

The State of the Compost

President Obama declared the **State of the Union** strong. Obama also cut a deal with China on climate change and has a Climate Action Plan with a Strategy to Reduce Methane Emissions. Governor Brown doubled down on AB 32 during his **State of the State** speech and focused on reducing petroleum by 50%, reducing methane emissions, and storing more carbon in our farms and natural lands.

The United Nations has declared 2015 as the International Year of Soils, and the California Compost Coalition had a successful launch of their Healthy Soils Campaign. With the economy back and greenhouse gas emissions down, the **State of the Compost** is healthy.

"We are well on our way to meeting our AB 32 goal of reducing carbon pollution and limiting the emissions of heat-trapping gases to 431 million tons by 2020. But now, it is time to establish our next set of objectives for 2030 and beyond. Toward that end, I propose three ambitious goals to be accomplished within the next 15 years: Increase from one-third to 50 percent our electricity derived from renewable sources; Reduce today's petroleum use in cars and trucks by up to 50 percent; Double the efficiency of existing buildings and make heating fuels cleaner. We must also reduce the relentless release of methane, black carbon and other potent pollutants across industries. And we must manage farm and rangelands, forests and wetlands so they can store carbon. All of this is a very tall order." Governor Brown – State of the State, January 5, 2015

The **State of the Compost** is healthy. Feedstock supply is up as AB 1826 sends a signal to phase out food waste from landfilling from 2016 to 2020, and as green waste alternative daily cover will finally lose landfill diversion credit in 2020. More cities are co-collecting residential food waste with green waste forcing this material to be composted

instead of being used as land application and ADC. More cities are also adopting Climate Action Plans with zero waste goals.

Infrastructure is being developed with the commercialization of technology and increased grant funding. Dry fermentation anaerobic digestion, as a form of composting producing digestate, is being deployed at community scale making carbon negative fuel for CNG fleets. CalRecycle and the California Energy Commission are providing grants of \$30 million per year, while the oversubscribed programs show over 1 million new tons per year of shovel-ready compost projects waiting to be funded.

*The State of the Compost
is healthy.*

The Governor's proposed budget has \$1 billion in cap-and-trade proceeds to fund AB 32 programs and \$532 million for Proposition 1 related to water use, efficiencies, and recycling. As the leading agricultural state in the nation, it is important to increase carbon in the soil

for numerous benefits including increasing water holding capacity and crop yields and decreasing greenhouse gas emissions and erosion. The Governor will work on several new Healthy Soils Initiatives using CDFA money to increase carbon in the soil while California Compost Coalition assisted in organizing an exploratory meeting for stakeholders (see page 2).

The largest composter in the state, Recology (see page 4), has joined the California Compost Coalition this year. Re-established in 2002 after the California Compost Quality Council standards went national, the **State of the Compost Coalition** is robust as our team is at the Capitol on the Healthy Soils Campaign, at CalRecycle and the Water Board on new regulations (see page 3), and with CARB on securing cap-and-trade proceeds and leveraging methane emissions to increase the value of compost and further decrease the carbon intensity of renewable natural gas.

Making Healthy Soils Sexy in 2015

In the November 2014 issue of this publication, our own Justin Malan outlined a conceptual effort for CCC to broaden support for a soil-building campaign, declaring: “Californians are recognizing the urgent need to rebuild our soil, enhance urban landscape resilience, and promote green infrastructure. All this will involve widespread compost application and better organics management.”

CCC continued our conversations with key stakeholder groups throughout November and December, concluding in the need to hold a broad stakeholder meeting at the end of January, in Sacramento, where we planned to hear from a few governmental groups and other NGOs, including CDFA and CalRecycle, about their plans as we all moved forward into this *International Year of Soils 2015*. This workshop was intended to seek ways to support an initiative by NGOs and find common ground through a multi-year, multi-faceted, collaborative campaign to promote urban landscape and agricultural resilience, water conservation and better carbon management through soil building.

On January 9, 2015, Governor Brown released his budget, which included a strong Healthy Soils message you can read in this newsletter insert. As you can imagine, the Governor’s leadership on this issue perked up quite a few ears, intensifying interest in our meeting, and facilitating the development of three all-star panels of presenters which included participants from USDA’s Natural Resources Conservation Service, CDFA, California Association of Resource Conservation Districts, UC Davis, Ag Innovations Network, California Association of Family Farmers, Marin Carbon Project, Western Growers, California Farm Bureau, CalRecycle, StopWaste.org, and Green Garden Group. The panels were expertly facilitated by Finian Makepeace (Kiss the Ground), Richard Rominger (former CDFA Secretary),

and Michael Dimock (Roots of Change).

A facilitated discussion continued in the afternoon which sought to focus on pre-identified areas of engagement and to identify areas of opportunities and challenge. No attempt was made to prioritize or seek consensus around these topics. While no definite actionable items were specifically agreed upon, the following general themes and topics were raised and in some cases debated.

Overarching themes which recurred throughout day:

- The promotion of soil health is a worthwhile endeavor for California and should be a priority for the state.
- Healthy soils were recognized as the cornerstone of agricultural productivity and resilience.
- Building healthy soils offer multiple benefits, including water retention, enhanced crop yields and nutrition, increasing biodiversity, agricultural resilience, opportunities for carbon sequestration and improved organics management.
- There is no “silver bullet” in achieving soil health. It will require a multi-faceted approach.
- On-farm practices are a crucial element of transformation.

Areas of engagement that were identified prior to the meeting and during the morning panel presentations included: research needs, regulatory response, legislative actions, addressing workforce deficiencies, the agriculture/urban interface, economics, budget, and outreach/messaging.

We look forward to continuing the positive, collaborative dialogue begun at this meeting and will provide further updates as we move ahead.

[AB 21 \(Perea\)](#)

TOPIC: California Global Warming Solutions Act of 2006: emissions limit: scoping plan to 2030 – cost-effectiveness and electrification of transportation

STATUS: Assembly Natural Resources, no date.

> **WATCH**

[SB 32 \(Pavley\)](#)

TOPIC: California Global Warming Solutions Act of 2006: emissions limit to 2050

STATUS: Senate Environmental Quality, no date.

> **WATCH**

[AB 33 \(Quirk\)](#)

TOPIC : California Global Warming Solutions Act of 2006: Scoping Plan – Cost Effectiveness

STATUS: Assembly Natural Resources, no date.

> **WATCH**

[SB 1 \(Gaines\)](#)

TOPIC : California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption to 2025 for placing transportation fuels under the cap.

STATUS: Senate Environmental Quality, no date.

> **WATCH**

[SB 5 \(Vidak\)](#)

TOPIC : California Global Warming Solutions Act of 2006: market-based compliance mechanisms: exemption to 2020 for placing transportation fuels under the cap.

STATUS: Senate Environmental Quality, no date.

> **WATCH**

Waste Discharge Requirements for Composting Facilities – Regulatory Update

As reported in our July 2014 newsletter, the State Water Resources Control Board (SWRCB) has undertaken efforts to establish statewide regulations for composting facilities. SWRCB intends to adopt General Waste Discharge Requirements (WDRs) that would assist their regional boards in the regulation of composting facilities which they have deemed a substantial threat to water quality.

The SWRCB officially released a Draft Environmental Impact Report (DEIR), including an economic analysis, on January 13, 2015. A public workshop will be held on Friday, February 13, 2015 (see details below) to provide information and receive comments on the DEIR and proposed WDRs; final comments on these documents are due by noon, March 2, 2015. The SWRCB plans to adopt these WDRs at their June 16, 2015 Board Meeting.

Unfortunately, while there have been a few minor tweaks to the WDRs, the SWRCB approach appears bound to stifle the growth of composting capacity in California. If this revised draft of the regulations persists, smaller (<25,000 cubic yards) green waste composters (Tier I) would generally have to adhere to standards of the green waste composting “waiver” which expired in 2003. Larger facilities – and

those with more complex feedstocks (Tier II) – will be subject to robust monitoring and reporting requirements and, many, to significantly costly capital improvements to develop and line collection ponds, ditches, and operations pads (likely to run up to several million dollars at a typical site), all of which appear to be overly-protective of water quality by applying landfill design standards to composting operations.

As many of the needed, new facilities to be developed will likely plan to receive food waste – thus potentially falling into the much-more-onerous Tier II – composters will be faced with financial challenges to facility development that may be insurmountable, when considering the totality of siting problems, which often includes battling the economics of lower-cost land application and/or beneficial reuse at landfills, and, of course, local air district regulations.

Considerable work remains to be done – either to garner some funding to help meet these escalating costs, or to reduce the prescriptive nature of these WDRs to more of a “performance-based” standard – if the composting industry will be able to afford and achieve the necessary expansion to meet the State’s organic materials recycling goals.

Workshop: Regulation of Composting Operations

The State Water Resources Control Board (State Water Board) has prepared a draft California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) and proposed General Waste Discharge Requirements for Composting Operations (General Order). The State Water Board will receive public comments on the draft EIR and proposed General Order at a public workshop to be held Friday, February 13, 2015 – 10:00 a.m. at the Joe Serna Jr. - Cal/EPA Headquarters Building, Byron Sher Auditorium at 1001 I Street, Second Floor, Sacramento, CA 95814.

For more information, visit http://www.swrcb.ca.gov/water_issues/programs/compost/

TITLE 14/27

TOPIC: Revision to Compostable Materials & Transfer/Processing Regulations

CalRecycle is updating regulations to address a broad list of topics, mainly related to the expanding diversion of organic materials from landfills. Addition of new language regarding anaerobic digestion, and feedstock definitions, odors, permitting tiers, etc. at composting facilities. Allowable contamination in compost and mulch products is the largest remaining unresolved issue.

STATUS: Final draft regulations were published in October 2013. Economic analysis is completed. Final formal rulemaking package was released on October 10, 2014; final comments due December 5, 2014. Public meeting was held on December 10, 2014. Approximately 100 comments received will have to be vetted and responded to as part of the formal process. We should expect revised draft regulations and response to comments in late spring/early summer; depending on the extent of revisions, the regulations may be circulated for an additional 30 or 45 days for additional comments.

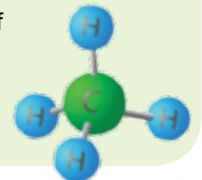


METHANE MITIGATION PLAN

TOPIC: Short-Lived Climate Pollutants Comprehensive Strategy

CARB adopted the AB 32 Scoping Plan First Update in May 2014 which included a comprehensive strategy for mitigation of short-lived climate pollutants such as methane and black carbon. SB 605 (Lara, 2014) placed this strategy into statute with a due date by January 1, 2016. The Global Warming Potential for methane may increase from 25 times CO₂ over a 100-year span to 84 times CO₂ over a 20-year span.

STATUS: CARB staff is gearing up for a series of workshops starting this spring.



Recology: Where the world sees waste, we see resources

The California Compost Coalition

(CCC) 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 and production of clean compost and bioenergy.

The California Compost Coalition represents member organic material recyclers and compost operators with a unified statewide voice on many issues: product safety and standards, government regulations, environmental planning, and marketing.

Members

Agromin
Atlas ReFuel
Caglia Environmental
California Wood Recycling
Cold Canyon Compost
CT Bioenergy Consulting LLC
Marin Sanitary Service
Mt. Diablo Recycling
Napa Recycling Compost
Northern Recycling Compost
Organic Waste Solutions
Phoenix Energy
Quackenbush Mt. Compost
Recology
Sonoma Compost
Tracy Delta Compost
Upper Valley Recycling
Zanker Road Resource Management
Z-Best Compost Facility

Executive Committee

Bill Camarillo, *Agromin*
Greg Kelley, *Northern Recycling Compost*
Mike Madrigal, *Recology*
Rachel Oster, *Recology*
Will Bakx, *Sonoma Compost*
Christy Pestoni Abreu, *UVR Compost*
Michael Gross, *Z-Best Compost*

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www.californiacompostcoalition.org

Recology is a company dedicated to building exceptional resource ecosystems that protect the environment and sustain our communities. Through their 40+ operating subsidiaries, Recology provides collection, hauling, processing, composting, and disposal services. They strive for the best and highest use of all resources and lead progress towards a world without waste.

As of 2013, Recology serves 116 communities, more than 680,000 residential and 90,000 commercial customers in four western states.



This year, Recology will collect, transport and/or process approximately 2.3 million tons of waste generated in these communities. Recology's commitment to positively impact communities and the environment is driven by their mission to serve communities, the environment, and employee owners.

Over the next several years, Recology will continue to identify, prioritize, and invest in waste processing technologies that allow Recology to pursue ZERO WASTE. Aside from environmental goals, Recology's mission is to provide excellent service to its customers and stakeholders by increasing communication efficiencies and creating a web of activities through which customers can interact. Future efforts will be spent in leading the way to utilize resources that were once considered waste. Recology set out to pave the way for future communities, the environment, and future Recology employee-owners.

In 2000, Recology met San Francisco's then incredibly ambitious goal of diverting 50 percent of waste from landfills. Today, Recology is on task to meet the City of San Francisco's globally admired objective of ZERO WASTE by 2020.

Recology transformed residential composting from a waste collection sideline into a major component of community sustainability – returning nutrients to the soil using material that was historically thrown away. Today, Recology's organic compost is used by growers across the Bay Area, including over 200 vineyards in Napa and Sonoma.

Employee ownership makes Recology unique. Recology is the largest employee owned company in the industry. They have a long history of employee ownership, dating back to the early employee cooperatives in 1921. The Recology ESOP has created a culture whereby employees know their hard work has a direct impact on the success of the company, which in turn has an impact on the value of the ESOP.

Recology improves the communities they serve through resource recovery education and community outreach. Their Volunteer Program gives back to the communities where they live and work. Volunteer projects have included providing food service to the homeless; using recycled paint and reclaimed resources to beatify a child care center, shelter for recovering addicts, county fairground, and multi-generational community center and neighborhood; landscaping the exterior of an inner-city youth club; community park and "Recologizing" an award-winning rose garden that had been overtaken by decades of neglect. By partnering with other organizations and community members Recology is able to fully carry out their purpose of educating and interacting with community members while building positive relationships with organizations with similar goals.



CALIFORNIA REPUBLIC

Figure EPA-01
2015-16 Cap and Trade Expenditure Plan
(Dollars in Millions)

Investment Category	Department	Program	Amount
Sustainable Communities and Clean Transportation	High-Speed Rail Authority	High-Speed Rail Project	\$250
	State Transit Assistance	Low Carbon Transit Operations Program	\$50
	Transportation Agency	Transit and Intercity Rail Capital Program	\$100
	Strategic Growth Council	Affordable Housing and Sustainable Communities Program	\$200
	Air Resources Board	Low Carbon Transportation	\$200
Energy Efficiency and Clean Energy	Department of Community Services and Development	Energy Efficiency Upgrades/Weatherization	\$75
	Energy Commission	Energy Efficiency for Public Buildings	\$20
	Department of Food and Agriculture	Agricultural Energy and Operational Efficiency	\$15
Natural Resources and Waste Diversion	Department of Fish and Wildlife	Wetlands and Watershed Restoration	\$25
	Department of Forestry and Fire Protection	Fire Prevention and Urban Forestry Projects	\$42
	Cal Recycle	Waste Diversion	\$25
Total			\$1,002



CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

The California Department of Food and Agriculture (CDFA) promotes and protects a safe, healthy food supply for California residents and enhances the worldwide trade of California's agricultural products. These goals are pursued through the use of efficiencies, innovation, and sound science, with a commitment to environmental stewardship.

- **Healthy Soils** – As the leading agricultural state in the nation, it is important for California's soils to be sustainable and resilient to climate change. Increased carbon capacity, increased crop yields and decreased sediment erosion. In the upcoming year, the Administration will work on several new initiatives to increase carbon in soil and establish long term goals for carbon levels in all California's agricultural soils. CDFA will coordinate this initiative under its existing authority provided by the Environmental Farming Act.



2015

International
Year of Soils

Figure RES-01
2015-16 Proposition 1 (Water Bond) Expenditure Plan
(Dollars in Millions)

Bond Investment Category	Department	Program	Amount
Safe Drinking Water	State Water Resources Control Board	Wastewater Treatment Projects	\$66.3
	State Water Resources Control Board	Safe Drinking Water in Small Disadvantaged Communities	\$69.2
Watershed Protection and Restoration	State Conservancies	Watershed Projects	\$83.5
	Wildlife Conservation Board	Enhanced Stream Flow Projects	\$38.9
	Santa Monica and San Gabriel Conservancies	Urban Rivers and Creeks	\$19.1
	Department of Fish and Wildlife	Watershed Restoration Projects (Non-Delta and In-Delta)	\$36.5
Regional Water Reliability	Department of Water Resources	Integrated Regional Water Management Program	\$32.8
	Department of Water Resources	Water Conservation	\$23.2
	State Water Resources Control Board	Stormwater Management	\$0.6
Water Storage	Department of Water Resources	Statewide Water System Operational Improvement	\$3.3
Water Recycling	Department of Water Resources	Water Recycling and Desalination	\$5.5
	State Water Resources Control Board	Water Recycling and Treatment Technology Projects	\$131.7
Groundwater Sustainability	Department of Water Resources	Groundwater Management Planning	\$21.3
	State Water Resources Control Board	Groundwater Contamination	\$0.6
Total			\$532.5