This Organics Revolution Will be Webcast

SB 1383 regulations may be adopted by the Office of Administrative Law as soon as March 5, 2020, foisting the organics revolution upon California. CalRecycle will be rolling out a series of tools that will be showcased at conventions, trade associations and webinars on how to implement this law. Model ordinances, franchise agreements, procurement policies, and FAQs will be broadcasted this spring as the Statewide Commission on Recycling Markets and Curbside Recycling is selected. The SB 1383 Progress Report on not achieving the organic waste diversion goals by 2020 will be handed to the Commission when they convene by July 1, 2020. The Commission will then produce a Report by January 1, 2021 to address market development goals and identify what is truly recyclable and compostable. As SB 1383 regulations are launched this year, these Reports will further propel local government and industry to turn on, step up, and phase in.

Californians had wished upon recycling and fell hard on the China Sword with the statewide recycling rate, dropping from 50% in 2014 to 40% in 2018, and with disposal increasing by 11.6 million tons over the 2014 base year in 2019. With the 50% organic waste diversion mandate not being achieved by 2020, CalRecycle will trigger the 2-cubic-yard-per-week of MSW threshold for mandated commercial organics collection, which could become effective as soon as May 2020. CalRecycle will continue AB 1826 enforcement, with expectations that this new threshold will be phased in by January 2021, SB 1383 regulations becoming effective in January 2022. Expanding AB 1826 and negotiating new programs, ordinances and franchise agreements need to begin now as the Initial SB 1383 Jurisdictional Compliance Report that includes all of that information (and more) is due on April 1, 2022, following the Annual Report which is due in August 1, 2020.

SB 1383 passed as a climate change law to mitigate methane to reduce greenhouse gases (GHG). The SB 1383 statute is under the Health & Safety Code with CARB, and is not just another recycling program. CalRecycle is the boss of the good faith AB 939 law, where CARB is the overlord of AB 32, along with SB 1383. The SB 1383 Progress Report, due on July 1, 2020, will be prepared in consultation with CARB on how to achieve the 2020 and 2025 goals over the next five years, with a commitment of State funding to support infrastructure expansion. SB 667 (Hueso) proposes a comprehensive expenditure plan, also including recyclable materials and regional west coast markets, and could act as a backstop should the SB 1383 Progress Report and the Recycling Commission Report not be sufficient in identifying funding and incentives.

CARB will begin preparing the Third Update of the AB 32 Scoping Plan in early 2021 building on the CalRecycle Reports, where the industry can validate producing carbon negative fuel at Net-Zero GHG facilities and sequestering carbon into the soil providing further negative GHG emissions. The industry will continue to show CARB that these are the most cost-effective programs with many co-benefits to the priority populations and the environment. We are carbon neutral now and we need not buy into electrification to be carbon neutral in 2045.

Paraphrasing The WHO, who do we think we are, being carbon neutral now? We are talking out about our organic waste generation, as we tip our carts for the new legislation, and take a bow for the organics regulations. Pick up the loads and go, just like yesterday, then get on our knees and pray, we don’t get fooled again . . . by markets. We have met the new boss, same as the old boss. We are standing out in the fields, where compost is so real, and we won’t get fooled again.
SB 1383 5-Year Plan

With the adoption of SB 1383 regulations, CalRecycle should now prepare a 5-Year Investment Plan as part of the SB 1383 Progress Report due on July 1, 2020. The Cap-and-Trade Program requires a 3-Year Investment Plan coupled with an Annual Report to the Legislature. CARB updates the AB 32 Scoping Plan every five years, and each fiscal year CARB prepares a Funding Plan for the Low Carbon Transportation investment. The California Energy Commission adopts an Integrated Energy Policy Report every two years and an update every other year, and prepares an Annual Investment Plan update for the Clean Transportation Program.

There were three significant legislative attempts in 2019 to facilitate the required $2 to $3 billion SB 1383 investment plan, but all failed. AB 144 (Aguiar-Curry) attempted to have the Strategic Growth Council prepare a Scoping Plan for the urban, agricultural, and forest sectors to manage organic waste in a comprehensive manner, but the price tag of $400,000 was thought to be too much. SB 667 (Hueso) was more focused on having CalRecycle develop a five-year strategy to develop financial incentives for in-state recycling infrastructure, but stalled due to the potential of on-going assumed costs of $1.2 to $1.8 million. The bill analysis claims that the IWMA has a structural imbalance, with expenditures exceeding revenues by several million dollars annually, which is questionable with the increase of over 8.6 million disposal tons up to 2018, from 2014 has added revenue of over $12 million this year. AB 1583 (Eggman) had been on track to increase the revenues with a generator fee or a landfill tipping fee to pay for SB 1383 implementation, but shied away in favor of extending the sale and use tax exclusion.

AB 1567 (Aguiar-Curry and Mathis) is bringing AB 144 and AB 257 back from last year for the preparation of the Organic Waste Scoping Plan. And it’s time to move SB 667 (Hueso), should the SB 1383 Progress Report fall short.

Legislation

**SB 667 (Hueso)**

TOPIC: Greenhouse Gases: Requires CalRecycle, by January 1, 2020, to develop a five-year strategy to meet the State’s organic waste and diversion goals by supporting organic waste infrastructure development.

STATUS: Passed Senate (30-0), In Assembly

**AB 1567 (Aguiar-Curry)**

TOPIC: Organic Waste: Requires the Strategic Growth Council to develop a scoping plan for the State to meet its organic waste management mandates, goals, and targets. It would also require the scoping plan to include among other things, recommendations on policy and funding support for closing the loop on carbon-neutral or carbon-negative organic waste management practices.

STATUS: Passed Assembly (78-0), now onto the Senate

**SB 1191 (Dahle)**

TOPIC: Good Faith Efforts for SB 1383 - This bill would require CalRecycle, in determining whether or not to issue a compliance order or impose a penalty on a local jurisdiction pursuant to those provisions, or in determining the amount of any penalties imposed pursuant to those provisions, to consider specified information, including whether a local jurisdiction has made a good faith effort to implement its organic waste reduction program.

STATUS: Introduced. Read first time

**AB 2680 (Aguiar-Curry)**

RE: Direct land application of green waste. This bill would require the department, on or before January 1, 2022, to adopt regulations establishing a local permitting and enforcement process for the land application of green material derived from the municipal solid waste stream. The bill would require the regulations to require an entity that engages in the land application of 250 or more tons of green material per year on a single parcel of land to notify the local enforcement agency and to prohibit the land application of 1,000 or more tons of green material /year without an SWFP.

STATUS: Read first time

**SB 1383 Regs at OAL**

CalRecycle submitted the Final SB 1383 Rulemaking Package to the Office of Administrative Law (OAL) Jan. 21, 2020, and discussed during their February monthly meeting. CalRecycle needed to adopt the SB 1383 regulations and transmit the regulatory package to OAL within one year from posting the Notice of Proposed Action in the California Regulatory Notice Registry and they did. OAL now has until March 5, 2020 to conduct a review of the rulemaking record to ensure that CalRecycle has satisfied requirements. After OAL approval, the rulemaking action is filed by the Secretary of State. SB 1383 rules will soon be officially in place and will be effective on January 1, 2022. A series of tools, including sample agreements and model ordinances, will follow this spring.

CalRecycle is required to develop technical documents for the formal rulemaking package which included the Text of the Proposed Regulations, the Notice of Proposed Action, the Initial Statement of Reasons, and the Economic and Fiscal Impact Statement.

*Regulatory Text:* The October 2, 2019 text was the third formal version and was released for a final 15-day comment period to October 18, 2019. CalRecycle made some minor non-substantive formatting tweaks to the Regulatory Text, which then was submitted with the Final Statement of Reasons to OAL.

*Updated Technical Documents and Appendix to The SB 1383 Short-Lived Climate Pollutants (SLCP) Regulations* were updated assessing the costs associated with the revisions to the regulation, revising the methodology used to estimate the costs of regulatory provisions in response to stakeholder comments.

*Final EIR:* CalRecycle posted the Final Program Environmental Impact Report on December 18, 2019, which is awaiting certification with the adoption of the regulations. Public comments were due on Sept 13, 2019 after the August 20, 2019 public meeting. The Notice of Determination was posted on Dec. 30, 2019, and passed the 30-day legal CEQA challenge.
Rolling Out the Tools

CalRecycle plans to release a series of tools after the SB 1383 regulations are approved by OAL on March 4, 2020. The tools will be posted on their website with CalRecycle and HF&H presenting these tools across the state at several trade shows and to trade associations. Realizing that the SB 1383 regulations will become effective on January 1, 2022, there is plenty of work that needs to occur over the next 20 months on program development, franchise negotiations, and ordinance review. A cadre of working groups prepared the following SB 1383 resources:

• Model Franchise Agreement
  • Addresses many SB 1383 requirements related to the collection, processing, collection containers, contamination monitoring, and more
• Model Mandatory Organics Disposal Reduction Ordinance
  • Establishes enforceable SB 1383-related requirements for organic waste generators, haulers, and other regulated entities
• Model Edible Food Recovery Agreement
  • Assists Jurisdictions to provide a tool for commercial edible food generators and food recovery organizations
• Model Procurement Policy
  • Assists jurisdictions with their requirements related to the procurement of recovered organic waste products.

The Initial Jurisdiction Compliance Report is due on April 1, 2022 with requires submittal of copies of ordinances, contracts, and everything that would go into the extensive reporting requirements of the Annual Report. It will take some hustle to get ready for SB 1383 utilizing all of the tools in CalRecycle tool box.

CalRecycle will also be officially releasing the SB 1383 Local Services Rates Analysis Report prepared by R3 Consulting Group for researching and analyzing the impact of local service rates on the organic waste recycling infrastructure, specifically, appropriate rate increases for solid waste and recycling services to support organics recycling infrastructure development. The Draft Report makes compelling findings and solid recommendations on paying for SB 1383 implementation.

2018 Waste Characterization

The 2018 Waste Characterization Study will be released in the Spring of 2020 and will be used to determine the AB 1826 trigger on when to provide organic waste collection services to businesses with 2 cubic yards per week of MSW as soon as May 19, 2020, and to prepare the SB 1383 Progress Report due on July 1, 2020.

2014 is the base year for AB 1826 and SB 1383; a total of 31.2 million tons of MSW was disposed that year. Based upon the 2014 Waste Characterization Study, a total of 10.7 million tons of food, green, wood, and compostable paper would have been targeted to be diverted by 2020, and 13.3 million tons by 2025. Other paper products and textiles are not included in our target numbers. However, since 2014, an increase of over 11.6 million tons of MSW disposed will have occurred to total 43.0 million tons in 2019. A total of 13.0 million tons of food, green, wood, and compostable paper could now be the target to be diverted by 2020, and 17.1 million tons by 2025, using the 2014 characterization data. The new 2018 Study can be used to better target the organic waste tons to be diverted, where it will show that little progress has been made, and a bigger lift will be needed.

The 2018 Study will follow the 2002, 2008, and 2014 studies, but with an improved methodology, because California’s waste management system has changed significantly over the past few years. The new Study recognizes the need to address packaging reform and SB 1383, where the 82 waste types will grow to 100. Food waste will be divided into seven categories including edible food. Cascadia consulting was selected to perform the 2018 Waste Characterization Study. Some insight into the upcoming California findings might be found in Cascadia’s 2017 King County, Washington Characterization. In this study, Cascadia found that three quarters of commercial food waste which was discarded was edible, with food waste comprising 14.7% of all commercial waste generation.

OMG! SB 1383 is Real!

Thirty years ago, AB 939 was signed into law to divert 50% of waste by 2000. Local government, environmental groups, and industry all stepped up in partnership to build the recycling infrastructure. With SB 1383 on the verge of final approval - and coupled with an Administration that will not back down (but will double down on diesel pollution and 100% renewable electrification) - the call for coalition building is greater than ever to obtain the needed funding and incentives to implement the mandated programs. AB 939 set the collection and processing platform for SB 1383, which is now focused on organics with a circular economy model, tapping into local and regional markets. With composting and anaerobic digestion facilities as the center piece, members of the Organics Management Group (OMG) of ad-hoc stakeholders have met in several forums over the last year to work on SB 1383 regulations and implementation, Low Carbon Transportation issues, and organic waste Scoping Plans.

The political landscape of SB 1383 is far reaching into climate change mitigation (see next page), with connectivity beyond the institutionalized waste industry. AB 939 did not delve into the collection fleet, fuel production and dispensing, or edible food recovery. SB 1383 offers a closed-loop system where internal off-take agreements are realized by using self-produced carbon negative RNG fuel in the company’s own CNG fleets, while cutting NOx to near-zero with the new CNG engines. OMG!!! Is that possible?!

Local government, environmental groups, and industry are working together to implement SB 1383 and are fighting for future funding and incentives. CalRecycle will be rolling out model ordinances and sample agreements over the next few months for local government and industry to use. The Organics Management Group stakeholders are focusing on SB 1383 implementation to support common themes to cost-effectively reduce greenhouse gasses.
**AB 341** *(Chesbro, 2011)*  
Mandated Commercial Recycling

**Legislative Report**

AB 341 made a legislative declaration that it is the policy goal of the State that not less than 75% of solid waste generated be source reduced, recycled, or composted by the year 2020, and would require CalRecycle to provide a report to the Legislature that provides strategies to achieve that policy goal. The bill sunsetted the Report requirement on January 1, 2017. The AB 341 Report to the Legislature was submitted in August 2015, and CalRecycle has published the highly informative State of Recycling for 2015, State of Disposal for 2015 and an update of both in 2016. No updates have been filed since.

AB 341 also required any business generating more than 4 cubic yards of commercial solid waste per week or a multifamily residential dwelling of 5 units or more arrange for recycling services, on and after July 1, 2012. CalRecycle shall review a jurisdiction’s compliance with this section where each jurisdiction shall report the progress achieved in implementing its commercial recycling program, including education, outreach, identification, and monitoring by providing updates in the Annual Report by August 1st of each year.

The statewide recycling rate has since dipped from 50% in 2014, 47% in 2015, 44% in 2016, 42% in 2017, to 40% in 2018 and could go as low as 33% in 2020, should the China ban be fully executed as expected. CalRecycle mounted a $12.8 million recycling outreach campaign to assist in cleaning up the feedstock and is posting up resources to assist cities and counties in maintaining a diversion rates. The industry is adjusting to the new normal with technology, generator education, and rate increases. The AB 1593 Statewide Recycling Commission will convene by July 1, 2020 to address this crisis and will also have the SB 1383 Progress Report in hand.

**AB 1826** *(Chesbro, 2014)*  
Mandated Commercial Organics Recycling

**Annual Reports**

On or after January 1, 2020, should CalRecycle determine that the 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 shall arrange for organic waste recycling services. Based on an increase of over 11.6 million tons of new disposal since the 2014 base year, it will be determined that California has not met this 2020 goal. The 2018 Waste Characterization Study will be published this spring to provide further evidence that this goal was not met.

In October 2018, CalRecycle presented a process in determining AB 1826 Reduction of Statewide Organics Disposal in 2020. CalRecycle recommended Option No. 1 at the time where the determination would use the 2018 Statewide Waste Characterization Study (WCS) data and the 2019 Recycling and Disposal Reporting System Data. The 2018 WCS will be available and based upon 2 quarters of reported landfill disposal to the Board of Equalization, it looks like the 2019 data will be adding 3 million tons of disposal to increase to almost 11.6 million tons of new disposal over the 2014 base year.

CalRecycle plans to present an item at their monthly meeting on May 19, 2020 to discuss the AB 1826 trigger. CalRecycle will have adequate data to show that the statewide disposal of organic waste has not been reduced by 50%, if anything has probably increased, and will immediately trigger the 2 cubic yards of solid waste per week threshold. CalRecycle will continue to push AB 1826 along to phase in SB 1383 with expectations that jurisdictions will have this collection program in place by 2021, as CalRecycle will continue AB 1826 enforcement.

**AB 1045** *(Irwin, 2015)*  
Permit Coordination, Markets, Assessment

**Annual Posting**

AB 1045 (Irwin, 2015) was passed over four years ago to assess the State’s progress in developing the required compost infrastructure, assisting in developing the compost industry through permit coordination, and promoting compost use. CalEPA was put in charge with the California Department of Food and Agriculture to meet quarterly, develop recommendations, post them on their website no later than January 1, 2017, and update annually thereafter to 2021. CalFire was added in 2018 to the mix in order to promote the application of compost on fire-ravaged land. CalEPA released a 29-page report in November 2018 that restated the obvious in the compost world without breaking down the regulatory silos or even mentioning composting being designated as an essential public service (EPS).

There have been no postings on the Cal-EPA website, and there has not been a quarterly or annual public meeting in years. AB 1045 is to expire on January 1, 2021 with no fanfare or follow-up. The SB 1383 Progress Report requires an update on reducing regulatory barriers to the siting of organics recycling facilities and the timing and effectiveness of policies that will facilitate the permitting of organics recycling infrastructure. It’s 10:45, and CalEPA does not know where our compost is. The California Air Pollution Control Officers Association (CAPCOA), with CalRecycle and CARB, published the Discussion Paper in August 2018, Composting in California – addressing Air Quality Permitting and Regulatory Issues for Expanding Infrastructure, which presents a thorough discussion on EPS designation. AB 1036 (McCarty, 2017) attempted to add composting facilities to the EPS definition, but failed due to opposition by several air districts. Of the 35 air districts, 21 have an EPS definition in their district rules.

---

**2 CYD/MSW threshold for AB 1826**

**SB 1383 Progress Report on 50% Diversion**

**AB 32 Third Update Scoping Plan Begins**

**Tier I Commercial Edible Food Generation**

**Initial SB 1383 Jurisdiction Compliance Report**

**AB 32 Third Update Scoping Plan Approval**

---

**Recycling Commission Convenes**

**Recycling Commission Due on AB 341/AB 1826 Compliance**

**Recycling Commission Report Due**

**Annual Report Due on AB 341/AB 1826 Compliance**

**SB 1383 Regulations Take Effect and State Enforcement Begins**

**SB 1383 Annual Report Due on AB 341/AB 1826 Compliance**

**Recycling Commission Annual Update**

**50% Organic Waste Enforcement**

**Initial SB 1383 Jurisdiction Compliance Report**

**Annual Report Due on AB 341/AB 1826 Compliance**

---

2020

2021

2022
Progress Report

No later than July 1, 2020, CalRecycle in consultation with CARB, shall analyze the progress made in achieving the organic waste reduction goals for 2020 and 2025. The analysis shall include the following:

1. The status of new organics recycling infrastructure development, including the commitment of state funding and appropriate rate increases for solid waste and recycling services to support infrastructure expansion;

2. The progress in reducing regulatory barriers to the siting of organics recycling facilities and the timing and effectiveness of policies that will facilitate the permitting of organics recycling infrastructure (Refer to the AB 1045 column); and

3. The status of markets for the products generated by organics recycling facilities, including cost-effective electrical interconnection and common carrier pipeline injection of digester biogas and the status of markets for compost, biomethane, and other products from the recycling of organic waste.

If CalRecycle determines that significant progress has not been made, CalRecycle may include incentives or additional requirements in the SB 1383 regulations to facilitate progress toward achieving the organic waste reduction goals for 2020 and 2025. CalRecycle may, upon consultation with stakeholders, recommend to the Legislature revisions to those organic waste reduction goals.

CalRecycle will determine that significant progress has not been made, with 11.6 million more tons of waste being buried since the 2014 base year. The industry has been asking for a larger commitment of State funding, and looks forward to additional incentives in achieving the goals over the next five years and inclusion within the Climate Resilience Bond.

Scoping Plan Update

In 2006, the Legislature passed the California Global Warming Solutions Act of 2006 (AB 32), which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. AB 32 required CARB to develop a Scoping Plan that describes the approach California will take to reduce GHGs and achieve the goal of reducing emissions to 1990 levels by 2020. The Scoping Plan was first approved by the Board in 2008 and must be updated every five years. The First Update to the Climate Change Scoping Plan was approved by the Board on May 22, 2014. In 2016, the Legislature passed SB 32, which codifies a 2030 GHG emissions reduction target of 40 percent below 1990 levels. With SB 32, the Legislature passed companion legislation AB 197, which provides additional direction for developing the Second Update to the Scoping Plan that was adopted in November 2017.

The Third Update to the Scoping Plan needs to be adopted by November 2022, which should begin in early 2021. This update will validate that the 2020 GHG reductions target was achieved and will determine the progress made toward the goals of reducing GHGs and methane by 40% by 2030, plus review the Scoping Plan goal for the Waste Sector to be Net-Zero GHG emissions by 2035. The Waste Sector can expand on the role that SB 1383 diverted organic waste plays in achieving the low carbon fuel standard with the production and use of carbon negative renewable natural gas. The SB 1383 Progress Report due on July 1, 2020 and the AB 1593 Recycling Commission Report due on January 1, 2021 will be the foundational documents for the Third Update of the Scoping Plan. We can show CARB that our industry is Deep Carbon now with carbon negative fuel and near-zero NOx.

Commission Report

Since 1991, existing law requires CalRecycle to build a comprehensive market development plan that will stimulate market demand for postconsumer waste material and secondary waste material generated in the State. At one time, the California Integrated Waste Management Board (1990-2009) convened a Markets Committee on a monthly basis to implement this law. The AB 341 Report that presented a market development plan to the Legislature to reach a stated recycling rate goal of 75% by 2020 has not been updated since 2016. Meanwhile, the statewide recycling rate fell from 50% in 2012 to 40% in 2018. With the full implementation of the China Sword to further ban most all recyclables, the statewide recycling rate could go as low as 33%. AB 1593 (Eggman, 2019) created a Recycling Commission to stop the drop, which also includes SB 1383 new tons.

CalRecycle shall, by July 1, 2020, convene a Statewide Commission on Recycling Markets and Curbside Recycling consisting of representatives of public agencies, private solid waste enterprises, and environmental organizations with expertise in recycling.

The commission shall, by January 1, 2021, do both of the following:

(A) Issue policy recommendations to achieve the market development goals established by AB 939 (Sher, 1989), AB 341 (Chesbro, 2012), and SB 1383 (Lara, 2016); and

(B) Identify products that are recyclable or compostable, as defined in the Sustainable Packaging for the State of California Act of 2018, and regularly collected in curbside recycling programs.

The Recycling Commission shall update the recommendations and identifications made regularly, but not less often than annually.
California currently has more than 160 permitted composting facilities, and more than a dozen anaerobic digestion facilities that accept about 6 million tons of organic material each year. The State’s composting facilities combined have approximately 4 million tons of processing capacity remaining. This available capacity remains concentrated in Southern California. To put these quantities in perspective, 12-14 million new tons of organics need to be diverted statewide from landfills each year to meet the SB 1383 75% by 2025 diversion goal.

Over three quarters of the available composting capacity for new organic materials exist in Southern California. 56% of all facilities are privately owned, stand-alone facilities, and another 24% are privately owned facilities affiliated with a landfill or transfer station. The remaining 20% are publicly owned facilities. This prevalence of private sector ownership is reflected in how and why the composting facilities operate. Surveys conducted during the Integrated Waste Management Consulting April 29th Study revealed that the main motivating factor for these facilities is profitability and the production of high quality soil amendments. Other benefits, such as diversion, greenhouse gas benefits, and research ranked lower in importance than the production of a profitable and marketable end product. These existing composting facilities are most likely to utilize windrow technology (71%), or aerated static pile technology (25%), with only a few (4%) utilizing in vessel digestion systems. However, this report only counts existing facilities and technology prevalence may shift as new facilities are developed.

The study found 68% of composting and anaerobic digestion facilities have no plans to expand. Those facilities which are planning on expanding cited increased processing contracts as the primary reason for growth. On the other hand, regulatory, land use, market, and economic barriers were all cited as factors limiting the expansion of compost facilities. Composters also identified that SB 1383 and AB 1594 result in some changes to compost feedstocks that affect operations. These impacts include greater amounts of feedstock, increased amounts of food waste, green waste formerly used as ADC being composted, and higher levels of contamination. For the purposes of expansion, these changes suggest composters will expand to react to both a qualitative and quantitative change in feedstock.

The study highlighted the development of organics collection programs as the key to expanding organics processing infrastructure. The report posits that the programs come first, and infrastructure second; the chicken comes before the egg. Additionally, composters will need significant incentives, from processing contracts to other financing mechanisms, to make the necessary investments in infrastructure to meet the goals of SB 1383. The costs of these incentives are predicted to fall ultimately on the ratepayer.