



July 1, 2015

The Honorable Mark Leno
 Chair, Senate Budget and Fiscal Review Committee
 Sacramento, CA 95814

The Honorable Shirley Weber
 Chair, Assembly Committee on Budget
 Sacramento, CA 95814

RE: Item 3900 Air Resources Board - Cap-and-Trade Expenditures: CalRecycle Funding

Dear Senator Leno and Assembly Member Weber,

The undersigned organizations would like to express support for the Assembly's proposed budget allocation of \$75 million to CalRecycle from the Greenhouse Gas Reduction Fund. This funding would help to expand the incredibly successful programs

that reduce greenhouse gas emissions through waste reduction, composting and recycled content manufacturing.

These projects are critical for cities across California working to reach their waste diversion and GHG emission goals. From San Diego to Los Angeles to San Francisco, companies and local governments are relying on these funds to build or expand the infrastructure, such as composting and anaerobic digestion facilities, to divert waste and reduce emissions. These projects will help the state meet multiple legislative goals (including the climate policies in AB 32 and Sb 605 and the recycling goals established in AB 341 and AB 1826), as well as create jobs, support strong in-state markets for recyclables, produce clean energy, and restore California Soils.

In FY 2014-15, CalRecycle received \$25 million from the Greenhouse Gas Reduction Fund. This was allocated between two grant programs and a revolving loan fund, which resulted in several very worthy projects being funded. Despite limiting funding to the shovel-ready projects, the Department received applications requesting eight times more money than was available – \$118 million in composting and digestion proposals for only \$20 million in funding, and \$39 million in manufacturing proposals for \$5 million in funding. According to ARB's Report to the Legislature, these were the most oversubscribed programs of any department receiving GGRF funding. Multiple deserving (and shovel ready) projects were not awarded funds simply because of the large number of worthy applications submitted. There is a clear and urgent demand to expand this program.

In addition to being highly over-solicited, CalRecycle's programs also ranked among the most cost effective methods in terms of dollars spent per GHG reduced. Despite conservative estimates of greenhouse gas reductions by the Department, no other program that receives Greenhouse Gas Reduction Funds was able to achieve emissions reductions at comparable costs.

We believe it is clear that expanding funding for these programs is not only a worthwhile investment, but it is also critical to achieving the goals established by the legislature in AB 32, SB 605, and AB 341. We urge your support for the Assembly's proposed allocation of \$75 million to CalRecycle. Thank you for your consideration.

Sincerely,

Josh Pane and Kelly Astor
California Refuse Recycling Council

Mark Murray
Californians Against Waste

Neil S.R. Edgar
California Compost Coalition

Paul Relis
CR&R Incorporated

Jeff Creque
West Marin Compost Coalition

Victoria Rome
Natural Resources Defense Council

John H. Dane

California Resource Recovery
Association

Jason Rhine

League of California Cities

Mary Pitto

Rural Counties Representatives
Of California

Jeanne Merrill

California Climate & Agriculture Network

Mark Figone

East Bay Sanitary Company

Bill Magavern

Coalition for Clean Air

Matt Cotton

California Organics Recycling Council

Jackie Cornejo

Los Angeles Alliance for a New Economy

John Shears

Center for Energy Efficiency and
Renewable Technologies

Charles Helget

Republic Services

V. John White

Clean Power Campaign

Rich Costa

EcoPET and Green Fiber Company

John Wick

Individual

Michael Gross

Zanker Recycling, GreenWaste Recovery
Z-Best Composting and Zero Waste Energy

Dave Runsten

Community Alliance with Family
Farmers

Julia Levin

Bioenergy Association of California

Cara Martinson

California State Association
of Counties

Linda Novick

Harvest Power

Kathy Kellogg Johnson

Kellogg Garden Products

Dan Noble

Association of Compost Producers

Rick Zerkler

CarbonLITE Industries

Cary Oshins

US Composting Council

Steve Lautze

California Association of Recycling
Market Development Zones

Eric Potashner

Recology

Alex Delnik

Verdeco Recycling, inc.

Sean Edgar

CleanFleets.net

Torri Estrada

Carbon Cycle Institute

Gary Wolff

Alameda County Waste Management
Authority, Alameda County Source

Energy Development Company

Louie Pellegrini

Alameda County Industries, Garden
City Sanitation, Livermore Sanitation,
Peninsula Sanitary Service, Mission
Trails Waste Systems

Jennifer Chang

RePET INC.

Finian Makepeace

Kiss The Ground

Reduction and Recycling Board
(StopWaste)

Deborah Raphael

City and County of San Francisco,
Department of the Environment

Michele C. Wong

CleanWorld

Jena Price

California League of Conservation
Voters

Cc: Senator Jim Nielsen
Senator Ricardo Lara
Assembly Member Richard Bloom
Assembly Member Melissa Melendez
Martha Guzman-Aceves, Office of Governor Brown
Cliff Rechtschaffen, Office of Governor Brown