

NEXT GENERATION STEPS UP AS RECYCLING RATE FADES AWAY

The Scoping Plan Update was released by CARB on October 27 to set a plan to reduce greenhouse gas by 40% in 2030 and should be adopted in December 2017. CalRecycle released the draft SB 1383 regulatory text for a workshop on October 30, 2017, with plans to divert 75% of all organics from landfilling by 2025. AB 398 extended the cap-and-trade program to 2030 providing certainty to the carbon markets that will provide billions in cap-and-trade revenue to fund the future. California will have all of the laws, regulations and policies in place to save the world as the Next Generation is stepping up to implement this Organics Revolution, which will be televised.

With all of the fanfare for the mandated future, mixed messages and messed up markets for recycling and biomass prevailed in 2017. SB 1383 regulatory development with shared responsibility and self-haul reporting are underway, but enforcement and penalties will wane for four years. The forest sector's state of emergency was parlayed into more wood chips from dead trees to keep 125 MW of bioenergy contracts open while crowding out 400,000 tons of urban biomass from 2015 to 2016. Export markets for recyclables dipped over another million tons for the fifth year in a row as landfills disposed of two million more tons last year to total almost 6 million more tons over the last four years. As the bales stack up and the wood chips pile higher, the California recycling rate has dipped to just 44% in 2016 as the 75% by 2020 recycling goal drifts further out of reach.

CalRecycle needs to get moving on updating their "AB 341 Report to the Legislature," which was last submitted in August 2015 and should provide a robust analysis of the Green Fence that will continue to cripple the export market. The recycling industry is falling on the green

sword without the needed rate increases to keep up with the increase cost to achieve a cleaner specification with less revenue at a new China price point. Should the export market continue to decline for mixed paper and rigid plastics, the statewide diversion rate will be closer to 40% in 2020 and not even close to the 75% goal.

Now is the time to update the AB 341 Report to determine the amount of tip fee increase needed to actually get to the 75% statewide 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 50% by 2020, should the export markets and domestic remanufacturing facilities stall out and urban biomass stays in the landfill.

In 2016, AB 1063 (Williams) could have provided a 'Bale Out' with a \$4 per ton landfill tip fee resulting in \$140 million per year to support developing the domestic recycling and composting manufacturing capacity. The landfill tip fee has been \$1.40 per ton since 1993. The Governor's Office was briefed on a Berkeley Study calling for a \$10 per ton tip fee to off-set cheap landfilling and encourage recycling and energy recovery. AB

1288 (Eggman) was introduced in 2017 to give recycling a chance with tip fee reform, but that too was stalled out. SB 1 was passed this year and will increase the fuel tax by 12 cents per gallon on November 1, 2017. The cap-and-trade program has claimed to increase the price of fuel by at 11 cents per gallon, and with the AB 398 extension to 2030, analysts have predicted it could add another 25 cents per gallon. With the huge tax increase lift by the Governor this year on both SB 1 and AB 398, the tip fee on landfills was left behind. There will be no 'Bale Out' in 2017, leaving land-filling as the last resort for mixed paper and rigid plastics.

The California recycling rate has dipped to just 44% in 2016 as the 75% recycling goal by 2020 drifts further out of reach.

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BALE OUT

Legislative Update

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

TOPIC: Transportation funding. This bill would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the state highway system and the local street and road system. This bill would create in the State Transportation Fund, including revenues attributable to a \$0.12 per gallon increase in the motor vehicle fuel (gasoline) tax imposed by the bill with an inflation adjustment.

STATUS: **Approved by Governor on April 28, 2017**

[AB 617 \(Cristina Garcia\)](#)

TOPIC: This bill would require the state board, by October 1, 2018, to prepare a plan regarding technologies for monitoring criteria air pollutants and toxic air contaminants and the need for and benefits of additional community air monitoring systems; and would require the state board to select, based on the monitoring plan, the highest priority locations in the state for the deployment of community air monitoring systems. The bill would require an air district containing a selected location, by July 1, 2019, to deploy a system in the selected location. The bill would authorize the air district to require a stationary source that emits air pollutants in, or that materially affect, the selected location to deploy a fence-line monitoring system, as defined, or other specified real-time, on-site monitoring. The bill would authorize the state board, by January 1, 2020, and annually thereafter, to select additional locations for the deployment of the systems. The bill would require air districts that have deployed a system to provide to the state board air quality data produced by the system.

STATUS: **Approved by the Governor on July 26, 2017**

[AB 1572 \(Aguilar-Curry\)](#)

TOPIC: This bill would postpone the repeal of the conditional review schedule, and postpone the corresponding operation of the department's 2-year review schedule, to January 1, 2022. This bill would authorize CalRecycle, in consultation with stakeholders, to make recommendations to the Legislature, by January 1, 2022, on necessary revisions to the review process described above to ensure consistency with the regulations adopted to achieve those organic waste disposal reduction goals. This was done to have a CalRecycle review process until SB 1383 regulations take effect in 2022.

STATUS: **Approved by Governor on July 31, 2017**

[AB 398 \(Eduardo Garcia\)](#)

TOPIC: This bill would extend the cap-and-trade regulation that establishes a system of market-based declining annual aggregate emissions limits for categories of sources that emit greenhouse gases, to December 31, 2030 and require CARB to include specified price ceilings, price containment points, offset credit compliance limits, and industry assistance factors for allowance allocation, and other critical components.

STATUS: **Approved by the Governor on July 25, 2017**

[AB 109 \(Ting\)](#)

TOPIC: The Budget Act of 2017 made appropriations for the support of state government for the 2017–18 fiscal year. This bill would amend the Budget Act of 2017 and would take effect immediately as a Budget Bill. It amends the 2017 Budget Act to include provisions for the 2017 Greenhouse Gas Emission Fund Expenditure Plan and other technical changes to the budget act. Specifically, this bill will allocate; 1) \$40 million to CalRecycle for waste diversion and recycling programs; 2) \$99 million to CDFA for dairy and agricultural GHG reductions; 3) \$220 million to CalFire for forest fuel removal, healthy forests and biomass to energy; and 4) \$60 million to the California Energy Commission for R&D programs, among other allocations totaling \$750.4 million of additional appropriations from special and federal funds.

STATUS: **Approved by Governor on September 16, 2017.**

[AB 134 \(Committee on Budget\)](#)

TOPIC: The Budget Act of 2017 made appropriations for the support of state government for the 2017–18 fiscal year. This bill would amend the Budget Act of 2017 and take effect immediately as a Budget Bill for Greenhouse Gas Reduction Funds. Specifically, this bill: 1) Appropriates \$900 million to CARB for an array of programs including: a) \$250 million for Carl Moyer program funding for the South Coast, San Joaquin Valley, and Bay Area Air Quality management districts; b) \$180 million for Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program, of which: i) At least \$35 million is allocated for zero-emission buses, and ii) Requires CARB to consider technology innovations in heavy duty trucks, like natural gas vehicles, that reduce diesel truck emissions. c) \$140 million for the Clean Vehicle Rebate Program for light-duty vehicles.

STATUS: **Approved by Governor on September 16, 2017.**

2-Year Bills

[AB 1288 \(Eggman\)](#)

TOPIC: This current spot bill would increase the solid waste tipping fee from \$1.40 per ton to an as-yet-to-be-determined amount to help develop organic materials processing facilities and other market incentive programs that promote the highest and best use of recovered materials. The bill may also establish a generator charge to augment the existing disposal fee which funds CalRecycle administrative costs.

STATUS: **Held In Committee**

[AB 1036 \(McCarty\)](#)

TOPIC: This bill would specify facilities that provide "essential public services" for purposes of the statutes that govern air pollution control districts and air quality management districts and the regulations adopted pursuant to those statutes before or after the enactment of this bill, including composting facilities; and for the purposes of permits and long-term emissions reductions relating to a composting facility, to include in calculations for baseline emissions of criteria air pollutants and greenhouse gases the reduction in emissions resulting from not sending those organic materials to a landfill.

STATUS: **Held In Committee**

[SB 780 \(Wiener\)](#)

TOPIC: This bill would authorize the Department of Resources Recycling and Recovery to promote the application of compost in urban areas of the state to assist with projects that follow the watershed approach to landscaping and, in coordination with the Department of Water Resources, to develop and implement pilot projects that support the understanding and deployment of compost to meet specified goals. The bill would also require the State Energy Resources Conservation and Development Commission, in coordination with the State Air Resources Board, to develop a greenhouse gas emissions reduction factor for new climate appropriate landscapes, as provided.

STATUS: **Held In Committee**

[AB 1342 \(Flora\)](#)

TOPIC: This bill would make moneys from the Greenhouse Gas Reduction Fund, upon appropriation, available to the Department of Resources Recycling And Recovery for in-state organic waste and recycling projects that reduce GHGs.

STATUS: **Held In Committee**

Food Waste Not

OCTOBER 2017 SPECIAL EDITION

The Short-Lived Climate Reduction Strategy states there will need to be at least \$100 million in incentives over the next 5 years to start to develop the required compost and organics diversion infrastructure as well as edible food recovery. CalRecycle has awarded \$24 million in grants from the A-list this year, and with AB 109 (Ting) another \$40 millions was budgeted. CalRecycle has \$31 million of eligible projects in waiting on the B-list pending a workshop on December 19, 2017, to accommodate the disadvantaged community scoring criteria for cap-and-trade projects. A disadvantaged community and food rescue component is required, where \$570,000 in food rescue programs will be granted for the A-list projects, and another \$940,000 is in waiting for the B-list projects, totaling \$1.5 million. Another \$5 million in grants will be announced next month for the Food Waste Prevention and Food Rescue grant solicitation. CalRecycle grants have shown to be the most cost-effective GHG strategy with 100% of the grants benefiting disadvantaged communities. AB 1219 (Eggman) will make food donations easier. AB 954 (Chiu) will work at the top of the EPA Food Waste Hierarchy by preventing food waste with proper labeling.

With SB 1383, there will be about 20 million tons of organics that need to be diverted consisting of 3.15 million tons of food waste in 2020, and 4.7 million tons by 2025. The CalRecycle Waste Characterization Study determined that 265,000 tons of food waste was being collected at the curb in 2014, and another 929,000 tons are being self-hauled. AB 901 will start in 2019 and track these tons of food waste, even from self-haulers that generate more than one ton per month.

SB 1383 - Edible Food Regs

CalRecycle held its third topical workshop on June 21, 2017, which included regulatory concepts related to edible food recovery. Draft regulatory language is now ready for the next workshop slated for October 30, 2017 in Sacramento and November 2, 2017 in the LA area. "Edible Food" means all food intended and usable for human consumption. In order for this edible food to be recovered, it must meet relevant public health and food safety standards and must be able to meet food recovery organizations' standards and requirements for acceptance related to nutrition or quality when recovered by those organizations. Nothing in this definition shall preclude such organizations from developing more stringent standards. For the purposes of these regulations, edible food is not solid waste. Regulatory concepts had included; 1) Adopt an ordinance and/or implement program provisions to increase edible food recovery; 2) Conduct targeted education and outreach to promote local food recovery; and 3) Improve edible food recovery at public facilities. SB 1383 will require that 20% of edible food be recovered by 2025 resulting in 49,500 tons that year being rescued, or 270,000 pounds resulting in 225,000 meals per day.

AB 901 Regulations

CalRecycle began their formal rulemaking process for the development of new regulations on reporting requirements. "Food waste self-haulers" shall report to CalRecycle the tons of food waste sent for recycling or composting who hauls 12 or more cubic yards, or 6,000 lbs of food waste per quarter. "Food waste self-hauler" is a person 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. Reporting also includes 100 tons or more of any combination of recyclable material, organics, and/or solid waste in a quarter, and a person who delivers organics for direct land application in excess of 50 tons per quarter.

AB 1219 (Eggman)

TOPIC: Food donations. This bill, the California Good Samaritan Food Donation Act, would expand provisions to persons and gleaners who donate food. The bill would narrow the exception to protection from liability to injury resulting from gross negligence or intentional misconduct. The bill would specify that the immunity from civil liability provided by these provisions applies to the donation of food that is fit for human consumption and that has exceeded the labeled shelf life date recommended by the manufacturer, provided, in instances of perishable food, the person that distributes the food to the end recipient makes a good faith evaluation that the food is wholesome. The bill would authorize food facilities to donate food directly to end recipients for consumption. This bill would also authorize a person or gleaner to donate food to a food bank or to a nonprofit charitable organization and exempt the person or gleaner from civil or criminal liability relating to the donated food. The bill would also expand these provisions to include the donation of food by food facilities directly to end recipients.

STATUS: Approved by Governor on October 9, 2017

AB 954 (Chiu)

TOPIC: Food labeling: quality and safety dates. This bill would require the Department of Food and Agriculture, in consultation with the State Department of Public Health, on or before July 1, 2018, to publish information to encourage food manufacturers, processors, and retailers responsible for the labeling of food products to voluntarily use uniform terms on food product labels to communicate quality dates and safety dates, and would require the department to promote the consistent use of those terms. The bill would also require the department to encourage food distributors and retailers to develop alternatives to consumer-facing "sell by" dates. The bill would establish the Consumer Education Account in the Department of Food and Agriculture Fund for the deposit of nonstate funds from public and private sources.

STATUS: Approved by Governor on October 14, 2017

WOODAGEDDON

OCTOBER 2017 SPECIAL EDITION

Woodageddon keeps hitting California hard. The State of the Biomass is still in a state of emergency, even with recent legislation for the forest sector. Nothing really happened in 2017 to address this crisis as SB 100 (DeLeon) could have increased the renewable energy portfolio up to 100% by 2045 and AB 920 (Aguir-Curry) could have required flexible generation, both could have increased bioenergy generation; but are now 2-year bills. AB 109 (Ting) did carve out \$220 million to CalFire without much hope that urban bioenergy will get anything. The California Energy Commission held a workshop on the draft 2017 Integrated Energy Policy that did not offer up any new solutions, other than noting that the developers are calling for a higher percent of bioenergy in the RPS.

Last year SB 859 required 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 procured of forest wood chips. Meanwhile, the urban sector will be crowded out by over a million tons in capacity over the years as more contracts expire and the remaining contracts procure forest chips. SB 498 annual reporting has shown this as the amount of wood chips used at biomass plants decreased from 5.02 million tons in 2015 to 3.71 million tons in 2016, with the urban sector drying up from 1.76 million tons in 2015 to just 1.35 million tons in 2016, losing over 400,000 tons in just one year.

With SB 1383 being phased in, 2.6 million tons of new wood waste will need to be diverted by 2020 and 3.9 million tons of new wood waste could be on the market in 2025. However, SB 1383 workshops have left wood waste market development out of the equation. The urban wood waste is piling up and will be left in the landfill as the limited bioenergy market contracts and the statewide recycling rate drops to 44% in 2016.

SB 1383 - CalRecycle Regs

CalRecycle held its fifth topical workshop on September 30, 2017, which collected feedback on the regulatory concepts related to market development and recycling capacity planning. Draft regulatory language is now ready for the next workshop slated for October 30, 2017 in Sacramento and November 2, 2017 in the LA area. However, market development for wood waste was not included in the discussion where CCC testified that wood waste should not be left behind in the SB 1383 process given that 2.6 million new tons of urban wood waste will need to be diverted by 2020, and 3.9 million tons by 2025. SB 1383 process needs to include urban wood waste market development and facility capacity planning. Gasification of clean wood chips is 100% diversion and 100% RPS and is classified as biomass conversion, and needs to be recognized.

CEC IEPR

The California Energy Commission is required to adopt an Integrated Energy Policy Report (IEPR) every two years and an update every other year. The draft 2017 Integrated Energy Policy Report was presented at a Workshop on October 23, 2017 at the CEC. Bioenergy developers and California utilities have suggested opening a proceeding to allow for changes to the RPS and BioMAT to better support and promote bioenergy. Proposed changes may include allowing for procurement of larger or variable power capacities or creating a mandated ratio of renewable energy from biomass. Since 1980, the number of biomass plants in California has decreased significantly because of expiring long-term contracts and because they are hindered by high operation and feedstock transportation costs, which can result in insufficient capital for operation and for maintenance expenses. Also, they sometimes lack support from the community or environmental organizations.

AB 109 (Ting)

TOPIC: The Budget Act of 2017 made appropriations for the support of state government for the 2017–18 fiscal year. This bill would amend the Budget Act of 2017 and would take effect immediately as a Budget Bill. It amends the 2017 Budget Act to include provisions for the 2017 Greenhouse Gas Emission Fund Expenditure Plan and other technical changes to the budget act. Specifically, this bill will allocate; \$220 million to CalFire for forest fuel removal, healthy forests and bioenergy. However, nothing specific to the urban wood waste stream.

STATUS: **Approved by Governor on September 16, 2017.**

SB 100 (DeLeon)

TOPIC: SB 100 would have increased the state's RPS (renewable electricity) goal from 50 to 60 percent by 2030 and it would require 100 percent of California's power to be renewable or zero-carbon by 2045. SB 100 would have limited the 2045 goal to "zero carbon" electricity, which would exclude biomass, biogas, geothermal and solar thermal. SB 100 also briefly included provisions related to renewable gas but those faced strong opposition and were dropped not long after being introduced.

STATUS: **Held in Committee**

AB 920 (Aguir-Curry)

TOPIC: AB 920 would have required the CPUC to increase baseload and flexible generation, renewable power and to consider baseload and flexible generation power in determining long-term portfolio needs to complement wind and solar.

STATUS: **Held in Committee**

BioMAT Implementation

BioMAT and interconnection (electricity) proceedings are underway at the CPUC for changes to both tariffs to accelerate project development, extend the program end date and reduce costs and delays related to interconnection.



OCTOBER 2017 SPECIAL EDITION

The solid waste and recycling industry of 15,000 heavy-duty vehicles uses about 150 million gallons per year of fuel. The Edgar Institute has projected that 80 percent of the industry's heavy-duty fleets could be CNG by 2025 with proper funding and incentives. We have worked tirelessly for three years to educate CARB and fund The Organic Highway, using millions in cap-and-trade revenue to provide grants for the difference in the cost of the CNG Class 7 and future Class 8 trucks – with the near-zero NOx engines – over a diesel truck, which varies up to \$50,000 per truck. However, the Legislature and CARB staff continues to favor electric vehicles with 'zero tailpipe' emissions over a CNG fleet with near-zero NOx using carbon negative fuel.

AB 134 appropriated over \$900 million to CARB from an array of programs to decrease diesel use, but with a Zero Emission Vehicle (ZEV) favoritism. AB 739 which was signed into law require the state procurement process to favor heavy duty ZEV, even though they are not available, and did not even mention near-zero NOx options. CARB's draft LCFS regulation skew metric towards ZEVs.

From the ports of California to the Great Central Valley, a network of RNG facilities and RNG fueling stations for near-zero NOx heavy-duty vehicles that collect and transport organic materials around California should be funded to de-carbonize the fuels and the fleets. Getting the fossil out of the fuel with near-zero emission engines using carbon negative fuel transformed from zero waste at net-zero facilities should receive priority incentives from the cap-and-trade revenues.

Being a Zero Hero is not cheap, and CARB does not understand that due to pressure by environmental justice organizations and other eco groups.

LCF Standard Regulations

A Public Workshop was held on September 22, 2017 to discuss proposed amendments to the Low Carbon Fuel Standard (LCFS) regulation. During the workshop, CARB discussed regulatory changes for the LCFS regulation and solicit stakeholder feedback. Clean Energy spearhead a collation to oppose the draft LCFS regulations and offered constructive comments. The draft LCFS regulatory amendment language could impede the growth of RNG production and the natural gas vehicle industry as a whole. The LCFS was built upon a concept of fuel neutrality, with the ultimate goal to reduce the carbon intensity of California's transportation fuels as a whole. Instead of promoting the fuel and technology neutral concept, the draft amendments appear to provide inequitable regulatory advantages to electric vehicle (EV) applications at the expense of other low carbon fuels, especially RNG. Such built-in inequalities could affect the integrity of the LCFS program and can jeopardize the future availability of low carbon fuel to California transportation markets.

CEC IEPR Update

The California Energy Commission is required to adopt an Integrated Energy Policy Report (IEPR) every two years and an update every other year. The draft 2017 Integrated Energy Policy Report was presented at a Workshop on October 23, 2017 at the CEC. In developing these recommendations per SB 1383, the CEC identified cost-effective strategies that are consistent with existing state policies and climate change goals by considering priority end uses of renewable gas, including biomethane and biogas, and their interactions with state policies, following the Low-Carbon Fuel Standard regulations.

AB 134 (Committee on Budget)

TOPIC: The Budget Act of 2017 made appropriations for the support of state government for the 2017–18 fiscal year. This bill would amend the Budget Act of 2017 and take effect immediately as a Budget Bill for Greenhouse Gas Reduction Funds. Specifically, this bill: 1) Appropriates \$900 million to CARB for an array of programs including: a) \$250 million for Carl Moyer program funding for the South Coast, San Joaquin Valley, and Bay Area Air Quality management districts; b) \$180 million for Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program, of which: i) At least \$35 million is allocated for zero-emission buses, and ii) Requires CARB to consider technology innovations in heavy duty trucks, like natural gas vehicles, that reduce diesel truck emissions. c) \$140 million for the Clean Vehicle Rebate Program for light-duty vehicles.

STATUS: **Approved by Governor on September 16, 2017.**

AB 739 (Chau)

TOPIC: State vehicle fleet: purchases – This bill would require beginning December 31, 2025, at least 15% of newly purchased vehicles with a gross vehicle weight rating of 19,000 pounds or more purchased by the department and other state entities for the state fleet to be zero emission, and beginning December 31, 2030, at least 30% of those vehicles to be zero emission.

STATUS: **Approved by Governor on October 10, 2017**

AB 118 / SB 103

TOPIC: Prohibiting Combustible Fuels. These bills, which would have prohibited state grant funding for projects in or near disadvantaged communities that use combustible fuels, even renewable and low carbon fuels used in ultra-low emission vehicles. Fortunately, the bills stalled in committee.



OCTOBER 2017 – GREEN FENCE – SPECIAL EDITION

CAN'T PAPER OVER THE GREEN FENCE

The higher the Green Fence goes up, with the planned ban of unsorted waste paper exports to China, the lower the statewide recycling rate goes down. The Chinese government, looking to protect its homeland manufacturers and to be mindful of environmental impacts, decided it would take action to improve the quality of the raw materials through the enhanced inspection of recyclables that are exported to China. The program, known as 'Operation Green Fence', was formally implemented in February 2013, enforcing a 2011 law, and was billed as an aggressive inspection effort aimed at curtailing the amount of contaminated recyclables and waste that was being sent to China. China has raised the Green Fence even higher with a [Catalogue of Solid Waste Forbidden to Import by the End of 2017](#), that will further decrease the contamination rate for mixed paper to just 0.3%. This would effectively create a ban where there is no plan in the United States to manage additional material, as prices plunge and bales stack up.

With 'Operation Green Fence', there was also falling oil prices, a global economic slowdown, and a strong dollar, which hurt commodity pricing. Meanwhile, a rebounding California economy caused more generation tons without developing remanufacturing facilities to process the recyclables domestically. Just last year, export markets for recyclables dipped another two million tons, dropping for the fifth year in a row and losing over 7 million tons of capacity since 2011. Landfills dumped another 2 million tons in 2016, increasing for a fourth year in a row, and gaining 6 million tons on disposal since 2012. The California recycling rate has downcycled to 44% in 2016 from a high of 50% in 2012, as the 75% recycling rate goal by 2020 seems like an impossible dream. Anecdotal evidence demonstrates that what is not being exported is now being landfilled, as domestic remanufacturing for paper and plastic does not have capacity.

Mixed paper, cardboard, and paperboard exports accounted for about 8.9 million tons valued at \$1.2 billion in 2016. China controls 86% of the market. Mixed paper is at least one-third of this export market – where, should China ban mixed paper, about 2.5 million tons would need to find a new market in 2018. Following historical trends, paper could be landfilled as the material recovery processing line may not have the technology or the labor to high-grade the paper waste. Building the Wall to the South has curtailed critical labor, and raising the Fence in the East, is mixing up the paper recovery rates and markets and boxing recycling in. Should another 2 million tons of mixed paper be landfilled in 2018, the statewide recycling rate would limp to just 41%.

CalRecycle needs to update their "AB 341 Report to the Legislature," which was last submitted in August 2015. Now is the time to update the AB 341 Report to determine the increase in landfill tip fee needed to actually get to the 75% goal by 2020, or delay the 75% goal. Should AB 1826 and SB 1383 be enforced to 2020 requirements, organics alone could lift the statewide recycling rate to at least 50% by 2020 should the export markets continue to slide and the emergence of domestic remanufacturing facilities stall out.

In 2016, AB 1063 (Williams) could have provided a 'Bale Out' with a \$4 per ton landfill tip fee resulting in \$140 million per year to support developing the domestic recycling and composting manufacturing capacity. AB 1063 was 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 and encourage recycling and energy recovery. AB 1288 (Eggman) was introduced in 2017 to give recycling a chance with tip fee reform, but that too was stalled out, as there is no 'Bale Out' in sight leaving landfilling as the last resort.

DISPOSAL TONS Pounds Per Person Per Day (PPD) - CalRecycle

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

2016 4.9 PPD
35.2 million disposal tons
44% statewide recycling rate

2020 2.7 PPD goal
20.0 million tons
75% statewide recycling rate

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 and should be updated in 2017 to increase the recycling rate from 44% in 2016 to 75% by 2020. The [State of Disposal and Recycling in California 2017 Update](#) was published in August 2017 providing trends with the most recent data.

Scoping Plan

The Revised 2017 Climate Change Scoping Plan (Revised Plan) describes the actions the State will take to achieve the SB 32 climate goal of reducing greenhouse gases (GHGs) at least 40 percent below 1990 levels by 2030. It outlines an approach that cuts across economic sectors to combine GHG reductions with reductions of smog-causing pollutants, while also safeguarding public health and economic goals. The Revised Plan also reflects direction in AB 398. A Final Plan, with all supporting materials, will be released prior to the December 14, 2017 Board Hearing.

The Revised Plan includes input from a range of State agencies and is the result of a two-year development process including extensive public and stakeholder outreach designed to ensure that California's climate and air quality efforts continue to improve public health and drive development of a more sustainable economy. This Revised Plan reflects the direction from the legislature on the cap-and-trade Program, as described in AB 398, the need to extend the key existing emissions reductions programs, and acknowledges the parallel actions required under AB 617 to strengthen monitoring and reduce air pollution at the community level.

This Revised Plan includes the following changes since the January 2017 draft: summary of new legislation (Discussed at October 12, 2017 workshop), framing for the path forward beyond 2030, updates to the Scoping Plan Scenario to reflect AB 398, in particular the role of the cap-and-trade Program (Discussed at October 12, 2017 workshop), updates to the emissions modeling to reflect the updated Scoping Plan Scenario (Discussed at October 12, 2017 workshop and updated since the workshop), estimates of public health and related economic benefits (Discussed at March 28, 2017 workshop), minor updates to AB 197 analyses (Discussed at October 12, 2017 workshop), deferment of extensive discussion and AB 197 analyses on alternative scenarios to an appendix—similar to past Scoping Plans, updates to reflect current status of the Clean Power Plan, and uncertainty discussion for the Scoping Plan Scenario, numerical target for SB 375 (Discussed at October 12, 2017 workshop), and numerical target for avoided emissions from the natural working lands sector (Discussed at October 12 & 13 workshops).

Regs Watch

AB 901 Regulation

CalRecycle is concluding the formal rulemaking process for the Recycling and Disposal Facility Reporting Regulations mandated under AB 901 (Gordon) in order to accomplish three important goals. First, the proposed regulations will facilitate collection of data required by AB 901 in order to inform CalRecycle's understanding of material flows within the State's disposal, composting and recycling infrastructure; allow CalRecycle to better estimate total recycling and composting; and assist CalRecycle to track progress towards several state goals and programs, including the 75% recycling goal, mandatory commercial recycling, and organics diversion programs. This information will allow CalRecycle to implement various improvements in areas such as increased responsiveness to changes in the recycling landscape, operational efficiencies, and targeting of state resources to recycling infrastructure. Second, the regulations detail procedures for implementing the Department's enforcement authority, which was created by AB 901 to ensure accurate reporting. Third, the proposed regulations will provide additional tools to enhance and expand the ability of local jurisdictions and the Department to ensure the accuracy of reported information.

The formal rulemaking process has begun with the submittal of the proposed regulations to the Office of Administrative Law and then a public 45 day comment which will be concluded by the end of 2017. The final regulations are expected to be adopted by mid-2018, with stakeholder training and database testing beginning in late 2018. First official reports would be submitted for the first quarter of 2019.

Compost General Order Performance Report

On August 4, 2015, the State Water Resources Control Board adopted General Waste Discharge Requirements for Composting Operations, and committed to work with representatives of the Regional Water Boards, CalRecycle, CARB, CDFA, the compost industry, and other interested stakeholders to develop performance measures related to the implementation of the Composting General Order. A Progress Report of performance measures and the status of enrollment and compliance with the Composting General Order was discussed on Sept. 16, 2017 at the SWRCB.

Chair Felicia Marcus wanted a follow-up report within 6 months on land application enforcement and a more robust report when staff reports back next year. The assessment for implementation costs will be ready in the fall of 2018.

2017 Scoping Plan Update

The proposed 2017 Climate Change Scoping Plan Update was released on Inauguration Day, January 20, 2017. It sent a message to the President that California will double down on setting the greenhouse gas reduction target to 2030, which was placed in statute with the passage of SB 32 (Pavley, 2016). CARB planned to consider adoption and certification of the CEQA document in April 2017 and then in June 2017, but it was held up to 2030 with the cap-and-trade reauthorization deal and the passage of AB 398 (Garcia). CARB plans to continue the EJAC hearings and consider adopting the Scoping Plan at their December 2017 Board meeting. CCC will double down on our previously submitted comments by advocating for doubling the compost use on agricultural lands, to meet SB 1383 mandates requiring 75% diversion by 2025. With just 11% of irrigated crop lands using compost, doubling the compost use to 22%, will create demand for another 7.5 million tons of compost, generated from 12 million tons of organic waste.

CCC wants baseline conditions to be considered. To assess the air quality impacts, the new CASP emissions from 53 to 74 new facilities can be compared to the landfilling baseline. Using standard industry practices, we have calculated that avoided landfill emissions of VOCs are 1.9 times greater than the VOCs emitted from CASP compost facilities. The net benefit of diverting organics from the landfill to CASP compost facilities is almost 2 times greater than baseline conditions.

SB 1383 - CalRecycle Regulations

CalRecycle held its fifth topical workshop on September 20, 2017, which included regulatory concepts related to market development and recycling capacity planning. CalRecycle should follow the County Integrated Waste Management Plan format to identify 15-years of organic processing capacity, use the Compost Component to develop programs, use the Funding Component to pay for it, and "*party like its AB 939.*" Policies should be placed in the local Climate Action Plan to support the organic processing programs for covered compost, bioenergy, anaerobic digestion, and RNG development. Comments are due at the end of the month. Draft regulatory language is now ready for the next workshop slated for October 30, 2017 in Sacramento, which will include a panel on Prop 218 issues.

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
GreenWaste Recovery
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
ReFuel Energy Partners
Soiland Co, Inc.
Sonoma Compost
Tracy Delta Compost
Upper Valley Recycling
Vision Recycling
Zanker Road Resource Management
Z-Best Compost Facility
Zero Waste Energy Development
Zero Waste Energy, LLC

CCC Executive Committee

Bill Camarillo, *Agromin*
Greg Kelley, *Northern Recycling Compost*
Eric Potashner, *Recology*
Greg Pryor, *Recology*
Will Bakx, *Sonoma Compost*
Christy Pestoni Abreu, *UVR Compost*
Michael Gross, *Z-Best Compost*

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Steve Peterson, Financial Advisor
Rick Moore, Peer Review Engineer
Monica White, Sustainability Advisor
Sean Edgar, Fleet Advisor

CCC Legislative Affairs

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

NEXT GENERATION STEPS UP

The California Compost Coalition (CCC) was re-launched by a group of California Refuse Recycling Council (CRRC) composters in 2002. CRRC is now training the Next Generation of composters for the organic revolution underway. 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.

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 has 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.

CRRC is teaching the class of 2018, consisting of 30 students. This is the sixth class having graduated over 125 students on all aspects of composting and recycling. This custom-designed program is offered to CRRC Industry and Associate Member companies, and is targeted to the next generation of family members not currently engaged in the refuse or recycling industry, as well as existing managers and potential managers, both family and non-family members.

Students must have at least a high school diploma in order to participate, except where this requirement is waived by the Next Generation Committee.

The program objectives include: become familiar with the refuse collection and recycling industry, become familiar with member companies, facilities and operations through on-site tours, experience actual procedures, methods, facilities and use of equipment, become familiar with independently owned and operated businesses, learn the difference between privately owned and publicly held companies, and become motivated to join the business/industry, or remain an integral, contributing industry member/leader.

Upper Valley Disposal Services welcomes the class of 2018 on November 14th to learn about permitting and tour their covered aerated static pile composting system, which was one of the first in the state.

For more information on CRRC

Northern District visit our website at <http://crrcnorth.org/index.aspx>.

