

Sheng Su

PUBLIC COMMENT ON 15-DAY NOTICE

Proposed Amendments to the Cap-and-Invest Regulation and Mandatory Reporting Regulation (MRR)

Integration of Distributed Resource Recovery Infrastructure into the 2026 Regulatory Framework

To: Clerk of the Board, California Air Resources Board (CARB)

Submitted by: Sheng Su, CEO, Sustain You

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Organization: Sustain You | Solano County, California

I. Introduction & Organizational Standing

Sustain You strongly supports CARB's 15-Day Proposed Amendments, particularly the efforts to align the Cap-and-Invest Regulation with SB 32 and SB 1383 goals. As a provider of circular economy infrastructure, we emphasize that achieving California's 2030 and 2045 climate targets requires a fundamental transition—from treating organic waste as a disposal liability to managing it as a stabilized, recoverable resource.

California's climate leadership is built on this shift in perspective: organic waste is a recoverable resource capable of generating economic value and supporting community-level services. This approach aligns environmental protection with economic development while reducing emissions and strengthening local resilience. Critically, because CARB regulates emissions—not materials—our focus on managing biological decomposition processes at the source directly supports this regulatory intent.

II. Core Implementation Gap & Technical Principle

A. The “Prevention vs. Mitigation” Framework

The current 15-day modifications focus heavily on accounting for emissions post-generation. While the existing regulatory system effectively measures emissions after they occur, CARB may consider developing complementary mechanisms to intervene in the emission generation process itself. Bridging this gap could meaningfully close the persistent disconnect between policy intent and on-the-ground emissions reduction.

Key implementation challenges include:

- The time lag between emissions generation and regulatory reporting
- Limited visibility of transportation-related emissions in centralized systems
- The continued classification of organic waste as a liability rather than a recoverable resource

B. Technical Principle: Controlling Decomposition at the Source

Emissions result from uncontrolled biological decomposition processes. By managing decomposition at the point of generation, we can systematically prevent the uncontrolled anaerobic conditions that produce methane (CH₄). Applying controlled, closed-loop systems at the point of waste generation allows these processes to be stabilized, managed, and

significantly reduced before methane and other greenhouse gases are formed. Furthermore, on-site processing eliminates the carbon-intensive transportation and handling burden associated with centralized disposal routes.

III. Specific Policy Recommendations & Technical Alignment

1. Recognition of Distributed Execution Layers (Cap-and-Invest Alignment)

Distributed, on-site processing (DOP) systems can serve as a complementary execution layer within the current regulatory framework. CARB may explore how the modified Regulation could facilitate recognition of DOP as a valid compliance-support pathway.

Implementation Pathway for Consideration: Within the scope of “Market-Based Compliance Mechanisms,” consider recognizing entities that reduce their carbon footprint through on-site organic stabilization as contributing to the overall reduction of the statewide cap.

Technical Benefit: Such systems can prevent significant methane formation at the source and provide predictable, verifiable, and auditable outcomes.

2. Data-Driven Compliance under MRR (Real-Time Data Integration)

The 15-day amendments discuss increased precision in emissions reporting. Distributed systems offer a unique advantage through digital transparency and real-time operational visibility.

Recommendation: Consider allowing a “Tier 3” or “Alternative Method” reporting pathway under MRR for facilities using IoT-monitored, closed-loop systems. Verifiable operational data (e.g., temperature, oxygen levels, mass balance) could support emissions accounting by:

- Improving the accuracy of emissions estimation through real-time, continuous data
- Providing verifiable evidence of minimized methane generation at the source
- Enabling precise alignment between on-site reduction activities and compliance reporting obligations

3. Pilot Programs and Decentralized Infrastructure Investment

In light of the Senate Environmental Quality Committee’s interest in cost-effective climate solutions, CARB could explore supporting pilot-scale implementation to evaluate the emissions and data integration outcomes of distributed systems.

Funding Prioritization: Consider directing Cap-and-Invest funding toward decentralized infrastructure to reduce reliance on aging centralized systems and avoid stranded asset risks. This approach supports rapid, modular deployment across urban, industrial, and resource-constrained environments.

IV. Addressing California’s Triple Bottom Line

Methane Reduction (SB 1383 Alignment)

Our approach provides a scalable, near-term pathway to meet the 75% organic waste diversion goal without requiring the lengthy permitting timelines associated with new centralized facilities.

Transportation Emissions Reduction (Mobile Source Strategy)

Distributed processing meaningfully reduces Class 8 truck Vehicle Miles Traveled (VMT) by eliminating the need to haul heavy organic waste to remote centralized facilities, in direct support of CARB’s Mobile Source Strategy.

Workforce Development & Green Innovation

Developing a skilled local workforce to operate and maintain distributed systems strengthens implementation capacity in communities such as Solano County, while contributing to the creation of “Green-Collar” jobs aligned with California’s economic equity goals.

V. Conclusion: Toward a Structural Circular Economy Transition

The transition to a circular economy is a structural economic evolution—not a compliance exercise. By integrating distributed resource recovery pathways into both the MRR and Cap-and-Invest regulations, CARB can bridge the critical gap between “reporting a problem” and “executing a solution.”

We urge CARB to include language in the Final Statement of Reasons (FSOR) that encourages the pilot-scale integration of verifiable, source-level data from closed-loop systems into the state’s greenhouse gas inventory. This would represent a meaningful step toward outcome-based, infrastructure-supported climate governance.

Respectfully Submitted,

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