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2016 SPECIAL EDITION

Sustainable Organics Recycling

ONE MILLION FORWARD, TWO MILLION BACK IN 2016

Mixed messages and messed up markets for composting, bioenergy, and recycling prevailed in 2016. Climate change policies setting 2030 goals were a huge winner to deliver market certainty, but Cap-and-Trade was left behind. Food waste diversion policy was placed into law with shared responsibility and self-haul reporting, but enforcement and penalties will wane for years. The forest sector's state of emergency was parlayed into over one million tons per year of wood chips from dead trees to keep 125 MW of bioenergy contracts open while crowding out over one million tons per year of urban biomass. Export markets for recyclables dip another million tons for the fourth year in a row as landfills disposed of over one million tons more per year for the fourth year in a row. The Bottle Bill has kicked the can down the road again and needs major reform with over 400 Recycling Centers have ceased operations. As the bales stack up and the wood chips pile higher, the California recycling rate has dipped to just 47% in 2015 as the 75% by 2020 recycling goal drifts further out of reach.

The moving parts are in full motion at CARB. The 2030 Target AB 32 Scoping Plan Update released on June 17, 2016 has been underway for the second time in two years and now has statute to back it up with the passage of SB 32 and SB 1383. The Proposed Short-Lived Climate Pollutant Reduction Strategy, released on April 11, 2016, now has SB 1383 in place to reduce 75% of the organics by 2025 and reduce black carbon from forest fires, agricultural field burning, and diesel exhaust. CalRecycle

needs to get moving on updating their "AB 341 Report to the Legislature" which was last submitted in August 2015 with hope, but without execution, in 2016. Now is the time to update the AB 341 Report to determine the amount of tip fee increase to actually get to the 75% goal by 2020, or to delay or lower the 75% goal. Should AB 1826 and SB 1383 be enforced, organics alone could lift the recycling rate to at least 60% by 2020 should the export markets and domestic remanufacturing facilities stall out.

The California recycling rate has dipped to just 47% in 2015 as the 75% recycling goal by 2020 drifts further out of reach.

The Legislature was big on biomethane and methane mitigation in 2016 - on the heels of the Aliso Canyon gas leak and the international Paris Agreement on climate change playing into the Governor's Five Pillars agenda amid intense lobbying by the Bioenergy Association of California. Food waste diversion and self-hauler reporting with AB 1103 was a huge victory for CRRC. Assemblymember Das Williams left the house fueling renewable natural gas markets and

pipeline interconnection but could not get his tip fee bill, AB 1063, across the line to fund the 'Bale Out' of the depressed commodity market and the incentives for domestic remanufacturing.

Biomass remains in a state-of-emergency even with recent legislation for the forest sector. At a meeting with the Governor last week, biofuels suppliers were told to develop a legislative strategy to go along with the story that landfills will be tipping over with wood waste as agricultural fields burn. The Legislature saw the forest waste through the trees, but could not see local jobs through the bales and the wood chip piles.

SPECIAL END OF SESSION EDITION



SB 1383 SHARES THE RESPONSIBILITY

SB 1383 requires CARB to approve and begin implementing the comprehensive strategy to reduce emissions of short-lived climate pollutants (SLCPs) to achieve a reduction in methane by 40%, hydrofluorocarbon gases by 40%, and anthropogenic black carbon by 50% below 2013 levels by 2030. With the methane emission reduction goals, the following targets 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. Whereas AB 341 and AB 1826 placed the burden of mandatory collection on the generators with some local government planning effort and minimal enforcement, SB 1383 explicitly shares the responsibility with local government and adds fines and penalties much like AB 939, but with delayed enforcement.

AB 1826 mandated a phased in collection where about 2.8 million tons of commercial organics would need to be collected by 2020 coupled with CalRecycle's Strategic Directive to divert 50% of all organics be diverted by 2020. AB 1383 places that directive into law which would amount to 8.9 million tons of all organics will need to be reduced by 2020. SB 1383 has far greater impacts in 2020 because it brings in residential and self-haul organics from policy to law. An effective ban of 90% diversion by 2025 as proposed by CARB this year would have required 14.5 million tons of all organics to be reduced by 2025, but with SB 1383 placing the 75% reduction amount into law, only 13.3 million tons will need to be reduced by 2025. The compromise from a potential effective ban to just 75% by 2025, leaving 1.2 million tons in the landfill, and go after 13.3 million SB 1383 tons was clever.

SB 1383 requires CalRecycle, in consultation with CARB, to adopt regulations which achieve the specified targets for reducing organic waste in landfills. SB 1383 would authorize local jurisdictions to charge and collect fees to recover the local jurisdiction's costs incurred in complying with the regula-

tions. SB 1383 would require by July 1, 2020, to analyze the progress that the waste sector, state government, and local governments have made in achieving the specified targets for reducing organic waste in landfills, such as infrastructure development and markets for products. SB 1383 would authorize CalRecycle, depending on the outcome of that analysis, to amend the regulations to include incentives or additional requirements.

The regulations may include different levels of requirements for local jurisdictions and phased timelines based upon their progress, and may include penalties to be imposed by CalRecycle for noncompliance. However, the regulations do not take effect until on or after January 1, 2022, except the imposition of penalties shall not take effect until 2 years after the effective date of the regulations sometime in 2024. The regulations shall also include requirements intended to meet the goal that not less than 20% of edible food that is currently disposed of is recovered for human consumption by 2025. As part of the deal, the regulations shall not establish a numeric organic waste disposal limit for individual landfills.

The methane generated by the diversion of organics with anaerobic digestion technologies would be used to produce renewable natural gas. SB 1383 also requires the CA Energy Commission, in consultation with CARB, shall develop recommendations for the development and use of renewable gas. In developing the recommendations, the CEC shall identify cost-effective strategies that are consistent with existing state policies and climate change goals by considering priority end uses of renewable gas, and adopt policies and incentives to significantly increase the sustainable production and use of renewable gas, and shall consider additional policies to support the development and use in the state of renewable gas, including biomethane and biogas, that reduce short-lived climate pollutants in the state. Priority shall be given to fuels with the greatest GHG emissions benefits, including the consideration of carbon intensity and reduction in SCLP's.

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

TOPIC: Requires the Air Resources Board (ARB) to approve statewide greenhouse gas (GHG) emissions limits equivalent to 40% below the 1990 level by 2030. The bill would also require CARB to prepare and submit to the Joint Legislative Budget Committee and appropriate policy committees a report relating to the greenhouse gas emissions reductions achieved toward those limits. This bill would become operative only if AB 197 of the 2015-16 Regular Session is enacted and becomes effective on or before January 1, 2017.

STATUS: Signed by Governor on Sep. 8.
SUPPORT

[SB 1383 \(Lara\)](#)

TOPIC: Would require CARB to approve and implement Short-lived Climate Pollutants strategy to achieve 40% reduction in methane, 40% reduction of hydrofluorocarbon gases, and a 50% reduction in anthropogenic black carbon below 2013 levels, by 2030.

Passed out of Assembly Natural Resources on June 27 with a 6-1 vote.

STATUS: Enrolled to Governor on Sep. 6.
SUPPORT

[AB 197 \(Garcia\)](#)

TOPIC: This bill would add 2 Members of the Legislature to the state board as ex officio, nonvoting members. The bill would provide that the voting members of the state board are appointed for staggered 6-year terms and upon expiration of the term of office of a voting member, the appointing authority may reappoint that member to a new term of office, subject to specified requirements. The bill would require the state board to establish the initial staggered terms. The bill would create the Joint Legislative Committee on Climate Change Policies consisting of at least 3 Members of the Senate and at least 3 Members of the Assembly.

STATUS: Signed by Governor on Sep. 8.
SUPPORT

[AB 1613 \(Committee on Budget\)](#)

TOPIC: The Budget Act of 2016 made appropriations for the support of state government for the 2016-17 fiscal year. Amends the 2016 Budget Act to appropriate \$900 million of GHG Reduction Funds consistent with the 2016 Cap and Trade Plan. \$40 million for waste diversion projects for organic material which fund projects that have a double environmental benefit of capture greenhouse gases while also reducing methane emissions; \$7.5 million for the Healthy Soils program, to establish innovative farming practices that capture carbon, reduce water use and improve soil health.

STATUS: Enrolled to Governor on Sep. 9.
SUPPORT

Food Waste Not

OCTOBER 2016 SPECIAL EDITION

The food fight for food waste raged in 2016. AB 655 (Quirk) was an attempt by the rendering industry to determine the “highest and best” use away from composting but was narrowed down in order to increase fees. SB 970 (Leyva) was a failed attempt by the wastewater treatment plants to get more cap-and-trade money at the expense of composting. AB 1103 (Dodd) was passed to establish a reporting requirement for self-haulers of food waste with over one cubic yard per week. CalRecycle determine that 265,000 tons of food waste was being collected at the curb in 2014, and that another 929,000 tons are being self-hauled, somewhere, somehow. With SB 1373 (Lara) requiring 50% of all organics be reduced by 2020 and 75% by 2025, another 3.15 million tons of food waste is coming in 4 years, and 4.7 million tons of food waste in 2025.

AB 1826 + AB 876 + SB 1383

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. This Program is required to delve deep into capacity and infrastructure development. CalRecycle will not be required to start the Program review until after August 1, 2017, as part of the Annual Review process.

With the passage of AB 876 (McCarthy) in 2015, the Annual Review process will also include an estimate of organic waste being generated over a 15-year period, and identify capacity issues, which builds on AB 1826. With SB 1383 (Lara), the plan should also include 50% reduction of all organic waste by 2020, and 75% by 2025.

AB 1103 (Dodd)

TOPIC: This bill would establish a reporting requirement for a self-hauler of its own food waste.

Exporters, brokers, self-haulers, and transporters of recyclables or compost shall submit periodic information to the department on the types, quantities, and destinations of materials that are disposed of, sold, or transferred. The department shall develop regulations implementing this section that define “self-hauler” to include, at a minimum, a person or entity that generates and transports, utilizing its own employees and equipment, more than one cubic yard per week of its own food waste to a location or facility that is not owned and operated by that person or entity.

STATUS: Signed by the Governor on September 22, 2016. **SUPPORT**

AB 655 (Quirk)

TOPIC: Rendering: inedible kitchen grease: registration fee: additional fees. Existing law regulates rendering and authorizes the Department of Food and Agriculture to charge each licensed renderer reasonable costs which will now increase to up to \$10,000 per year.

This bill could have had CDFA along with other agencies to make findings and declarations regarding the regional “highest and best use” for food waste, and would have had CDFA use this findings of “highest and best use” when developing regulations on handling these materials. This provision was removed from the bills as ensuing regulations could have favored the rendering industry over composting and anaerobic digestion and skewed the food fight over food waste.

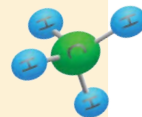
STATUS: Signed by the Governor on September 22, 2016. **SUPPORT**

SB 1383 PLACES ORGANICS REDUCTION INTO LAW

CARB had proposed an organics ban in their Proposed Short-Lived Climate Pollutant (SLCP) Reduction Strategy which was released on April 11, 2016. The SLCP Draft Strategy would have effectively eliminated the disposal of organic materials at landfills by diverting 90% of all organics by 2025, which would have amounted to 14.5 million tons being diverted, with 7.8 million metric tons of GHG being avoided from a 2014 base year. This proposed ban by CARB was used as leverage to pass SB 1383 this year which instead placed a 75% reduction strategy by 2025 in statute instead of relying on CARB’s broad authority.

This is the third SLCP iteration over the last few years that also included black carbon and refrigerants mitigation in the analysis. CARB will consider approving this SLCP Strategy this fall along with the CEQA document, but will need to update the plan to accommodate SB 1383. The bill will instead call for a 50% reduction of all organics by 2020, and 75% of all organics by 2025.

With 50% off all organics needing to be reduced by 2020 now in statute, 8.9 million tons of all organics will need to be reduced by 2020, where AB 1826 only required 2.8 million tons of commercial organics needing to be collected by 2020. SB 1383 has far greater impacts in 2020 because it brings in residential and self-haul organics. An effective ban of 90% diversion by 2025 would have required 14.5 million tons of all organics to be reduced, but with the 75% amount, 13.3 million tons will need to be reduced by 2025.



WOODAGEDDON

OCTOBER 2016 SPECIAL EDITION

THE FOREST THROUGH THE TREES

With the forest fires raging throughout the state coinciding with the closure of many biomass plants over the last few years, Woodageddon hit California hard. The State of the Biomass is still in a state of emergency even with recent legislation for the forest sector. There is so much more to do in 2017 with Michael Gross of Zanker Recycling and CRRG to help our cause. At a meeting with the Governor's office last week, the biofuels suppliers were told to develop a legislative strategy to go along with the story that the landfills will be tipping over with wood waste as agricultural fields burn in the Central Valley.

The biomass market had been relatively stable for more than 10 years, averaging 600 MW of operating capacity generated by 33 biomass plants utilizing five million tons of wood chips from the urban, agricultural, and forest sectors. In 2014, five plants shut their doors, totaling 85 MW. With expiring power purchase agreements, another ten plants representing 276 MW and approximately three million tons in wood chips, including one million tons of urban sector wood chips, could close by 2020.

SB 859 will require the utilities to purchase 125 MW of bioenergy per year over the next 5 years, with 80% of the feedstock coming from high-hazardous forest areas, which means over a million tons secured of forest wood chips. Meanwhile, the urban sector will be crowded out by over a million tons in capacity as more contracts expire and the remaining contracts procure forest chips. With AB 1826 and SB 1383 being phased in, 2.6 million tons of new wood chips will need to be diverted by 2020 and 3.9 million tons of new wood chips could be on the market in 2025. We are seeing the forest chips through the dead trees, but the urban wood waste will be left in the landfill as the limited bioenergy market contracts.

BLACK CARBON MITIGATION FROM FOREST FIRES AND DIESEL USE

The California Air Resources Board (CARB) released the proposed strategy **Short-Lived Climate Pollutant (SLCP) Reduction Strategy** on April 11, 2016. The Global Warming Potential of black carbon may increase from 900 times CO₂ over a 100 year period, to 3,200 times CO₂ over a 20 year time horizon, vastly increasing the contribution of forest fires and diesel exhaust to the GHG Inventory.



The SLCP Strategy proposes to have CARB continue to lead on reducing diesel black carbon emissions by providing incentives to deploy near-zero emission vehicles using electric ZEVs. CARB needs to understand that RNG fuel in a heavy-duty CNG truck has lower GHGs than ZEVs, still reduces black carbon, and has near-zero NOx emission with a new CARB-certified Cummins engine.

The SLCP Strategy proposes to continue to reduce black carbon from open biomass burning in the fields and forest by proposing incentives to collect woody biomass to controlled bioenergy plants.

BIOCHAR PROTOCOL ADOPTED

Placer County Air Pollution Control District sponsored the development of the Biochar GHG Quantification protocol and is posted on the County Air Pollution Control Officers GHGRx Program at <http://www.ghgrx.org/>.

With CARB taking on black carbon from forest fires with the SLCP, the value of these GHG off-sets for biomass gasification projects can only increase with the production of biochar.

SB 859 (Committee on Budget)

TOPIC: This bill would additionally require electrical corporations, by Dec. 1, 2016, to collectively procure, through financial commitments of 5 years, their proportionate share of 125 megawatts of cumulative rated generating capacity from bioenergy projects commencing operation prior to June 1, 2013, that each produces its generation using specified minimum percentages of certain types of forest feedstock. The bill would require local publicly owned electric utilities serving more than 100,000 customers to procure their proportionate shares of 125 megawatts of cumulative rated capacity from those kinds of bioenergy projects subject to terms of at least 5 years. At least 80% of the feedstock of an eligible facility, on an annual basis, shall be a byproduct of sustainable forestry management, which includes removal of dead and dying trees from Tier 1 & 2 high hazard zones and is not from lands that have been clear cut. At least 60% of this feedstock shall be from Tier 1 & 2 high hazard zones.

STATUS: Signed by Governor on Sep. 14, 2016. **SUPPORT**

SB 1613 (Committee on Budget)

TOPIC: This bill would amend the Budget Act of 2016 by amending and adding items of appropriations. Of the amount appropriated in this item, \$25,000,000 shall be available for healthy forest programs, including fuels treatment, pest and diseased tree removal, and long-term protection of forested lands.

STATUS: Signed by Governor on Sep. 14, 2016.

SB 1383 (Lara)

TOPIC: This bill would require CARB to approve and implement SLCP strategy to achieve a 50% reduction in anthropogenic black carbon below 2013 levels, by 2030, which includes open biomass burning in the fields and forest.

STATUS: Signed by Governor on Sep. 19, 2016. **SUPPORT**



OCTOBER 2016 SPECIAL EDITION

LCFS BACK ON THE LOW ROAD TO HIGH RECOVERY

Things were looking rather bleak on The Organic Highway early in the Legislative session this year. Legislative analysis and a pending court case cast a long shadow over the state's Cap-and-Trade program and the Low Carbon Fuel Standard (LCFS) was about to become a bargaining chip by Big Oil. The Cap-and-Trade and LCFS auctions had abysmal results. And SB 32 – the bill to extend AB 32 to 2030 – had stalled. Things got worse when media stories surfaced that the Governor was negotiating with the oil industry to revise SB 32 and the LCFS in concert. The Governor wanted to pass a 2/3 vote bill in order to remove legal uncertainty around the Cap-and-Trade program, but the only way to get to a 2/3 vote (if at all) was to weaken the LCFS.

The industry moved into high gear to defend the LCFS. The Bioenergy Association of California, Clean Energy, CRRRC, and CCC members pulled out all the stops to educate legislators on the importance of the LCFS to create jobs, reduce air pollution and provide certainty for businesses investing in California. Industry met with dozens

of legislators to make sure that they would not agree to a deal that gutted the LCFS. Once it was sure that the LCFS would not be part of a bad deal, the industry kept up the momentum to pass SB 32.

The Legislature was finally connecting the dots that we have been telling them about for years, by understanding that methane mitigation to address short-lived climate pollutants is the same bio-methane that can produce a extremely low carbon fuel. Methane generation in a landfill could stew for over 30 years with fugitive emissions, but instead could become a carbon negative fuel in less than 30 days with anaerobic digestion. As the war on methane continues with the Short-Lived Climate Pollutant (SLCP) Strategy to reduce methane from 2013 levels by 40% by 2030, the desire to reduce petroleum use by 50% by 2030 is also looming. Harnessing the methane from the landfill and diverting organics to an anaerobic digestion facility to produce a renewable natural gas (RNG) for the CNG fleet solves two problems at the same time.

CUMMINS WESTPORT - NEAR ZERO EMISSIONS FUELED BY ZERO WASTE CARBON NEGATIVE CNG

Cummins Westport's new ISL G Near Zero NOx natural gas engine is the first Mid-Range engine in North America to receive emission certifications from both the U.S. Environmental Protection Agency (EPA) and California Air Resources Board that meet the 0.02 g/bhp-hr optional Near Zero NOx Emissions standards for refuse and recycling applications. Cummins Westport ISL G NZ exhaust emissions will be 90% lower than the current EPA NOx limit of 0.2 g/bhp-hr and also meet the 2017 EPA greenhouse gas emission requirements. CWI natural gas engines have met the 2010 EPA standard for particulate matter (0.01 g/bhp-hr) since 2001.

[SB 1383 \(Lara\)](#)

TOPIC: A major amendment added in the last week of the legislation session, based on legislation that BAC sponsored, requires adoption of policies and incentives to significantly increase renewable gas production and use, and shall consider additional policies to support the development and use in the state of renewable gas, including bio-methane and biogas, that reduce short-lived climate pollutants in the state with priority given to fuels with the greatest greenhouse gas emissions benefits, including the consideration of carbon intensity and reduction in SLCP's, as appropriate.

STATUS: Signed by Governor on Sept. 19.
SUPPORT

[AB 2313 \(Williams\)](#)

TOPIC: Increases the incentive for pipeline biogas interconnection from \$1.5 to \$3 million per project, and up to \$5 million for a dairy digester cluster project. The bill also requires the CPUC to consider rate-basing and other options to promote pipeline biogas once the current incentive program expires.

STATUS: Signed by Governor on Sept. 24.

[SB 840 \(Committee\)](#)

TOPIC: Addresses the pipeline biogas standards for BTU (heating value) and siloxanes. The bill requires the CPUC to hire the California Council on Science and Technology to review and make recommendations to revise the pipeline biogas standards for BTU and siloxanes. We expect CCST to consider factors like dilution in the pipeline, distance between injection and end use, source of the biogas and other factors to enable more cost-effective standards.

STATUS: Signed by Governor on Sep. 13.



OCTOBER 2016 SPECIAL EDITION

TIPPING UNDER 50%

AB 341 (Chesbro, 2011) was signed into law and set the statewide recycling goal of 75% by 2020, instituting mandatory commercial recycling in 2012. Ironically, with AB 341, the amount of disposal has actually increased by over one million tons per year each year, California will not achieve the 75% recycling goal but may achieve a 60% recycling rate with AB 1826 and SB 1383 implementation and enforcement in recycling organics. Over 400 Recycling Centers were shuttered in California last year. The Bottle Bill is in need of some real reform. Wood chips are piling up. The AB 341 recycling rate has tipped under 50% to 47% in 2015.

It has been noted that falling oil prices, a global economic slowdown, and a strong dollar are hurting pricing. The ISRI Index of commodity pricing has dropped almost 50% since 2011. Without hope of a rebounding futures markets, the recycling industry is forced to seek ratepayer increases at the local level and a revamping of the rate methodology. As the market remains flat, there was no 'Bale Out' or a tip fee increase for funding in 2016 which leaves the industry with begging rights for possible local rate increases.

AB 1063 (Williams) could have provided a 'Bale Out' with a \$4 per ton landfill tip fee resulting in \$30 million over 5 years to support developing the domestic recycling manufacturing capacity. AB 1063 has been held in Committee being labeled as a 'tax' and not a 'fee' even though there is a clear nexus to support recycling. The Governor's Office was briefed on a Berkeley Study calling for a \$10 per ton tip fee to off-set cheap landfilling to encourage recycling and energy recovery.

The CalRecycle "AB 341 Report to the Legislature" was submitted in August 2015. Now is the time to update the AB 341 Report to determine the amount of tip fee increase to actually get to the 75% goal by 2020, or to delay or lower the goal.

CALRECYCLE REPORT: 2015 CALIFORNIA EXPORTS OF RECYCLABLE MATERIALS

The CalRecycle presentation at their September 2016 meeting asked many questions that they should have the answers too. It's great that CalRecycle tracks the macro export market and AB 901 regulations will get more precise data, but California will not make the 75% recycling goal in 2020 with or without the export market. Exports are down by over 5 million tons losing over \$4.5 billion in sales and landfill disposal is up by 4 million tons over the same time period. We don't want to stockpile and yes we need to have domestic manufacturing to keep the jobs and materials at home. [Click to view Report](#)

AB 1063 (Williams)

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 Environmental Quality Committee.
WATCH

DISPOSAL TONS

Pounds Per Person Per Day
(PPD)

2012 4.3 PPD

29.3 million disposal tons
50% statewide recycling rate

2013 4.4 PPD

30.2 million disposal tons
50% statewide recycling rate

2014 4.5 PPD

31.2 million disposal tons
50% statewide recycling rate

2015 4.7 PPD

33.2 million disposal tons
47% statewide recycling rate

2020 2.7 PPD goal

20.0 million tons
75% statewide recycling rate

Source: CalRecycle

AB 341 REPORT

With the passage of AB 341 (Chesbro, 2011), the Governor and the Legislature established a policy goal for the state that not less than 75% of solid waste generated be source-reduced, recycled, or composted by the year 2020. This report submitted in August 2015, as directed by the Legislature, provides strategies to achieve that 75% goal. A series of recommendations for legislative changes were presented in this report.

[Link to AB 341 Report](#)

AB 32 SCOPING PLAN TO 2030 TO INCLUDE SB 32 AND SB 1383

On April 29, 2015, the Governor issued [Executive Order B-30-15](#) establishing a mid-term GHG reduction target for California of 40 percent below 1990 levels by 2030. All state agencies with jurisdiction over sources of GHG emissions were directed to implement measures to achieve reductions of GHG emissions to meet the 2030 and 2050 targets. Last year, SB 32 (Pavley) was stalled out in committee placing these goals in statute. This year SB 32 passed.

The day after Big Oil also won the SB 350 skirmish last year by having the 50% petroleum reduction requirement removed, CARB was directed to update the AB 32 Scoping Plan to reflect the 2030 targets, and is moving forward with the update process four years earlier than the planned 5-year update in 2018. The first workshop was held on Oct. 1, 2015, introducing the concept of the **Five Pillars**, where the Governor provided the keynote speech coming off his meetings with global leaders and getting ready for the Paris Climate Accords. On September 25, 2015, CARB re-adopted the Low Carbon Fuel Standard (LCFS) which, along with other measures, will get California close to the 50% less petroleum goal by 2030. CARB released the AB 32 Scoping Plan Concept Paper and presented the four potential high-level concepts on June 17, 2016, held a public meeting on June 23, 2016 and are and receiving public comments.

http://www.arb.ca.gov/cc/scopingplan/document/2030_sp_concept_paper2016.pdf

The AB 32 Scoping Plan provides a framework to reduce greenhouse gas emissions by 40% from 1990 levels by 2030, and also revisits the question of whether to continue with the cap-and-trade program, or replace it with a carbon tax, or do neither and just increase the cap on industry and/or transportation. The cap-and-trade program offers a flexible market mechanism to reduce GHG by 19% and using the cap to get to the other 81% reductions. The carbon tax would place a cost per ton on all

carbon sources. The increase in capping of GHG sources and do neither the cap-and-trade nor the carbon tax would be more draconian without market mechanisms in play.

The Concept Paper presents 4 potential high-level concepts for achieving the needed GHG reductions:

Concept 1: Complementary Policies with a Cap-and-Trade Program

Concept 2: Ambitious Complementary Policies without a Cap-and-Trade Program; a Focus on Industrial Sources

Concept 3: Ambitious Complementary Policies without a Cap-and-Trade Program; a Focus on Transportation

Concept 4: Complementary Policies with a Carbon Tax

Cap-and-trade was considered a fee only needing a majority vote with the passage of AB 32 until 2010, where a court decision may consider it a tax, requiring 2/3 majority vote. Since cap-and-trade was adopted under the authority of AB 32, the continuance past 2020 may require a 2/3 vote. LCFS was also adopted under AB 32 without explicit legislation where 11 cents increase for each gallon of gas has occurred under cap-and-trade. Using the Federal EPA model to determine the social cost of carbon, a range of \$11 to \$15 per ton has been pre-determined as the potential carbon tax. The cap-and-trade program has been auctioning at around \$12.50 per ton until the last few auctions failed based upon uncertainty past 2020, and the number of allowances that are on the market. This AB 32 Scoping Plan Update will consider these options while producing the framework of achieving the goals of the **Five Pillars**.

With the passage of SB 32 (Pavley) to place the goals into statute, the AB 32 Scoping Plan to 2030 will be critical for including the **Five Pillars** which will help frame the suite of policy measures, regulations, planning efforts, and investments in clean technologies and infrastructure needed to keep driving down GHG emissions.

AB 32 Scoping Plan to 2030

On June 17, 2016, CARB released the 2030 Target Scoping Plan Concept Paper and Updated GHG Inventory on and CCC submitted comments on July 8. The 2030 Target Scoping Plan Concept Paper provided an additional opportunity for public and stakeholder engagement and input and framed up SB 32 legislation. With the passage of SB 32 and AB 1383, the AB 32 Scoping Plan Update now has statute to back it up on how to most effectively achieve a 40% reduction in GHG emissions by 2030 as compared to 1990 statewide GHG emissions. The content of this paper has been informed by several public workshops and which included workshops on how to achieve the 2030 goals for both the transportation and electricity sectors. This Scoping Plan Update will provide the road map to 2030 and be the basis to implement SB 32 and SB 1383. Be ready for an active fall.

<http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>

AB 901 Regulations

CCC attended a series of eight topical workshops, conducted by CalRecycle as part of their informal rulemaking process, to aid in the development of new regulations on reporting requirements for recycling, composting, and disposal facilities, subsequent to the passage of AB 901 (Gordon). Additional meetings will focus on gathering additional information regarding reporting thresholds, organic materials, penalties and enforcement, multiple operations, jurisdictional requests and confidentiality, jurisdiction of origin and source sector, and material types and products. Key takeaway is that proprietary information will be protected...even from jurisdiction requests.

CCC has requested and received lists of outbound materials from MRFs, composters, and CDI processors to be used in informing CalRecycle staff on streamlining the reporting of material types and products.

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.

CCC Members

Agromin
Atlas Disposal
Burrtec Waste Industries
Caglia Environmental
California Wood Recycling
CleanFleets.net
Clover Flat Compost
Cold Canyon Compost
CT Bioenergy Consulting LLC
Harvest Tulare
Harvest Lathrop
Marin Sanitary Service
Mt. Diablo Recycling
Napa Recycling Compost
Northern Recycling Compost
Organic Waste Solutions
Phoenix Energy
Quackenbush Mt. Compost
Recology Blossom Valley Organics
Recology Feather River Organics
Recology Jepson Prairie Organics
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IN IT FOR THE LONG HAUL WITH CRRC

The California Compost Coalition (CCC) was re-launched by a group of California Refuse Recycling Council (CRRC) composters that had been part of the California Compost Quality Council (CCQC) in the 1990's. CCQC had developed compost standards for both bulk and organic compost products, which have since developed into national standards with the Seal of Testing Assurance and the OMRI programs.

CCC organized as a Lobby Coalition in 2002 to focus on banning Clopyralid use that was affecting their compost quality at the time and to address Sudden Oak Death Syndrome that was restricting their wood chip markets. Both issues were wreaking havoc, similar to the many challenges we are having today. The Lobby Coalition was born with the following charter members: California Wood Recycling, Cold Canyon Compost, Northern Recycling, South Lake Refuse, Tracy Delta, Upper Valley Recycling, Zanker Road, and Z-Best Compost. Sonoma Compost was also there from the early CCQC days, helping to build the Coalition.

CRRC members are on the leading edge of providing and promoting environmentally sound and efficient composting and recycling services throughout California and many of the CRRC composters have forged a focused relationship just on organics issues with CCC. Our members' innovative technologies and composting programs are providing California citizens a cleaner future today. Over the years with common goals and policy development, the following CRRC members have joined CCC; Agromin, Atlas Refuel, Burrtec Waste Industries, Caglia Environmental, CleanFleets.Net, Harvest Power, Marin Sanitary Services, Mt. Diablo Recycling, Napa Recycling & Waste Services, Organic Waste Solutions, Recology and Zero Waste Energy.



CRRC was first organized in 1953 by several independent refuse associations in Northern and Southern California. These associations banded together for the first time to lead a fight against state legislation that would cost the waste industry several hundreds of thousands of dollars statewide. Upon winning an exemption for our industry against this transportation legislation, these groups continued

their association which laid the groundwork for what CRRC represents today. In 1964, the Articles of Incorporation were drawn, and CRRC was officially formed, with a Northern and Southern District. As many things have changed over the years, our industry and association have also changed to meet the demands of our time.

CRRC members are committed to increasing the use of low carbon transportation and fuels to

reduce greenhouse gas emissions, developing biofuel facilities, diverting organics and waste from landfills, and improving the health and resilience of California soils. This monumental effort to improve our environment, while fighting the escape of black carbon and methane into our earth's atmosphere, will take guts, time and funding. This is why CRRC sponsored AB 1103 (Dodd) this year, and we are very pleased that Governor Brown understood the importance of this bill which requires self-haulers to report the amount of organics recycled. The bill will allow us, for the first time, to get authentic organics recycling data so that we can accurately quantify the GHG emissions which have been avoided. Our goal is to collect the data and expedite the removal of organics from landfills before 2025.

For more information on CRRC Northern District visit our website at <http://crrcnorth.org/index.aspx>.