

***SUBMITTED VIA
ELECTRONIC MAIL***

September 8, 2009

Climate Action Reserve
523 W. Sixth Street, Suite 428
Los Angeles, CA 90014

RE: Public Draft – Organic Waste Digestion Project Protocol

The East Bay Municipal Utility District (EBMUD) has been actively participating on the Climate Action Reserve's (Reserve) workgroup to develop the Organic Waste Digestion Project Protocol. We appreciate the continued opportunity to provide the following comments on the Public Draft, Version 1.0.

- Section 2.2.1 / Page 4 / Paragraph 1 – Agreement for reduction ownership
In order to ensure that there are no duplicate reduction claims made by the waste supplying entities, the draft proposes that the project developer enter into a legally binding agreement with each waste supplying entity that: grants GHG rights to the project developer, commits the supplying entity to an annual waste source survey, and commits the supplying entity to verifier access to their facilities. While EBMUD understands and supports the concept that reductions cannot be claimed by both the project developer and the waste supplier, based on our experience, often times waste are brought into a centralized digester by a hauler who has contracted with the a customer that is the waste producing/supplying entity. In this scenario, the project developer has no contact or relationship with the actual waste producer/supplier. A hauler may be sensitive to the request of the project developer to develop an agreement directly with their customer. EBMUD asks that the Reserve consider this scenario in its requirements to avoid duplicate claims.
- Section 3.4.2 / Page 8 / Paragraph 3 – Regulatory Test
To maintain eligibility under this protocol the Reserve proposes that an OWD project must **consistently** digest at least one eligible waste stream. However, on page 7 (1st paragraph), a project passes the Performance Standard Test if at least one eligible organic waste stream is **consistently, periodically, or seasonally** digested in the project's BCS. These two requirements seem inconsistent. EBMUD requests that the Reserve clarify paragraph 3 on page 8 to read "To maintain eligibility under this protocol, an OWD project must consistently, periodically, or seasonally digest at least one eligible waste stream."
- Section 3.4.2.1 / Page 9 / Local and Municipal Regulations and Ordinances
In response to the proposals for addressing local and municipal regulations and ordinance developed by the Reserve, EBMUD prefers option #5 – Local mandates do not impact the regulatory test for eligibility. EBMUD believes that exempting local mandates from

the regulatory additionality test will provide the best support for the development of these types of projects. Given that such a small percentage of food waste is actually diverted from landfill, restricting eligibility based on local mandates seems would not provide the incentive needed to increase landfill diversion. Option #4 would be our next preference with some modification to the language. The criteria that the operational start date must be prior to or no more than 12 months following the passage of the mandate is too restrictive. In our experience the development and piloting of food waste digestion at our wastewater plant has taken over 4 years.

Thank you again for the opportunity to comment on the draft protocol. We look forward to working with you in the future and hope to apply the final protocol to EBMUD projects.

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EBMUD

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