

SB 1383 Signals to 2022 and Compost First!

SB 1383 is methane-centric leapfrogging over the AB 939 recycling mandates while parlaying the use of the infrastructure, but without the same shared responsibility tenets. AB 939 inspired billions of dollars of investment to meet the 50% waste diversion mandates in partnership with local government to develop the collection and processing operations. These recycling facilities are being transformed by adding organic processing capacity to process the AB 1826 commercially collected organics and will need to be expanded again to meet the SB 1383 mandates to 2025. CalRecycle will be adopting SB 1383 regulations in early 2019 to send a signal to the stakeholders that the regulations will be effective in 2022 with permissive enforcement following that we hope will be in the same vein of AB 939.

Methane emissions, resulting from the decomposition of organic waste in landfills, are a significant source of greenhouse gas (GHG) emissions contributing to global climate change and are a key part of SB 32 to reduce GHGs by 40% from the 1990 baseline by 2030. Organic materials—including waste that can be readily prevented, recycled, or composted—account for a significant portion of California's overall waste stream. Food waste alone accounts for approximately 17-18 percent of total landfill disposal. Increasing food waste prevention, encouraging edible food rescue, and expanding the composting and in-vessel digestion of organic waste throughout the state will help reduce methane emissions from organic waste disposed in California's landfills. In addition, compost has numerous benefits, including water conservation, improved soil health, and carbon sequestration. Anaerobic digestion produces biogas that can be used to create electricity or renewable transportation fuels. Food rescue has the added benefit of assisting Californians who are unable to secure adequate, healthy food by diverting edible food to food banks and pantries.

SB 1383 implements portions of SB 32, requiring CARB to approve and begin implementing the comprehensive strategy to reduce emissions of short-lived climate pollutants to achieve a reduction in methane by 40% below

2013 levels by 2030. With the methane emission reduction goals, the following mandates to reduce the landfill disposal of organics were adopted; 1) A 50% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020; 2) A 75% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2025, and 3) establishes an additional target that not less than 20 percent of currently disposed edible food is recovered for human consumption by 2025.

SB 1383 transcends traditional recycling, where we are now making over 16 million tons of AB 939 commodity bales each year that are shipped overseas, but with organics you need to develop manufacturing capacity and markets at home. SB 1383 is a much bigger lift than AB 939 because you have to develop a close-looped system within your region without the explicit shared responsibility enforcement tools of \$10,000 per day violation that AB 939 threatened. The SB 1383 investment would be another couple of billions at a time local government are facing higher priority issues. Designating compost and anaerobic digestion facilities as essential public utility services would assist in siting and funding SB 1383 infrastructure. Having government agencies procure compost as part of their own Climate Action Plan would sequester carbon in their backyard and create local market demand.

We could lose our 2020 vision waiting for 2022 when SB 1383 regulations become effective. We have lost sight of the statewide goal of achieving the 75% recycling rate by 2020 and the SB 1383 50% mandate of reducing of all organics by 2020. Adopting AB 1826 regulations, following the AB 341 regulatory framework, in tandem with SB 1383 by 2019 will send a signal that the next threshold of 4 cubic yards of MSW per week starting January 1, 2019, is real.

The concept of 'MRF First!' has been bantered for decades with AB 939, and now with SB 1383, CalRecycle has coined the concept of 'Compost First!' which will be needed to prepare compost and anaerobic digestion feedstocks for 100 facilities by 2020 and another 100 by 2025.

Held in Committee

The CCC Policy Agenda is being ‘Held in Committee’ this year awaiting 2018. After three strong years of legislation bringing on SB 32 (40% less GHG by 2020), SB 1383 (75% reduction in organics by 2025), AB 876 (15-years of organic processing capacity), AB 1826 (mandatory organics collection), AB 1594 (no green waste ADC credit in 2020), and AB 1045 (Cal-EPA permit coordination), now is the time for implementation of the laws to develop the required compost facilities mandated by law up against regulatory fatigue and rate increase pressures. We had hoped that AB 1036, calling for compost facilities to be designated as an essential public services and AB 1288 and asking for landfill tip fee reform, would have helped in the compost project development, but are held in Committee. The only major policy item left is the Cap-and-Trade reauthorization to 2030, where that bill may be held hostage for a while as the delicate balance among stakeholders implodes from many sides with each deal change.

Cap-and-Trade Dealings

Governor Brown and legislative leaders have jointly floated revised legislation to establish a post-2020 greenhouse gas cap-and-trade program that would allow the CARB to set a carbon allowance price ceiling, further restrict offset credits, and evaluate a “border fee” for certain industrial products, while adopting an oil industry proposal that would prohibit air districts from adopting any GHG regulations on refineries. Last week’s proposal also expands on Brown’s draft proposal to create a new program to identify and monitor conventional air pollutants, in an effort to address Democrats’ concerns about potential negative impacts to disadvantaged communities from the GHG trading system.

Environmentalists and equity advocates were concerned that the proposal issued jointly by Brown, Senate President pro tempore Kevin de Leon and Assembly Speaker Anthony Rendon—a group some refer to as the “Big Three”—was being further tweaked to remove some protections for disadvantaged communities or to provide more regulatory relief for industry sectors. Environmentalists have charged that the Western States Petroleum Association (WSPA) is driving too much of the proposal by the Brown administration—primarily the prohibition on air district GHG rules targeting refineries—and that it appears the Democratic leaders may now have agreed to the controversial measures in principle. “Yes, I think it’s fair to say that the Big Three have ceded a lot of ground to WSPA, and that [environmental] groups and many legislators are unhappy with that, so the package is in jeopardy,” says one environmentalist.

Brown and legislative leaders hope to reach a compromise on post-2020 GHG trading program legislation that can garner a two-thirds vote before lawmakers break July 21 for summer recess, and ahead of a July 27-28 CARB meeting where the Board may adopt its GHG regulatory Scoping Plan to achieve the State’s 2030 emissions target of 40 percent below 1990 levels. A deal by then would also bolster confidence in the program ahead of CARB’s next quarterly joint GHG allowance auction with Quebec scheduled for Aug. 15, Brown administration officials say.

The July 3 version of the legislative proposal was circulated to representatives of industry groups, environmentalists and labor organizations for their review, according to sources. Much of the proposal appears very similar to legislation floated by Brown the previous week with some provisions being more stringent and others being expanded on. (Modified from Inside Cal-EPA July 7, 2017 edition)

On July 10, the air quality issues that were linked to Cap-and-Trade reauthorization had been moved to a separate bill, AB 617 (Garcia), with AB 398 (Garcia) moving forward and could become law before the start of the summer recess on July 21, 2017. After a quick review of AB 398, it looks like it includes all of the suggested criteria for the use of Cap-and-Trade revenues and an additional bullet on low and zero carbon transportation. This bill would also require the Legislative Analyst’s Office to annually report to the Legislature on the economic impacts and benefits of specified greenhouse gas emissions targets.

[SB 780 \(Wiener\)](#)

TOPIC: This bill would authorize the Department of Resources Recycling and Recovery to promote the application of compost in urban areas of the state to assist with projects that follow the watershed approach to landscaping and, in coordination with the Department of Water Resources, to develop and implement pilot projects that support the understanding and deployment of compost to meet specified goals. The bill would also require the State Energy Resources Conservation and Development Commission, in coordination with the State Air Resources Board, to develop a greenhouse gas emissions reduction factor for new climate appropriate landscapes, as provided.

STATUS: **Held In Committee**

[AB 1036 \(McCarty\)](#)

TOPIC: This bill would specify facilities that are “essential public services” for purposes of the statutes that govern air pollution control districts and air quality management districts and the regulations adopted pursuant to those statutes before or after the enactment of this bill, including composting facilities; and for the purposes of permits and long-term emissions reductions relating to a composting facility, to include in calculations for baseline emissions of criteria air pollutants and greenhouse gases the reduction in emissions resulting from not sending those organic materials to a landfill.

STATUS: **Held In Committee**

[AB 1288 \(Eggman\)](#)

TOPIC: This current spot bill would increase the solid waste tipping fee from \$1.40 per ton to an as-yet-to-be-determined amount to help develop organic materials processing facilities and other market incentive programs that promote the highest and best use of recovered materials. The bill may also establish a generator charge to augment the existing disposal fee which funds CalRecycle administrative costs.

STATUS: **Held In Committee**

[AB 1342 \(Flora\)](#)

TOPIC: This bill would make moneys from the Greenhouse Gas Reduction Fund, upon appropriation, available to the Department of Resources Recycling And Recovery for instate organic waste and recycling projects that reduce GHGs.

STATUS: **Held In Committee**

2018 Waste Characterization

The purpose of this study is to conduct a comprehensive statewide waste characterization study to gather accurate, representative data on the disposed waste stream following the 1999, 2003, 2005, 2008, and 2014 studies, but with an improved methodology, because California's waste management system has changed significantly over the past few years. The first part of this contract will be to modify CalRecycle's past methods and to develop new methods that will best adjust to and account for these type of changes.

The Scope of Work should be intended to provide a more detailed explanation of the purpose and potential uses for the information obtained through the 2018 Waste Characterization Study. This should link the new policies in play today, such as the AB 1826 progress update due in 2020, SB 1383 organic waste reduction targets, emerging EPR initiatives, and the Amazon-effect regarding packaging.

Remember that AB 1826 requires that on or after January 1, 2020, if CalRecycle determines that statewide disposal of organic waste has not been reduced to 50% of the level of disposal during 2014, a business that generates two cubic yards or more per week of commercial solid waste must subscribe to a collection service. This waste characterization should assist in this endeavor and should address whether the 2017 AB 1826 threshold was achieved or not.

Edgar & Associates, Inc. has provided comments on the large market shifts where there was a steep increase in the amount attributed to the residential sector; from 30% in 2008 to 47% in 2014, without adequate explanation or the filing of the addenda to the study to discuss a resolution as that has had a huge impact on residential food waste needing to be diverted for SB 1383. We also commented on; 1) distinction between inedible food and edible food waste, 2) expanded polystyrene as a standalone material type, 3) wood waste as organics (instead of inerts and other), and 4) the need to expand HHW types to include sharps and pharmaceuticals that are still being disposed of in landfills.

SB 1383 CALRECYCLE REGULATIONS

CalRecycle held its third set of workshops on June 21, 2017 in Sacramento and on June 26, 2017 in Lakewood, to discuss the SB 1383 implementation process. Regulations will be adopted in late 2018 or early 2019, to send a signal to the market that they will become effective in 2022. Topics include regulatory concepts relating to local organic waste collection systems, solid waste facilities, and edible food recovery. Information about the workshops can also be found at the Short-Lived Climate Pollutants webpage below. Comments are due on July 21, 2017. CCC is preparing comments now with a draft overview provided on page 4.

SB 1383 – CEC RNG POLICY

The California Energy Commission (CEC), the California Public Utilities Commission, and the California Air Resources Board jointly conducted a workshop with CDFA and the Governor's Office to discuss recommendations on renewable gas (RNG) as required under SB 1383, which requires several actions regarding the development and use of renewable gas as an electricity source and transportation fuel to reduce short-lived climate pollutants. The workshop was part of the 2017 Integrated Energy Policy Report proceedings, and comments were due on July 9. CCC testified in support of near-zero fleet incentives to create demand for RNG and CCC supported the concepts on community-scale zero systems, and supported the UC Davis Study that recognized the need for landfill tip fee price intervention.

2017 SCOPING PLAN UPDATE

The California Air Resources Board kicked off development of the 2030 Target Scoping Plan in October 2015 in coordination with other State agencies and has since been soliciting feedback and comments from a team of economic advisors, local air districts, community members, affected stakeholders, and the AB 32 Environmental Justice Advisory Committee at public meetings throughout the State. The proposed 2017 Climate Change Scoping Plan Update was released on January 20, 2017, Inauguration Day, sending a message to the President that California will double down on setting the greenhouse gas reduction target to 2030. CCC provided extensive testimony with CEQA comments, which were due on April 10, 2017. CARB planned to consider adoption and certification of the CEQA document in April 2017 and then June 2017, but is being held up until the Cap-and-Trade reauthorization deal to 2030 happens. If settled by the beginning of the Legislative summer recess on July 21, CARB could consider adoption at their July 27-28 Board meeting, but if not, it may have to wait until the fall. If so, CCC will double down on our previously submitted comments. The Proposed Plan is available here:

https://www.arb.ca.gov/cc/scopingplan/2030sp_pp_final.pdf

AB 901 REGULATIONS

CalRecycle plans to soon begin the formal rulemaking process for the development of new regulations on reporting requirements for recycling, composting, and disposal facilities, subsequent to the passage of AB 901 (Gordon). Following multiple meetings on reporting thresholds, organic materials, penalties and enforcement, multiple operations, jurisdictional requests and confidentiality, jurisdiction of origin and source sector, and material types and products, The formal rulemaking process, which will include a public 45 day comment period anticipated to begin soon and will be concluded by the end of 2017.

While we continue to assure proprietary information will be protected, a major point of contention remains regarding the reporting of source sector information, which we believe unnecessarily complicates an already onerous process and will prove difficult to implement for many operators. The AB 901 reporting regulations become effective starting 2019, and not 2018 as previously reported by CalRecycle.

SB 1383 Meeting Makes Compost First!

The California Compost Coalition is a registered Lobbying Coalition with the Fair Political Practices Commission (FPPC), created in 2002 by a group of compost operators in response to demands for increased recycling of organic materials & production of clean compost, bioenergy, renewable natural gas, and biochar.

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California Wood Recycling
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CCC Members met with CalRecycle on June 30, 2017 to discuss SB 1383. Hank Brady, SB 1383 Czar, and key staff consisting of Howard Levenson, Mark DeBie, and Cara Morgan, sat down with the compost industry representatives to discuss key industry points regarding SB 1383 regulations, and the importance of AB 1045 permit coordination for air and water, shared responsibility, and incentives. Mark DeBie coined the term 'Compost First!' when dealing with co-located green waste processing facilities to ensure a quality product is made and risks are not spread around with land application or loss of diversion credit with ADC use.

CalRecycle held the first in a series of workshops in February to provide an overview of the law, topics for which regulations are needed, and preliminary questions for consideration and comment, and to collect public comment. In its second in a series of workshops in May, CalRecycle provided an opportunity for informal stakeholder feedback on the development of regulations related to the implementation of SB 1383. Topics included definitions and methane emission calculations, and there were two panels with speakers experienced with local organics recycling programs and edible food recovery programs.

CalRecycle held the third in a series of stakeholder workshops on June 21 and 26, 2017 to discuss the SB 1383 implementation process. Topics included regulatory concepts related to local organic waste collection systems, solid waste facilities, and edible food recovery. Comments are due on July 21, 2017. In its fourth in a series of stakeholder workshops scheduled for August 16 and 31 to discuss the SB 1383 implementation process, CalRecycle will introduce regulatory concepts related to reporting and enforcement. Regulations should be adopted in early 2019 with a 2022 effective date.

Key issues that were discussed, will be part of the CCC comments on July 21 and may include mandatory organics recycling, where there could be no threshold limit on amount of organics generated, recommending separate collection routes for organics. Solid waste facility concepts include: keeping source-separated organics separate from mixed waste; residual monitoring; and load checking mandates. Reducing contamination in incoming materials would not be needed in regulations since reducing contamination in outgoing materials to meet 0.5% physical contaminant limit, pushing market standards, starts in 2018. Contamination control needs to include testing protocols, a field testing methodology and a sampling protocol (with quantity needed for statistical validity). There need not be regulatory contamination limits for pre-processing facilities since the technology is available to remove contamination during post-processing. Material going to compost facilities with outbound contamination limits would be subject to market specifications, with dirtier material paying much higher tipping fees or being rejected and subject to further processing. Slurry to wet AD facilities would need to be polished.

Direct Land Application quantification and enforcement would include the LEA's, Ag Commissioners, CDFR inspectors, and the Regional Water Boards. Chip and Grind Operations regulations should require AB 901 Reporting for land application sites, who are not customers, deserving no proprietary protections.

Developing sustainable markets to include municipal mandates and state mandates could be part of the local Climate Action Plans to encourage procurement of compost and mulch, and will be a topic at the August workshops. Jurisdiction compliance could include reviewing mandatory organics processing contracts to verify needed capacity. We are floating concepts getting ready for August 16.