



Fields of Compost Dreams

“Build it and they will compost” with mandatory commercial organics recycling programs collecting the tons to 2020 (and beyond) and with methane avoidance regulations effectively banning organics out of landfills by 2025.

There will be a supply push of organic materials coupled with a demand pull for organic compost to mitigate climate change with a healthy soils campaign that plans to invigorate California’s agriculture, sequester carbon, and save water. The fields of dreams are covered with compost.

130 in 2015...With the advent of AB 939 in 1990, it has taken 25 years to build today’s compost infrastructure of about 130 compost facilities processing over 6.3 million tons per year of organic material. There are another 100 chip and grind facilities producing about 7.4 million tons of mulch with 1.3 million tons of that green waste mulch still going to alternative daily cover...and untold millions more going to land application.

100 by 2020...With the passage of AB 1826, there will need to be another 100 facilities costing over \$1.5 billion to manage 8.1 million tons of commercial organics in 2020, as AB 1826 requires that 50% of the commercial organic waste disposed of in 2014 needs to be diverted.

Another 100 by 2025...With the Concept Paper implementing SB 605 to address short-lived climate pollutants such as methane, 90% of all organics may need to be diverted by 2025 amounting to another 6.6 million tons of organic materials and another 100 facilities by 2025 that will cost another \$1.5 billion, or more.

California has simultaneously prepared for waste and prevented waste, but has done a much better job planning for disposal capacity with over 1.5 billion tons of state

permitted landfill space. The stale Source Reduction and Recycling Elements with the Compost Component will finally move beyond the Annual Review, check-the-box CalRecycle process, as each jurisdiction will now need to have a detailed Organic Waste Recycling Program with AB 1826 (see page 3). AB 876 will require local jurisdictions to address 15 years of organic waste processing capacity (see page 2). With 14.7 million tons of organic waste coming into the market over the next 10 years, over 200 new or expanded facilities will need to be built; that’s about 20 new or expanded facilities each year, costing over \$300 million annually.



*In these fields of opportunity,
it is composting time again.*

Incentives are being planned to assist in this investment where grants could supply more than \$75 million per year of the \$300 million per year needed to build the compost infrastructure. CalRecycle had planned to receive \$30 million for compost and anaerobic digestion (AD) projects this year from

cap-and-trade revenue, with an increasing amount in the future, as compost and AD are showing to be some of the most cost-effective strategies. AB 1063 (Williams), a failed bill for this year, had planned to raise the landfill tipping fee where another \$30 million could have been earmarked to develop the compost infrastructure. The Energy Commission has up to \$15 million in AD for transportation fuels on the books, and could increase two to six times in the future.

The fields are depleted, many having lost their organic matter over the decades. The fields are dry and dusty having lost water to drought. The fields are now ripe to carbon farming, while retaining moisture, to position agriculture to be a climate change mitigator even larger than our forests. In these fields of opportunity, it is composting time again.

Compost Infrastructure Bill Summaries

AB 867 (McCarty) was passed by the Legislature and is on the Governor's desk. We have a support position on the bill which would require, commencing August 1, 2017, a county or regional agency to include in its annual report to the department an estimate of the amount of organic waste in cubic yards that will be generated in the county or region over a 15-year period, an estimate of the additional organic waste recycling facility capacity in cubic yards that will be needed to process that amount of waste, and areas identified by the county or regional agency as locations for new or expanded organic waste recycling facilities capable of safely meeting that additional need, thereby imposing a state-mandated local program.

AB 1826 (Chesbro, 2014) requires that 50% of commercial organics be diverted in 2020 resulting in the need for an estimated 100 new or expanded facilities, processing 8.1 million new tons of diversion capacity. SB 605 (Lara, 2014) focusing on short-lived climate pollutants could result in 90% of all organics being diverted resulting in a total of 14.7 million tons of capacity by 2025. This bill appears to chart the course of compost capacity for another 100 new or expanded facilities.

AB 1045 (Irwin) is a compost permit streamlining bill to get those 100 new compost permitted. This bill would require the Department of Resources Recycling and Recovery, in coordination with the State Air Resources Board and the State Water Resources Control Board, to develop a policy that promotes the development of coordinated permitting and regulation of composting facilities while protecting the environment. Having this bill in play during 2015 resulted in the Water Board streamlining their General Waste Discharge Requirements regulations.

AB 199 (Eggman) provides tax incentive to build the compost infrastructure. This bill would expand projects eligible for the sales and use tax exclusion to

include infrastructure and equipment for projects that process or utilize recycled feedstock, but would not include a project that processes or utilizes recycled feedstock in a manner that constitutes disposal. Provides that projects which produce "soil amendments" including "compost," as defined under the Food and Agriculture Code (FAC) Section 4525, be included within the scope of eligibility.

AB 1063 (Williams) This bill would have increased the solid waste tipping fee from \$1.40 per ton to \$4 per ton beginning January 1, 2017 until January 1, 2022, with CalRecycle required to use a minimum \$1.50 per ton to promote infrastructure development, which could develop up to \$30 million in grants and loans to develop composting facilities and other market incentive programs that promote the highest and best use of recovered materials. The bill would also establish a generator charge to augment the existing disposal fee which funds CalRecycle administrative costs. This bill has been held over until next year as negotiations continue among stakeholder groups.

Cap-and-Trade Revenue Dollars

CalRecycle was poised to issue \$60 million in grants last May to build the infrastructure. Whether it be \$2.2 billion from the Governor's 2015-2016 May Revise of the Senate's \$2.7 billion amount, the cap-and-trade allocation has been caught up in the transportation infrastructure funding debate over the last few weeks, and will be held hostage until SB 350 and SB 32, the greenhouse gas reduction policies bill to 2030, get resolved by September 11. Maybe, just maybe, there will be a trailer bill during the fall to deploy these grant dollars instead of waiting for next budget year. The compost industry has shovel ready project to build capacity now.

[AB 876 \(McCarty\)](#)

TOPIC: Requires jurisdictions to report to CalRecycle tonnage and identify 15 year organics processing capacity.

STATUS: Enrolled and presented to the Governor on 9/1/15. **SUPPORT**

[SB 367 \(Wolk\)](#)

TOPIC: Carbon farming program for greenhouse gases to promote sustainable agriculture projects.

STATUS: Held in Senate Appropriations committee and under submission at 8/27/15 hearing. **SUPPORT**

[AB 1045 \(Irwin\)](#)

TOPIC: Requires the California Environmental Protection Agency (CalEPA) to promote the use of agricultural, forestry, and urban organic waste as a feedstock for compost and to promote the use of that feedstock. This bill would also direct CalRecycle to coordinate with the State Air Resources Board and the State Water Resources Control Board to coordinate permitting and regulation of composting facilities.

STATUS: STATUS: Enrolled and presented to the Governor on 9/10/15. **SUPPORT**

[AB 1063 \(Williams\)](#)

TOPIC: This bill would increase the solid waste tipping fee from \$1.40 per ton to \$4 per ton beginning 1/1/2017 until 1/1/2022 CalRecycle required to use a minimum \$1.50 per ton to promote infrastructure development, which could develop up to \$30 million in grants and loans to develop composting facilities and other market incentive programs that promote the highest and best use of recovered materials. The bill would also establish a generator charge to augment the existing disposal fee which funds CalRecycle administrative costs.

STATUS: Held in Senate Appropriations committee without hearing – Two Year Bill. **WATCH**

AB 1826 Organic Waste Recycling Program

On and after January 1, 2016, local jurisdictions must have an Organic Waste Recycling Program in place, but unfortunately it need not be adopted, filed, approved, or blessed by CalRecycle or the local jurisdiction. CalRecycle will not even start to review this Program until after August 1, 2017, as part of the Annual Review process, almost 2 years from now. CalRecycle has been rolling out the AB 1826 tools, but will roll over on enforcing the Organic Waste Recycling Program until August 1, 2017. With the enrollment of AB 876 (McCarty), the Annual Review process may also include an estimate of organic waste being generated over a 15-year period, and identify capacity issues, which will build on AB 1826.

Many haulers and operators are not waiting for the jurisdictions to prepare the Organic Waste Recycling Program, given local city staffing issues, coupled with the lackluster response by CalRecycle staff. Operators are preparing the program now to give to the city.

Jurisdictions may choose not to submit a Program soon, since it can be prepared well after January 1, 2016, all the way up to August 1, 2017, with the Annual Review process. Many haulers and operators are determining the cubic yards for phased-in collection and the increasing tonnages for processing to design programs that could be co-located at their existing facilities and worked into their franchise agreement.

Programs need to be CEQA-ready for grant funding, and operators are acting sooner rather than later, since it takes

years to permit organics recycling facilities and obtain rate increases.

On and after January 1, 2016, jurisdictions must identify regulated businesses and conduct outreach and education to inform those businesses how to recycle organic waste in the jurisdiction, and monitor to identify those not recycling and inform them of the law and how to recycle organic waste, following what AB 341 did for mandatory commercial recycling in 2012.

However, the Organic Waste Recycling Program goes much further and shall also identify all existing organic waste recycling facilities within a reasonable vicinity and the capacities available for materials to be accepted at each facility, as well as existing solid waste and organic waste recycling facilities within the jurisdiction that may be suitable for potential expansion or co-location of organic waste processing or recycling facilities.

The Program shall include efforts of which the jurisdiction is aware that are underway to develop new private or public regional organic waste recycling facilities that may serve some or all of the organic waste recycling needs of the commercial waste generators within the jurisdiction, and other zoning issues, barriers, and incentives. The Organic Waste Recycling Program may include enforcement provisions that are consistent with the jurisdiction's authority, including a structure for fines and penalties, and certification requirements for food waste self-haulers.

TITLE 14/27

TOPIC: Revision to Compostable Materials & Transfer/Processing Regulations

CalRecycle has completed updating the Title 14/27 regulations to address a broad list of topics, mainly related to the expanding diversion of organic materials from landfills.

The final version of proposed language contained no new revisions addressing many issues raised, including extending the implementation deadline for physical contaminant limits for compost beyond January 2018. Additionally, limits on land application of green waste to agricultural sites are liberal.

The regulations were officially approved by Director Scott Smithline on August 5, 2015. The final regulations package is being prepared by CalRecycle staff for submittal to the Office of Administrative Law in the near term, with the regulations expected to take effect on January 1, 2016.

WASTE DISCHARGE REQUIREMENTS FOR COMPOSTING FACILITIES

The State Water Resources Control Board (SWRCB) has concluded its efforts to establish statewide regulations for composting facilities. The SWRCB adopted the WDRs at their August 4, 2015 Board Meeting, with a few minor tweaks made during the hearing, at the behest of the Board Members. The SWRCB officially released final language on August 31, 2015, which can be found on the Board's [composting website](#). This final language contains two new key provisions which were requested by CCC and others to allow co-collected and self-hauled food and green materials from residences as a Tier I feedstock. Additionally, operators may exclude finished product storage from working surface requirements for active and curing composting areas. We are hopeful these final changes will make a significant difference – particularly to Tier I facilities having to adjust to change collection practices that might have elevated them into Tier II and significant facility development costs – enabling more rural communities to build or maintain current composting infrastructure.



We Built This

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, bioenergy, renewable natural gas, and biochar.

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
CleanFleets.net
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
Zero Waste Energy, LLC

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

Staff

Neil Edgar, Executive Director
Evan Edgar, Regulatory Affairs
Monica White, Sustainability Advisor
Sean Edgar, Fleet Advisor
Rita Athanacio, Communications

Legislative Affairs

Justin Malan, EcoConsult
Neil Edgar, Edgar & Associates Inc.

www.californiacompostcoalition.org

CCC members have been actively building the organic waste recycling infrastructure for years and have been expanding their facilities to process the upcoming AB 1826 tons.

The success of these programs have been anchored in having exclusive franchises in the community to collect source-separated organic waste to produce a clean organic compost. These exclusive franchises guarantee the organic tons to provide the revenue streams to finance the expensive compost and anaerobic digestion infrastructure. The City of Los Angeles recently endorsed “*A Blueprint for Cities – Cleaning Up Waste and Recycling Management and Securing the Benefits*” that have parlayed these concepts into a 78-page report that promotes the exclusive franchise and the source-separation of organics to get to zero waste by 2025.

With the pending policies to get 90% of organic diversion by 2025, and converting 14.7 million tons, the power of the franchise to fund these facilities are key. CCC members are proud to expand the compost infrastructure to assist their communities with climate action strategies to meet the state mandates and look towards 2030 by providing 15 years of compost capacity.

Agromin has recently developed a compost facility in Chino and has filed a land use application for large scale compost infrastructure in Ventura. **Atlas Refuel**, in partnership with Clean World Partners in Sacramento County, has scaled up from 25 TPD to 100 TPD, at the first wet AD carbon negative fuel project in the country. **Caglia Environmental** has permitted a food waste processing operation at their CARTS Facility in Fresno that produces a wet AD feedstock for the local wastewater treatment plant. **Marin**

Sanitary Service has a successful wet AD food-to-energy operation and has been CEQA certified for a dry AD facility. **Mt. Diablo Recycling** had their EIR certified to significantly increase their capacity to process food waste and green waste into compost and AD feedstocks. **Napa Recycling**, in partnership with the City of Napa, permitted a covered aerated static pile composting system and an AD facility last year, which received a \$3 million grant from the CEC. **Northern Recycling Compost** is expanding their Zamora facility. **Phoenix Energy** has seven biomass plants permitted and plans to supply biochar to the compost industry.

Quackenbush Mt. Compost in Lake County has permitted food waste compost capacity and was a model for the new Waste Discharge Requirements that were recently adopted. **Recology**

is the largest composter in the state, operating four fully-permitted food waste/green waste facilities, including the largest in the state, *Blossom Valley Organics – South*, in Lamont, and has been an innovator in producing AD feedstock for EBMUD. **Sonoma Compost** built a 25-year reputation as a premiere composter, and will have to leave their site on October 1, as the

County has estimated that a \$52 million replacement facility is needed to provide compost in Sonoma County.

Tracy-Delta Compost has the permits to move into food waste compost with CASP technology. **Upper Valley Recycling** has a food waste compost program at their Clover Flat Facility. **Z-Best Compost** recently expanded to add more area to process and store compost products. **Zero Waste Energy** has built three dry AD plants in California at Marina for 5,000 TPY, San Jose at 90,000 TPY and South San Francisco at 11,200 TPY with plans to build a 25,000 TPY plant in Napa.

