ASSOCIATION OF COMPOST PRODUCERS

"We Build Healthy Soil"

February 25, 2011

Mr. Tracy Goss
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Comments on PAR 1133.1 and PR 1133.3

Dear Mr. Goss:

The Association of Compost Producers (ACP) respectfully submits the following comments on the January 25, 2011 drafts of Proposed Amended Rule 1133.1 (PAR 1133.1) and Proposed Rule 1133.3 (PAR 1133.3). Our comments extend the comment letter composed and sent by Matt Cotton, of Integrated Waste Management Consulting. ACP worked closely with the stakeholders listed on the letter and agree with the points listed in the letter and we will not repeat its specific comments, but address and clarify our perspectives and a potential way forward with the District.

ACP represents compost producers throughout the state. Our members, consisting of large and small companies, special districts, municipalities and counties alike, provide a large share of the quality compost products produced in California, and contribute an important and growing share of the beneficially reused organic residuals. As you know, our organization and its members have been following the research and rule 1133.1 and 1133.3 development process closely over the past two years.

We appreciate the District's the proactive engagement of stakeholders throughout the Rule development process and we also appreciate the opportunity to comment on the proposed regulations. We hope to underscore the significant issues stated within the "coalition letter", which are summarized in the Addendum to this letter in outline form.

ACP, as an official State Chapter of the US Composting Council, has a more inclusive perspective than many individual organics management enterprises. We constantly research and communicate the overall benefits of sustainable carbon management, and how *compost production operations play a key role in developing a sustainable economy*. We believe this should be the ultimate vision and standard for *any* environmental regulations relative to renewable carbon management via compost production. This is so, because we don't want to retard or destroy an important industry like compost production right now, at the transition from a non-renewable to a renewable carbon economy. For this reason, we believe that

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we must work very closely with all regulator districts (air, water, solids, fertilizer, energy, transportation, etc.) to ensure that compost is appropriately managed in a fully integrated way to enhance environment, society and the economy.

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This letter, therefore, provides a larger context for positioning these proposed air rules within a broader socio-economic analysis perspective. And since we have yet to see the socio-economic analysis from the District, we can't make specific comments about that. However, we look forward to working closely with the District, in perpetuity, to make sure that the greater good (environment, society *and* economy) are well served by these proposed rules, which as we all know, have these triple-bottom-line impacts for years to come.

ACP is formed to expand the use of quality compost (see our Mission at www.healthysoil.org), and to specifically use it as a mitigation tool for *all environment impacts*, i.e. to use properly produced quality compost products to:

- Enhance overall air quality - including *mitigating all forms of carbon and nitrogen emissions* of VOC, methane, and *renewable* CO2 (vs. non-renewable fossil fuel CO2),
- Enhance water quantity - by using compost to enhance water conservation from its demonstrated profound water holding capacity
- Enhance water quality - by using compost to enhance water infiltration and filtration and water holding capacity to greatly mitigate surface water pollution
- Enhance waste management - by turning a material often put into landfills to be beneficially used to enhance the sustainability of three major industries of agriculture, landscape and natural lands restoration and management.
- Enhance economic value and jobs - by turning a *former* waste material ongoing into a value added product *in all local California communities* in perpetuity.

We include all forms of compostable feedstocks (renewable organic carbon and nutrients) in our support of producing these important sustainable values for local communities (i.e. biosolids, food waste, greenwaste and manure). For this reasons, we believe the "Socio-Economic Analysis" is critically important to determining the impact of the industry (environmental, social and economic, both positive and negative), and want to be sure that we, right now, *set a new precedent* of socio-economic analysis for our industry, that is fundamentally based on the new sustainable economies-of-scope as applied to "renewable carbon management".

Compost is a Whole Systems Mitigation & Economic Enhancement Tool:
So we will expect to see, in the socio-economic analysis, a comprehensive whole systems approach. This starts with the fact that composters, (collectively as an industry, not at each facility) manage all forms of renewable carbon & NPK nutrients to be used for various economic, social and environmental values, including:

- Soil amendment
- Fertilizer
- Bioenergy
- Compost as a mitigation strategy:
  - Carbon credits
  - Water quality enhancement
  - Water conservation
  - Environmental restoration
- Release of chemicals for beneficial reuse applications, not just ozone producing VOCs, but importantly:
  - Nitrogen (both NH3 gas but especially, solubilization and conversion to nitrates $2NH4^- + 5O2 + 2e^- \rightarrow 2NO3^{-2} + 4H2O$)
  - Methane (CH4) for energy (vs. green house gas)

- CO2 management (which the Air Boards will likely also be regulating in coming years, and composters are central players in this)
- Organic solids (esp. cellulose and lignin)
- Water (conservation, purity, and atmospheric interactions with the forest and esp. urban forest)

All of these factors, and more, need to be taken into account in the socio-economic analysis, if it is to bear even a close relationship to local economic realities. It also needs to be situated within the *actual economics* of individual facilities.

As far as basic compost production economics is concerned at the facility level, there is something referred to as the "60/40 rule" in compost production (60% of income from tipping fee, and 40% of income from product sales). This is likely 90/10 to 10/90 at each individual facility and micro-economics … but the average is important for a realistic regional analysis. So economic assessments of soil amendment, fertilizer, energy production and landfill uses of organics should include a whole systems analysis of these costs and benefits, including, but not limited to:

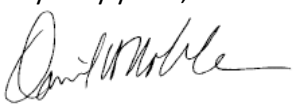
- Competitive tipping fees
- All current, and proposed, rule methods requirements affecting: processing, operational (management), analytical testing, storage and marketing costs
- Competitive prices of products (and product blends) to available local markets of:
  - Agriculture & horticulture (all crops and cultivars)
  - Landscape (bulk wholesale and bagged retail)
  - Environmental enhancement (including, but not limited to, stormwater management, erosion control, burned lands restoration, mine lands restoration, landfill cap restoration, etc.)

This should be a dynamic assessment (not a one time research project), since renewable carbon markets are highly dynamic and rapidly evolving and changing. These rules will have a profound, and we believe negative impact, on the compost industry, unless properly researched and implemented whole systems environmental, social and economic analysis is properly performed and implemented ongoing. ACP will look to see all of these important compost values fully articulated and included in the Districts socio-economic analysis.

ACP principals are prepared, and would like, to work with SCAQMD PAR 1133.1 & 1133.3 team to make sure this data is in and that it makes good enviro-socio-economic sense from the compost producer perspective, within the larger, emerging renewable carbon economy.

We look forward to discussing these comments with you at your convenience.

Very truly yours,



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CA Association of Compost Producers
STATE CHAPTER OF THE U.S. COMPOSTING COUNCIL

ADDENDUM:

Coalition Letter Points We Support (Outline):

General Points

- Focus on material, no just processing method (i.e. compost vs. all chip & ground material during its lifecycle
- VOC emissions from green waste peak immediately after grinding, trailing off over time (no matter the process or use).
- Inaccurate baseline inventory of green material
- Need to Survey Green Material Processing Industry
- Composting is a Treatment Process

Specific Points - PAR 1133.1

- Definition of "Static Pile" has no meaning relative to "Active compost" (in Title 14) which is defined by temperature in the pile, *not processing method.*
- Holding time requirements based on "source" rather than actual material moisture and nitrogen (which are the real contributors to VOC production). *Consider writing rule based on green material type (including a few important averages, i.e. C:N, moisture, temperature, trash content).*
- Harmonize food waste requirements with Title 14
- Better define "Used on site" term, *consider composting as a VOC reduction technology for non-composted material.*
- Change 14 day holding requirement, to be consistent with VOC evolution and composting regulations. *Holding times for composters should be listed in 1133.3 for ease of understanding.*
- Stockpiling green material is effectively allowing (static pile) composting at a non-permitted facility.
- Eliminate Wet Weather Exclusions

Specific Points - PAR 1133.3

- Cost of compost cap is significantly underestimated (by a factor of at least 3)
- "Passive pile" exclusion has no basis in research
- Make "holding time" requirements consistent between 1133.1 and 1133.3
- Strike oxygen requirement , since there is no research basis for it
- Allow squeeze test" for moisture (again, see above)… possibly include a color test for C:N and also temperature tests for composting activity
- Reconsider Quantity Cut offs for sizes of operations
- Consider other mitigation processes, instead of cap due excessive cost/benefit
- Collect new data aerated static pile requirements for different material types
- Provide new source test method for compost operations