cost analysis in order to assist CARB in adopting rules and regulations to achieve "*the maximum technologically feasible and cost-effective greenhouse gas emissions reductions*", as stated in AB 32. Over 40 programs with 175 million metric tons of GHG reductions were evaluated finding energy efficiency programs were the best (at negative \$50/ton per GHG reduction) and coal plants were the most expensive (at positive \$150/ton). However, anaerobic digestion to RNG and covered compost were not evaluated since those types of programs had not developed at the time. With projects in place and the recent CalRecycle and CEC grant process providing GHG metrics, Edgar & Associates has determined that anaerobic digestion and covered compost have a marginal abatement cost of negative \$50/ton per GHG reduction (see insert).

Being one of the most cost-effective GHG reduction measures, we believe the allocation percentage of just 3.5% for waste diversion in the 2014-2015 budget, or \$30 million of the \$850 million in proceeds, should increase to 5% and allocate \$150 million for waste diversion in the upcoming \$3 billion 2015-2016 budget.

**CARB Workshop on Low Carbon Transportation Greenhouse Gas Reduction Investments** is on November 7, 2014 at 10 am at Cal-EPA.

Webcast at <http://www.calepa.ca.gov/broadcast/>.  
Presentation to be posted at <http://www.arb.ca.gov/msprog/aqip/aqip.htm>.