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DOUG VERBOON – DISTRICT 3 NORTH HANFORD, ISLAND DISTRICT &NORTH LEMOORE

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COUNTY OF KINGS BOARD OF SUPERVISORS

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September 14, 2023

The Honorable Gavin Newsom Governor, State of California 1021 O Street, Suite 9000 Sacramento, CA 95814

Liane Randolph Chair, California Air Resources Board 1001 I Street Sacramento, CA 95814

Re: Dairy Methane Reduction

Dear Governor Newsom and Chair Randolph,

On behalf of the County of Kings, we urge you to continue the highly successful dairy methane reduction incentive programs consistent with SB 1383 and the California Air Resources Board's recently adopted 2022 Scoping Plan Update. The Low Carbon Fuel Standard (LCFS) remains a key driver of dairy methane mitigation efforts. As such, the LCFS remains critical to achieving the state's short-live climate pollutant (SLCP) and overall greenhouse gas (GHG) reduction goals, as well as the state's overall climate policies.

Recent and ongoing efforts to exclude dairy projects from the LCFS or limit avoided methane crediting are short-sighted and potentially detrimental to the dairy sector, a significant sector of Kings County's economy. Moreover, direct regulation of California's dairy farms will result in the state's and Kings County's failure to achieve important methane reduction goals. These actions are likely to force dairy farm families out of the state, jeopardizing a more than \$700 million industry in Kings County, where unemployment is already above 7%.

The LCFS program has driven most of the significant methane reductions achieved so far and remains critical to achieving the full 40% reduction sought. Currently there are 120 operating dairy digesters in California, with 18 operating in Kings County, providing a total of approximately 2 million metric tons of CO2e reductions in dairy methane statewide each year. Kings County's digester projects are estimated to reduce methane emissions by 361,228 Metric tons of carbon dioxide equivalent (MTCO2e) annually and 3,612,257 MTCO2e over the next 10 years .

Revising the LCFS program to eliminate or limit avoided methane crediting, or directly regulate the dairy sector, will not only jeopardize existing digester projects but will preclude additional digester projects from

¹ California Department of Food and Agriculture Dairy Digester Research and Development Program Project-Level Data: <u>https://www.cdfa.ca.gov/oefi/DDRDP/docs/DDRDP Project Level Data.pdf</u>

being financed and built. Put simply, without viable LCFS crediting, investors will not continue to operate or finance these critical projects needed to achieve the state's and Kings County's goals.

Kings County's dairy farm families have been partnering with the California Department of Food and Agriculture (CDFA) and California Air Resources Board (CARB) to install methane reduction projects on their dairies. In total, CDFA has invested more than \$32 million for digester projects in Kings County alone. Pulling the rug out from under these projects by restricting revenue streams counted on to finance and operate them is inconsistent with SB 1383 and will greatly harm the state's and county's overall climate efforts while eliminating jobs in the San Joaquin Valley. It should also be noted that these projects also provide important cobenefits by significantly improving local air quality and odor nuisance abatement.

In conclusion, we urge you to remain committed to a well-established and successful mechanism to reduce methane emissions while partnering with the state's and Kings County's dairy farm families. Kings County and our dairy sector remains committed to achieving the state's 40% reduction goal, and we look forward to working with you to that end. Abandoning emissions reductions already achieved, stranding billions of dollars in investments, and adopting policies that will preclude additional dairy methane capture and beneficial-use projects will lead to massive emissions leakage. California has established itself as a national and global leader in climate policy, and other jurisdictions are following your leadership.

As locally elected officials we are fully supportive of these efforts and the tremendous environmental benefits they provide to and our local residents.

Sincerely,

Richard Valle, Chairman Kings County Board of Supervisors

cc:

California Air Resources Board Steve Cliff Rajinder Sahota Matthew Botill

GO-Biz

Dee Dee Myers Tyson Eckerle Rohimah Moly

Cal EPA

Secretary Yana Garcia Catalina Hayes-Bautista Shereen D'Souza Office of the Governor Dana Williamson Lauren Sanchez Grant Mack Christine Aurre California Department of Food and Agriculture Secretary Karen Ross Christine Birdsong Virginia Jameson Rachael O'Brien California Resources Agency Secretary Wade Crowfoot Saul Gomez Amanda Hansen