



Honorable Ben Allen
 Senate Committee on Environmental Quality
 1021 O Street, Suite 3230
 Sacramento, CA 95814

April 12, 2023

Subject: **Dairy Industry Opposition to SB 709**

Dear Senator Allen:

We are writing to inform you of our collective opposition to your Senate Bill 709 relating to dairy methane reduction. This measure will eliminate the dairy sector's ability to continue reducing methane emissions as well as undermine the state's short-lived climate pollutant reduction strategy.

As you are aware, reducing methane emissions is a key short-term climate policy priority for California and other jurisdictions. Unfortunately, your SB 709 will:

1. Eliminate the state's most effective climate program.
2. Undermine the state's short-lived climate pollutant (SLCP) strategy.
3. Interfere with the state's ability to achieve recently adopted 2030 and 2045 climate goals.
4. Strand more than \$2 billion in dairy digester methane reduction project assets, including more than \$700 million in state climate, utility ratepayer, and taxpayer funding.
5. Eliminate more than 2.2 million metric tons of GHG (CO₂e) reductions annually.

California's dairy sector accounts for roughly 45 percent of all anthropogenic methane emissions in California. SB 1383 (2016) sought to reduce all SLCP emissions, including dairy manure methane emissions, by 40 percent by 2030. SB 1383 also created important incentive-based programs to achieve these reductions while avoiding methane leakage to other states.

SB 709 would now undermine the entire SB 1383 strategy to achieve the desired reductions. SB 709 will dramatically reduce important low-carbon fuel standard (LCFS) incentives that enable methane capture and beneficial use projects. Projects such as dairy digesters will not be able to be financed and implemented under SB 709. The development of dairy digesters is widely

recognized by the California Air Resources Board¹ and the Legislative Analyst Office² as the most productive and cost-effective climate investment currently being implemented. Without these critical incentives, new projects will not be developed, and existing projects will not remain economical and will cease operating. As a result, not only will additional progress be hindered, but more than 2.2 million tons of GHG (methane) will be added to the atmosphere each year.

California's dairy farm families have embraced the state's methane reduction efforts and have developed more than 120 dairy digester projects since 2016. As such, the dairy sector is well on its way to achieving the 40 percent reduction in manure methane by 2030 as sought by SB 1383. These efforts are well chronicled in a recent UC Davis report, [Meeting the Call: How California is Pioneering a Pathway to Significant Dairy Sector Methane Reduction](#), which concludes that California is on pace to achieve the desired dairy methane emissions reductions. The California Air Resources Board further confirms the sector's progress in the *2022 Scoping Plan for Achieving Carbon Neutrality* and calls for additional investment in methane reduction strategies, including digesters³. Instead, SB 709 would effectively render existing projects inoperable and reversing the dairy sector's progress to date.

Senate Bill 709 is a major step in the wrong direction, undermining the state's climate strategies, programs, and policies. For these reasons we must oppose SB 709.

Sincerely,

Michael Boccadoro, Agricultural Energy Consumers Association
Tricia Geringer, Agricultural Council of California
Chris Reardon, California Farm Bureau Federation
Kevin Abernathy, Milk Producers Council
Darrin Monteiro, California Dairies, Inc.
Roger Isom, California Cotton Ginners and Growers Association
Roger Isom, Western Agricultural Processors Association
Pete Kappelman, Land O'Lakes
Daryl Maas, Maas Energy Works, Inc.
Esta Willman, Calgren Dairy Fuels, LLC.
Neil Black, California Bioenergy LLC
Lynne McBride, California Dairy Campaign
William Schiek, Dairy Institute of California
Melvin Medeiros, Dairy Farmers of America

CC:

Senate Committee on Environmental Quality
Eric Walters
Scott Seekatz

¹ California Air Resources Board, *California Climate Investments 2022 Mid-Year Data Update*, https://ww2.arb.ca.gov/sites/default/files/auction-proceeds/ci_2022_mydu_cumulativeoutcomes.pdf (page 4).

² Legislative Analyst Office, *Cap-and-Trade Spending Overview*, March 30, 2023.

<https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/230238LAO%20Cap%20and%20Trade.pdf>

³ California Air Resources Board. *2022 Scoping Plan for Achieving Carbon Neutrality*, <https://ww2.arb.ca.gov/sites/default/files/2022-12/2022-sp.pdf> (pages 231-2).