SB 1383 is entering the formal regulatory process and is coupled with a dedicated new Administration that will not back down on SB 1383, but instead will double down on banning diesel pollution; now is the time to get Ready, Re-set, and Go!!! We are not partying like it’s 1989 with AB 939, which set up the infrastructure we have today. Instead, we have fallen on the China Sword while seeking rate increases on both recycling and organics at the same time from local governments that have been distressed dealing with an array of other priority issues. Significantly adding to the green bin while the blue bin is suffering is posing huge challenges as the new reality of recycling is being re-set after 30 years.

As the industry is scrambling with recycling markets and contemplating more organic waste diversion, the new Administration will leap-frog over any need to reform SB 1383 as Governor Newsom banned food waste from landfills 10 years ago as Mayor of San Francisco with his Program Director, now the new Cal-EPA Secretary, knowing that it can be done. Without a hint of backsliding on AB 32 or SB 1383, Newsom proposes to ban diesel pollution statewide by 2030. Mayor Garcetti of Los Angeles plans to ban diesel by 2028, in time for the Summer Olympics. While local government and the industry are struggling with how to permit the SB 1383 facilities, we should also be strategizing about our fleets, where 75% of the costs and 90% of the carbon emissions are embedded.

SB 1383 offers a closed loop system fuels, where internal off-take agreements can be realized by using your own carbon negative RNG fuel, in your CNG fleet, produced from your organic wastes, while cutting NOx to near-zero with the new CNG engines. One ton of organic waste can produce 19 diesel gallon equivalents (dge). The average collection truck uses 13,000 dge per year. With 8 million tons of food waste and green waste targeted for diversion by 2025 and with one-third allocated to AD and two-thirds allocated to composting, over 50 million dges can be produced per year to fuel 4,000 CNG trucks. As diesel is being phased out, the new Administration will need to carve in RNG use on the organic highway and not bypass the CNG fleet on the way to electrification.

Procurement of Recovered Organic Waste Products in SB 1383 recognizes the importance in developing RNG demand and compost use, CalRecycle has presented a fair share calculation with flexibility of procuring compost or RNG. Requiring, through a written contract, that a direct service provider to the jurisdiction procure recycled organic waste products and provide written documentation of such evidence to the jurisdiction. This will allow the jurisdiction to delegate the RNG use to the local franchise hauler and/or other managed fleets, to fulfill the procurement requirement. This is an elegant community-scale fit where the franchise hauler could produce and utilize their own RNG without the need for expensive and restrictive pipeline injection, but could also draw RNG from a pipeline at a CNG fueling station where RNG is not being produced locally.

SB 1383 is about climate change and not landfill space, parlaying the use of the AB 939 infrastructure, with the same shared responsibility tenets with local government and industry, but now generators may be on the hook by local ordinance. AB 939 inspired billions of dollars of investment to meet the 50% waste diversion mandates to develop the collection and processing operations. Many of these recycling facilities are being transformed by adding organics processing capacity and are ready to step up to the new challenges and opportunities. The SB 1383 regulations will be Ready soon. The Re-set button has been hit for recycling and now organics. It is time to Go forth in partnership with the same spirit of AB 939. A lost garbage barge and a landfill capacity crisis touched the nation to re-set recycling in 1990 and we answered the call with collection and processing, but lacked domestic manufacturing. Since climate change impacts of today far surpass the landfill scarcity of yesteryear, you would think a greater call to arms would transpire among local government, generators, and the industry to go forth now with our California markets for compost and RNG to continue to increase our gross domestic product while significantly decreasing our carbon intensity to attain the 40% GHG reduction by 2030.
Healthy Soils

Cap-and-Trade Budget 2019-2020

As the 2019-2020 Budget was released, California became the 5th largest economy in the world. Since 2001, California’s GDP has increased by 41% as GHGs have been reduced by 38%. Proceeds from the Cap-and-Trade Program have facilitated approximately $9.3 billion in investments throughout California that further the state’s climate goals. The Budget proposes a $1 billion Cap-and-Trade Expenditure Plan to support programs that reduce or sequester greenhouse gases, including programs that benefit disadvantaged and low-income communities, and support training and apprenticeships necessary to transition the state’s workforce to a low carbon economy.

CalRecycle stays at $25 million, where $100 million per year is needed to invest the $2-3 billion into compost and AD facilities. Dairy AD goes down from $99 million to $25 million. There is $132 million for clean trucks to carve out the voucher program of $45,000 per truck with RNG use to replace those diesel trucks, where the governor wants to ban diesel pollution by 2030. There is $230 million in community air pollution protection that will place more pressure on compost facilities. Specific bioenergy development using urban wood waste is nowhere to be found.

Healthy Soils increases to $18 million to provide incentives to farmers for agricultural management practices that sequester carbon, including cover cropping, reduced tillage, and compost application. Annual funding of $18 million was identified through a modeling tool that CCC was able to heavily participate in (in the development of the Natural and Working Lands Implementation Plan) to achieve soil conservation practices on 500,000 acres by 2030, where compost use is slated to cover 350,000 of those acres, for a benefit of 5.3 million tons of carbon sequestration.

New Cal-EPA Director

Governor Gavin Newsom appointed Jared Blumenfeld, 49, of San Francisco, Secretary of the Cal-EPA, the state cabinet-level agency established in 1991 to oversee CalRecycle, CARB, State Water Board, DTSC and OEHHA. Blumenfeld is widely recognized as one of America’s most innovative environmental leaders. In 2016, he founded his own private firm advising clean tech companies in best practices after serving eight successful years as the west coast Regional Administrator of the United States EPA, under Obama.

Previously, he was Director of the San Francisco Department of Environment for nine years, where he and then-Mayor Newsom worked effectively to make San Francisco the most sustainable city in the nation and banned food waste from landfills.

With the new administration, its AB 1045 and we need to let Jared know where our compost is. It’s still siloed in the reports and studies by the Water Board, the Air Districts, and CDFA; and the recently released AB 1045 Report in December 2018 is two years late and inadequate. The important concept of designating compost facilities as an ‘essential public service’ is not even mentioned by CalEPA, which could be the solution to complex air permitting by allowing a net-benefit of diverting organic from landfills to be fully realized. The Program EIR for SB 1383 will be a nice opportunity to fully analyze this. Whereas CARB has tried to integrate all agencies in the AB 32 Scoping Plan, CalEPA has been ineffective over the years on permit coordination.

Jared seems like the right person at the right time to take AB 1045 to the next level and will not back down on SB 1383. But, will he step up to make it happen in partnership with industry and local government?

Goals for Natural Climate Solutions:

Compost application rates to 2030:

- On annual cropland: 10,300 - 20,700 acres / year each year
- On perennial cropland: 21,000 - 41,900 acres / year each year
- On non-irrigated rangeland: 2,100 - 4,200 acres / year each year
- On irrigated pasture: 2,100 - 4,200 acres / year each year
Program EIR
Net-Zero Now
CalRecycle will prepare and circulate an Environmental Impact Report (EIR) to disclose potential significant adverse effects on the environment as a result of the planned adoption of the SB 1383 Regulations. The results of the EIR will disclose information on potential significant impacts and mitigation measures, and is expected to assist state and local agencies with information for future site-specific CEQA reviews that may be required for new or expanding local projects that may directly or indirectly result from the SB 1383 regulations. The Notice of Preparation (NOP) was held on January 22, 2019 in Sacramento. CCC was there and presented comments that were posted on January 8, 2019.

CCC will work hard to make this be the Program EIR for compost facilities that we have been advocating for CalRecycle to prepare for years. CalRecycle certified the Program EIR to assess the environmental effects of AD facilities in California in 2011. That Program EIR provided background on technologies, potential impacts, and mitigation measures that has been used to expedite the CEQA process at the local level.

CCC comments included a better definition of landfill baseline operations; provided the math for VOC reductions which that are 53% less than landfills but would still need to purchase off-sets costing up to $54 million statewide if off-sets are even available; requested essential public service analysis as evaluated by CAPCOA; assessed that GHG and NOx benefits that the RNG procurement delivers. The SRIA provided public health benefit and needs to be included here as well. CCC will provide the CARB definition of ‘Net-Zero GH’ where these facilities are Net-Zero Now, and can soon become 40X to 50X Net-Zero by 2020 and 2025.

SRIA for SB 1383 Regs
$330 Million Per Year
The Standardized Regulatory Impact Assessment (SRIA) is a required element of the initial rulemaking documents that must be submitted to the Office of Administrative Law (OAL). The SRIA is a 58-page document that provides a macro statewide analysis of the potential costs and benefits of the regulatory requirements. The estimated direct statewide costs is approximately $20.9 billion, from 2019 to 2030, and the direct economic benefit is approximately $17 billion over the same time period. With an average net cost per year of approximately $330 million, the average increased cost per household would be approximately $17 per year, or $1.42 per household per month, and the increased cost to business is estimated at $662 per year, or $55 per month.

Reviewing several scenarios, the SRIA estimates there could be 60 new or expanded compost facilities at 100,000 tons per year, costing $13.5 million dollar each and 26 new AD facilities at 100,000 TPY, costing $46 million each, for a total of 86 facilities by 2025 with a total capital costs of $2 billion. The SRIA estimates the costs for all aspects of SB 1383 from education, enforcement, contamination monitoring, reporting, capacity planning, and procurement, starting at $665 million in year one and levels out at $350 million per year thereafter. The SRIA relies on projections of potential infrastructure scenarios that are consistent with the projections made in 2017 by CARB.

The SRIA described $17 billion in economic benefits and NOx reduction of almost 17,000 tons per year, and could have also brought in the VOC reductions from baseline. There could be 11,700 new permanent green jobs and 4,500 temporary construction jobs. The value of avoided damages calculated using the social cost of carbon could range from $40 million to $100 million per year.
CCC Coalition Building

OMG . . .
The Organics Management Group is Here!

Thirty years ago, AB 939 was signed into law to divert 50% of waste by 2000. With much fanfare, it was answering the call to a lost garbage barge and dwindling landfill space. Local government, environmental groups, and industry all stepped up in partnership to build the recycling infrastructure we have today. If only California could have attracted the manufacturing capacity for paper and plastics to match the collection and processing industry. With SB 1383 entering the formal regulatory process coupled with a dedicated new administration that will not back down, but will double down on diesel pollution and renewable energy, the call for partnership and coalition building is greater than ever.

AB 939 with Federal Subtitle D landfill liner regulations in the early 1990s disrupted the direct haul to disposal model and attempted to create markets for all waste streams, and was a huge success in launching new collection practices and processing techniques. AB 939 set the platform for SB 1383, which is now focused on organics with a circular economy model, tapping into internal and regional markets. With composting and anaerobic digestion facilities as the center piece, the California Compost Coalition proposes to launch the ad-hoc Organics Management Group to create a coalition to agree on the good of SB 1383 and fix what needs to be fixed in the collaborative spirit that has been lacking during the informal workshops while reviewing the draft language.

Justin Malan, with his agricultural contacts, will continue to push the Healthy Soils Initiative for private markets. Neil Edgar, wearing both his USCC and CORC hats, will continue to seek out public sector procurement with state and local agencies; he will work with CRRC, ACP, and CAW on the facility regulations and AB 1045 implementation. Evan Edgar plans to visit the SWANA Legislative Task Force, RCRC, CASA, CSAC, and the League of Cities linking SB 1383 to local Climate Action Plans and transportation emissions, while addressing the issues of disadvantaged communities.

The California Compost Coalition

CCC Members
Agromin
American Refuse
Atlas Disposal
Burrtc Waste Industries
Caglia Environmental
California Waste Recovery Systems
California Wood Recycling
CleanFleets.net
Clean Fleets Advocates
Clover Flat Compost
Cold Canyon Compost
GreenWaste Recovery
Marin Sanitary Service
Mt. Diablo Resource Recovery
Napa Recycling Compost
Northern Recycling Compost
Phoenix Energy
Quackenbush Mt. Compost
Recology Blossom Valley Organics
Recology Feather River Organics
Recology Jespon Prairie Organics
ReFuel Energy Partners
Soliland Co, Inc.
Sonoma Compost
Tracy Material Recovery Compost
Upper Valley Recycling
Vision Recycling
Zanker Road Resource Management
Z-Best Compost Facility
Zero Waste Energy Development
Zero Waste Energy, LLC

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Christy Pestoni Abreu, UVR Compost
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Monica White, Sustainability Advisor
Sean Edgar, Fleet Advisor

CCC Legislative Affairs
Justin Malan, EcoConsult
Neil Edgar, Edgar & Associates Inc.
The Net Zero Facilities in recycling sector including material recovery facilities, compost facilities, anaerobic digestion facilities, and biomass conversion facilities. The new composting facilities are covered aerated static pile systems using the best available control technologies and the anaerobic digestion facilities are an enclosed closed-loop system without high temperature incineration. The avoided GHG emissions for these facilities compared to landfilling fully offset the project emissions for these facilities coming from the anaerobic digestion facilities are best available control technologies and aerated static pile systems using the new composting facilities are covered and biomass conversion facilities. The facilities, anaerobic digestion facilities, material recovery facilities are 15 to 25 times offset over their GHG emissions. However, renewable natural gas with carbon negative fuel contributes to the producers’ fuel pathway origin, raw material production, processing, and transportation all to the producer’s fuel pathway carbon intensity. The certification of carbon negative fuel for the production of renewable natural gas (RNG) from organic waste anaerobic digestion is based on the lowest carbon intensity of heavy-duty transport and wholesale systems. This carbon negative fuel that would be fully offset because waste is shifted from landfilling to alternative non-disposal pathways. Most material recovery facilities are 15 to 25 times offset over their GHG emissions.

The carbon footprint can be divided into two types: Scope 1 and Scope 2. Scope 1 emissions are those that are directly controlled and managed by the company, such as emissions from company-owned vehicles. Scope 2 emissions are those that are indirectly generated for the company, such as those from the production and distribution of electricity, heat, and steam. Combustion of fossil fuels is the biggest source of GHG emissions. The mix of energy sources used for electricity generation will impact the total emissions. The total GHG emissions vary depending on the type and amount of energy used. The emissions from the electricity sector can be reduced through renewable energy sources such as wind, solar, or hydroelectric power. For example, if a company generates 100% of its electricity from renewable sources, its total GHG emissions will be zero.

The Zero-Waste Plan in California is known as the AB 32 Scoping Plan. The plan aims to reduce greenhouse gas emissions by 2030. The plan includes the implementation of various measures such as the recycling of waste, the use of renewable energy sources, and the reduction of methane emissions from landfills. The plan also includes measures to address the issue of methane emissions from the agricultural sector. The Zero-Waste Plan is a comprehensive approach that includes both short-term and long-term strategies to achieve the goal of zero waste. The plan is designed to help California reach its climate goals and reduce its impact on global warming. The plan is a significant step towards achieving a sustainable future for California.

The Net Zero Emissions model is the intersection of the SLCP, SB 32, and the Governor’s Five Pillars that California will: (Pillar 1) reduce today’s petroleum use in cars and trucks by up to 50%; (Pillar 2) increase from one-third to 50% our electricity derived from renewable sources; (Pillar 3) double the efficiency savings from existing buildings; (Pillar 4) reduce the methane emissions from livestock and diverting organics from the landfill by 2025; and (Pillar 5) manage farms, rangelands, forests and wetlands so that they can reabsorb and store carbon. RNG produced at these anaerobic digestion (AD) facilities has been deemed to be carbon negative and when utilized in CNG trucks with the near zero emissions will be a game changer today reducing heavy duty diesel emissions now while striving for only 20% of the standard. The digestate can be composted to produce organic materials to reduce pesticides and fertilizer-use to produce healthy soils. A $25,000 per year, or 100 tons per day, AD-to-RNG project is designed as a community-scale model, and can serve a population of approximately 100,000 people. This model can produce 333,000 diesel gallon equivalents per year with a carbon intensity of negative 22.2 g CO2e/kWh for a fleet of 45 heavy-duty trucks with near-zero NOx emissions.

Zero Waste is a goal that is ethical, economical, efficient and visionary, to guide people in changing their lifestyles and practices to emulate sustainable natural cycles, where all discarded materials are designed to become resources for others to use. Communities that have a Zero Waste goal and are working towards or have reduced their waste to landfill, incineration and the environment by 90% or more. Dozens of large scale recycling facilities supply benefits of enhanced soil organic matter or agricultural lands, improve water retention, soil stability and nutrient use efficiency to reduce fertilizer use. The California Communities Environmental Health Screening Tool (CalEnviroScreen) helps us to address environmental health threats. The objective in developing the tool is to use it to assist California communities by directing state and potentially local government resources toward a common purpose: the revitalization of urban communities and the pursuit of environmental justice. Cap-and-trade proceeds have funded projects where over $3.3 billion has been appropriated with 50% of the funding benefiting DACs and 34% located in DACs.