



May 28, 2020

Clerk's Office  
California Air Resources Board  
1001 I Street, Sacramento, California 95814  
Electronic Submittal: <https://www.arb.ca.gov/lispub/comm/bclist.php>

**Subject: Proposed Amendments to the Proposed Advanced Clean Trucks (ACT) Regulation**

Honorable Chair Nichols and Board Members,

The Resource Recovery Coalition of California (Resource Coalition) is comprised of California-based collection and recycling companies operating throughout the State. Committed to California's environmental goals, these businesses have a long history of innovation. Among the first to recycle, compost and produce renewable energy from organics in the State, our members have worked alongside their jurisdictions to surpass mandated diversion goals. They also provide local green jobs, retain essential workers and keep our streets clean.

We now face an unprecedented moment in our history due to the COVID-19 pandemic, which is further challenged by the uncertainty that lies ahead. Resource Coalition members are essential service providers during this state of emergency, continuing to protect the health and safety of our communities by collecting, processing and recycling municipal solid waste. Unfortunately, unlike other essential service providers, our members work with no guarantee of payment. In fact, extended-stay-at-home orders and the slow reopening of businesses has severely financially impacted the waste and recycling industry.

Upon the immediate closure of non-essential businesses in compliance with stay-at-home orders beginning in mid-March 2020, the industry saw a substantial decrease in commercial and construction tonnage and an increase in residential tonnage. Many businesses reduced or canceled their service resulting in a significant drop in revenue. At the same time, as most people remained home, some providers increased service in the residential sector, with no additional compensation. Consequently, our members are projecting an estimated 18% drop in gross revenue as of May 1, 2020.

No industry can sustain severe financial losses indefinitely. Thankfully, in the immediate short-term some members were able to address the revenue shortfall by reducing costs where possible and utilizing Small Business Administration programs, like the Paycheck Protection Program (PPP). However, PPP program restrictions prevented others from accessing this relief. At this time the full financial impact of the COVID-19 emergency is unknown, but we forecast a long road ahead of economic recovery especially as California faces a potential 54.3-billion-dollar deficit.

Simultaneously, we are preparing to meet the ambitious regulatory obligations of SB 1383, which mandates organic waste recycling across California, at both the residential and commercial level. The infrastructure required to manage an additional 25 million tons of organic waste annually by 2025, is 2 to 3 times that which exists today. CalRecycle has estimated that SB 1383 implementation will cost



anywhere from \$566M to \$1B a year between now and 2030 to achieve. Ultimately, cumulative economic, public health, and climate benefits associated with recovering organic waste will exceed the cost of the investments required, but these benefits cannot be achieved without substantial investments in new collection, processing, and recovery infrastructure.

CalRecycle's SB 1383 regulations include jurisdiction procurement obligations for in-state recovered organic waste products, based on population. One of these products is renewable gas for fuel for transportation, electricity or heating applications. In fact, CalRecycle estimates that 15.7% of organic waste diverted from landfills will need to be managed via anaerobic digestion as a compliance response in California to meet our diversion goals.

Given the incredible opportunity and necessity around SB 1383 infrastructure development, and the huge financial loss we face as a state because of COVID-19, we ask the agency to assist us in harmonizing these efforts with the Advanced Clean Truck regulations, and any future fleet regulation you are considering. We must balance the environmental and economic needs and opportunities that exist.

As currently proposed, the ACT regulations focus exclusively on promoting long-term zero-emission technologies, while excluding other commercially available and more affordable low-emission heavy-duty vehicles that provide significant emissions reductions in the near-term. The agency has also stated the intent for future regulations to require the waste and recycling sector to begin purchasing electric refuse vehicles, even though the technology is not fully commercialized and does not yet meet the operational standards required of typical refuse collection trucks. Over many years, the solid waste and recycling industry has made significant progress toward reducing emissions by investing in RNG infrastructure, production, and fleets that run 90% cleaner than diesel. A premature and costly push toward electrification at a time when the industry and ratepayers are already so financially burdened will thwart the progress that is currently being made toward achieving California's climate goals.

Any opportunity to encourage in-state development and use of renewable natural gas (RNG) derived from organics that would otherwise be emitting methane in a landfill, should be taken. For this reason, we support incentives or a credit system for low NOx trucks powered by RNG, as well as amending the term "near zero" to include these technologies. We have signed on to a coalition letter that describes in greater detail these recommendations.

We also support the comments from CalChamber, particularly concerning the request that the comment deadline be extended. Our members' resources are focused on responding to the COVID-19 crisis in their service areas, and they are severely limited in their ability to adequately review the regulations and provide meaningful input at this time.

Ultimately, we hope this moment serves as an opportunity to prioritize and think innovatively about how to achieve our vital short-lived climate pollutant (SLCP) reduction strategy and support new green job infrastructure in California. As unemployment claims in the state top 4.7M and we see the most significant fiscal impact since the Great Recession in 2008, local economic stimulus and green job creation is more important than ever. The waste and recycling industry is a key player in economic recovery and reducing unemployment.



We have a long and difficult recovery road ahead, but opportunities exist as well. Leveraging SB 1383 development will have meaningful impact on green job growth, our environment, and stimulating our local economies. We look forward to working with you during this difficult time, especially as discussions develop concerning refuse fleet opportunities.

Should you have any questions, please do not hesitate to reach out to Resource Coalition staff.

Sincerely,

A handwritten signature in black ink that reads "Veronica Pardo".

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A handwritten signature in black ink that reads "Laura J. Ferrante".

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Cc:

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