

“IT’S FOR YOU AND IT’S DAMN REAL”

The Legislature is taking an ‘Interim Recess’ as the old guy is heading for a Brown Out and leaving the governorship after 16 years in office. Governor Brown has had a steady hand on the budget and built a rainy day fund while implementing an aggressive state climate change mitigation and adaption program with a robust cap-and-trade mechanism. The California GDP grew to the 5th largest economy in the world as carbon intensity decreased. Where he may have tunnel vision on delta water transfer, and took a bullet on a high-speed train out of Fresno, the governor will be remembered for his Global Climate Action persona and taking ambition to the next level. “I’m not here about some cockamamie legacy that people talk about,” the 79-year-old governor said in an impassioned speech to a room packed with activists, lobbyists and lawmakers on extending cap-and-trade to 2030. “This isn’t for me. I’m going to be dead. It’s for you and it’s damn real.”

The United Nations panel on climate issued a report this week that feels damn real. The world stands on the brink of failure when it comes to holding global warming to moderate levels, and nations will need to take “unprecedented” actions to cut their carbon emissions over the next decade. The report says the world will need to develop large-scale “negative emissions” programs to remove significant volumes of carbon dioxide from the atmosphere. Although the basic technologies exist, they have not caught on widely, and scientists have strongly questioned whether such a program can be scaled up in the brief period available.

We are making carbon negative fuel with anaerobic digestion facilities that can ramp up to mitigate methane at landfills and displace diesel emissions. Soil could act as a huge carbon sink to help balance out greenhouse gases by holding up to three times as much carbon as is found in the atmosphere. The Legislature did make a bold move by adopting SB 100, with a goal of 100% renewable energy by

2045. AB 2061 did some good work and authorized a near-zero-emission vehicle to exceed the weight limits on the power unit by up to 2,000 pounds to off-set the extra CNG weight and incentivize the use of renewable natural gas (RNG), and can be outfitted with the new near-zero NOx engines. With Lt. Governor Newsom on the campaign trail, this would be needed since he wants to establish a goal of zero diesel pollution by 2030.

But the rest of the legislation nipped around the edges even as the worst forest fires in history occurred. Rome was burning as SB 901 fiddled with PG&E risk allocation, abdicating a real opportunity to manage wood waste. Big utility tried to duck out of buying bioenergy, while trying to sweep RNG incentives. Brown and CARB are leapfrogging over RNG and near-zero NOx to embrace electric vehicles that are not heavy-duty ready and are not zero-GHG emissions. Three compost use laws were passed to implement previous laws. Healthy soils may only get up to \$5 million. The statewide recycling rate will dip to 42% (from 50% in 2012) without any hint of a bale out against tariffism caused by the China Sword and the recent trade war.

Not taking any recess, CalReycle has been diligently working on the SB 1383 regulations, which integrate all aspects of climate change mitigation by reducing methane, generating renewable energy, producing low carbon fuel, and sequestering carbon into the soil, all while recovering edible food for disadvantaged communities. SB 1383 represents the best of shared responsibility among generators, local government, and the industry with a fair share procurement component to close the loop locally promoting a circular economy that does not depend upon export markets. We know that with SB 1383 implementation we do not fear China, but we take care of our own, as we feed hungry people, feed the CNG tank, feed the grid, and feed our local soils with organics.

SPECIAL END OF SESSION EDITION



LAWS TO IMPLEMENT LAWS

The Legislature adopted three new laws regarding compost this year, using the recent wildfires and drought to make their point. The Legislature never lets a good disaster go to waste. AB 1981 was adopted to add CalFire to the list of agencies for implementation of AB 1045 (Irwin, 2015) that stalled out years ago. AB 2062 and AB 2411 were passed to add drought tolerant and climate-appropriate vegetation on Caltrans right-of-ways, as well as for erosion control on fire ravaged lands, on top of the Caltrans compost use statute provided in PRC 42241; "On or after January 1, 1991, the Caltrans shall use compost in place of, or to supplement, petroleum-based commercial fertilizers in the state's highway landscape maintenance program." In 2005, PRC 42240 was amended where "the Department of General Services and Caltrans, in consultation with other affected state agencies, shall maintain specifications for the purchase of compost by the State of California." The Annual Report on Recycled-Content Product detailing state agencies purchases has Caltrans using just 40,000 tons per year of compost, just 1% of the market share.

SB 1 (Beall, 2017) has a provision for 'Material Recycling' for Road Maintenance and Rehabilitation Programs, requiring Caltrans to the extent possible and cost effective to use material recycling techniques that reduce the cost of maintaining and rehabilitating the streets and highways, and that exhibit reduced levels of GHG's through material choice and construction method. Since the state agencies are not buying in, we hope that SB 1383 regulations will encourage local government to step up. Procurement of Recovered Organic Waste Products in draft Article 12 is presenting a fair share calculation for local government with the flexibility of procuring compost or RNG. Local government will get a feedback loop on compost quality and may partake in clean feedstock acquisition.

AB 2377 looks at funding healthy soils where carbon farming is the next big sink to sequester greenhouse gases. The big lift is to double down on compost use on irrigated croplands by 2025.

[AB 1981 \(Limón\)](#)

TOPIC: Organic waste, composting. This bill would, among other changes, impose additional duties on state agencies relating to promoting the application of compost and additionally including the Department of Forestry and Fire Protection (DFFP) in the state agencies in coordination with which the California Environmental Protection Agency is required to develop and implement the above-specified policies. The bill would additionally require the California Environmental Protection Agency to work with the (DFFP) and the Tree Mortality Task Force to achieve the goal of reducing at least 5 million metric tons of greenhouse gas emissions per year through the development and application of compost on working lands.

This is a follow-up to AB 1045 (Irwin, 2015) that is lagging far behind. There was supposed to be quarterly meetings and consult with interested stakeholders including the compost industry, local governments, agricultural land managers, and environmental organizations, to encourage the continued viability of the state's organic waste processing and recycling infrastructure, and publish recommendations by January 1, 2017 and hold an annual workshop.

STATUS: **Signed by the Governor on September 21, 2018**

[AB 2377 \(Irwin\)](#)

TOPIC: This bill authorizes up to \$5 million to be appropriated from the Greenhouse Gas Reduction Fund (GGRF). This bill would require Department of Food and Agriculture to establish a technical assistance grant program to provide funds to technical assistance providers, as defined, to provide assistance to Healthy Soils Program, alternative manure management practices programs, and State Water Efficiency and Enhancement Program applicants, prioritizing that technical assistance to farms and ranches that are 500 acres or less and supporting annual information sharing among technical assistance providers, CDFA, and other relevant stakeholders for the continuous improvement of programmatic guidelines, application processes, and relevant climate change and agricultural research. The bill would require the CDFA, on or before January 31, 2021, to provide an update to the panel on the grant program. As described in the state's 2017 update of the AB Scoping Plan, the state's farms and ranches are also uniquely positioned to mitigate climate change.

STATUS: **Signed by the Governor September 18, 2018**

[AB 2411 \(McCarty\)](#)

TOPIC: Solid waste, use of compost, planning. This bill would require the Department of Resources Recycling and Recovery, on or before December 31, 2019, to develop and implement a plan to maximize the use of compost for slope stabilization and for establishing vegetation in the course of providing debris removal services following a wildfire. The bill would require the Department of Resources Recycling and Recovery, in coordination with the Department of Transportation, to identify best practices for each of the Department of Transportation's 12 districts regarding the cost-effective use of compost along roadways and to develop a plan to implement the identified best practices in each of the districts. The bill would additionally require the Department of Resources Recycling and Recovery to review the best practices at least once every 5 years and update the best practices as necessary. CalRecycle may develop a program to increase the use of compost products in agricultural applications. The program may include, but shall not be limited to identification of federal, state, and local financial assistance, and cooperative efforts with appropriate federal and state agencies.

STATUS: **Signed by Governor on August 28, 2018**

[AB 2062 \(Maienschein\)](#)

TOPIC: State highways, landscaping. This bill would require planting projects undertaken or approved by Caltrans to include, when appropriate and consistent with integrated pest management strategies, California native wildflowers and native and climate-appropriate vegetation as an integral and permanent part of the planting design, with priority given to those species of wildflower and native and climate-appropriate vegetation that will help rebuild pollinator populations. Existing law requires CalTrans to provide. Existing law authorizes the department to enter into an agreement to accept funds, materials, equipment, or services from any person for maintenance or roadside enhancement of a section of a state highway. Existing law requires the department to discontinue further water intensive freeway landscaping and to use drought resistant landscaping whenever feasible, taking into consideration specified factors. Since 1991, the CalTrans shall use compost in place of, or to supplement, petroleum-based commercial fertilizers in the state's highway landscape maintenance program.

STATUS: **Signed by the Governor on August 20, 2018**

Food Waste Not

OCTOBER 2018 SPECIAL EDITION

FAST FOOD NATION

CalRecycle will be presenting the process this month to determine the status of AB 1826 reductions statewide and will decide when to pull the trigger in 2020 to reduce the threshold to just 2 cubic yards per week of MSW to require an organics collection program. Staring at us is the January 1, 2019 threshold of 4 cubic yard per week of MSW affecting all fast food chains, meaning they will need to be offered a commercial food waste collection program. Whereas food waste is the number one waste type disposed of, compostable paper is gaining market share rapidly. SB 1335 (Allen) was passed this year enacting the Sustainable Packaging for the State of California Act of 2018, which would require a food service facility located in a state-owned facility, use approved types of food service packaging that are reusable, recyclable, or compostable. AB 3036 (Cooley) was championed by the renderers and food processors to limit types of food waste from industrial and agricultural sources that would fall under the franchise law, but would still be affected by both AB 1826 and SB 1383 to collect and divert organics from landfilling. If it is discarded, it's part of the franchise.

CalRecycle allocated \$32 million in cap-and-trade revenues in August. Organics infrastructure will receive \$17 million and will be noticed in Nov./ Dec. 2018 with grants for composting and anaerobic digestion. Now is time to get CEQA and permit ready where your CEQA should be certified during 2019, if not already. Food rescue will get over \$6 million and will go out in October 2018 where the draft SB 1383 regulations are defining edible food in Article 10.

AB 3036 (Cooley)

TOPIC: Solid waste, byproducts from the processing of food or beverages. AB 939 generally regulates the disposal, management, and recycling of solid waste. The act authorizes each county, city, district, or other local governmental agency to determine, among other things, whether solid waste handling services are provided for by means of a nonexclusive, partially exclusive, or wholly exclusive franchise, contract, license, permit, or otherwise. This bill would prohibit a county, city, district, or local governmental agency from subjecting the hauling of certain byproducts from the processing of food or beverages to an exclusive franchise, contract, license, or permit that originate from agricultural or industrial sources, do not include animal, including fish, processing byproducts, byproducts are source separated by the generator of the byproducts, and byproducts are used as animal feed. If it is discarded, it's part of the franchise.

STATUS: **Signed by the Governor on September 27, 2018**

SB 1335 (Allen)

TOPIC: Solid waste, food service packaging, state agencies, facilities, and property. This bill would enact the Sustainable Packaging for the State of California Act of 2018, which would prohibit a food service facility located in a state-owned facility, operating on or acting as a concessionaire on state property, or under contract to provide food service to a state agency from dispensing prepared food using a type of food service packaging unless the type of food service packaging is on a list that the bill would require the department to publish and maintain on its Internet Web site that contains types of approved food service packaging that are reusable, recyclable, or compostable.

STATUS: **Signed by the Governor September 30, 2018**

SB 1383 Regulations Article 10 - Edible Food

SB 1383 requires that 20% of edible food be recovered by 2025. CalRecycle is proposing Article 10 – Jurisdiction Edible Food Recovery Programs, Food Generators, and Food Recovery in the draft SB 1383 regulations issued on May 1. Jurisdictions shall implement an edible food recovery program, which may be funded through franchise fees, local assessments, or other funding mechanisms. There will be required recordkeeping with documentation for jurisdictions as well as for edible food recovery organizations that collect more than 6 tons per year of edible food. Jurisdictions will need to educate and monitor. Tier One edible food generators need a program by January 2022. This includes supermarkets, grocery stores, food service distributors, and wholesale food markets. Tier Two edible food generators need a program in place by January 2024. This includes restaurants, hotels, institutions, large venues, and others.

AB 901 Regulations

At the CalRecycle Monthly Meeting on September 18, it was announced that the AB 901 regulations start date has been pushed to July 2019. Another update will be provided on October 16, 2018. The seventh draft of the proposed regulatory text was released October 1, 2018 for a 15-day formal comment period. AB 901 regulations will track food waste per SB 1103 (Dodd, 2016), requiring generators that self-haul more than one cubic yard per week of its own food waste to a location or facility not owned or operated by the entity to report to CalRecycle. Food waste self-hauler also means a person who generates and hauls, utilizing their own employees and equipment, hauling their own food waste to that location.

WOODAGEDDON

OCTOBER 2018 SPECIAL EDITION

A KNOCK ON WOOD

With 130 million dead trees, devastating forest fires, and closure of many biomass plants over the last few years, Woodageddon continues to hit California hard. AB 2208 (Aguiar-Curry and Garcia) would have helped meet California's climate goals and keep biomass plants relevant by encouraging the use and development of baseload renewable energy as part of a diverse portfolio of renewable energy resources. This would have allowed wood chips to wedge back into the subsidized market. AB 2208 went down in flames, but late in the session, the Legislature knocked back two bills that were unexpected and will be helpful. SB 901 (Dodd) magically appeared to accommodate PG&E and their wild fire risk allocation, and will add another 5 years to biomass energy conversion contracts, where the facility needed to be operative in 2018 with contracts up to 2023, and can gain another 5 years to 2028 with some feedstock flexibility. SB 100 (DeLeon) has a goal of 100% renewable energy by 2045, which could be good for both biomass and biomethane development, and hoping for a baseload designation. Urban wood chips dropped 567,000 tons in just 2 years, losing 32% of their former market with a huge drop in pricing. With AB 901 regulations becoming effective in July 2019, CalRecycle will be able to determine how many tons may be used as Alternate Daily Cover (ADC), which will not count as diversion in 2020. SB 1122 (Rubio, 2012) established the BioMAT program where about 40 MW of the contracts may be connected to biomass gasification that would represent about 500,000 tons per year; PG&E had to be taken to the BioMAT this year to keep the program alive.

SB 901 (Dodd)

TOPIC: Wildfires and Bioenergy.
This bill would expand the fuels and feedstocks that are eligible to meet these wildfire risk reduction fuel and feedstock requirements. The bill would require that the state's 3 largest electrical corporations allow bioenergy facilities under contract to report fuel or feedstock used to meet those contracts on a monthly or annual basis and to allow a bioenergy facility to opt out of the mandated fuel or feedstock usage levels in any particular month. This bill would require an electrical corporation with a contract to procure electricity generated from biomass that is operative at any time in 2018, and expires or expired on or before December 31, 2023, to seek to amend the contract to include, or seek approval for a new contract that includes, an expiration date 5 years later than the expiration date in the contract that was operative in 2018, so long as the contract extension follows the feedstock requirement. This requirement would be limited to facilities sourcing fuel material in California and would not apply to facilities located in certain air basins.

STATUS: **Signed by the Governor**
September 21, 2018

SB 100 (De León)

TOPIC: California Renewables Portfolio Standard Program, emissions of greenhouse gases. This bill would state that it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045. This bill would set goals to achieve a 50% renewable resources target by Dec. 31, 2026, and to achieve a 60% target by Dec. 31, 2030.

STATUS: **Signed by Governor**
September 10, 2018

AB 2208 (Aguiar-Curry & Garcia)

This bill would require that not less than an unspecified percentage of the incremental procurement requirements for each compliance period be satisfied with geothermal, biogas, or biomass energy resources procured on or after July 1, 2017, until either an unspecified percentage of the total electricity products procured to satisfy the overall procurement requirements are from those energy resources or December 31, 2030, whichever occurs first. The bill would require an unspecified portion of this increment to be procured from geothermal.

STATUS: **Held in Assembly**
Appropriations on May 28, 2018

SB 1383 Regulations

SB 1383 regulations will be adopted in 2019 and will be phased in where 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 continue to leave wood waste market development behind. The draft regulations include new jurisdictional fair-share procurement requirements for compost and renewable natural gas, but nothing for wood chips. The wood chips are piling up as the fields are burning and more wood chips are being used as ADC and beneficial reuse at landfills.

AB 901 Regulations

The seventh draft of the proposed regulatory text was released October 1, 2018 for a 15-day formal comment period. AB 901 regulations will track wood waste as a commodity to markets, and even include wood waste that is used as ADC. SB 498 will continue to track urban wood waste used at biomass conversion facilities where it is predicted that additional market tons will continue to be lost with even lower prices.



OCTOBER 2018 SPECIAL EDITION

NO BIG HUESOS

Biomethane procurement, or renewable natural gas (RNG) development and use, is such a big deal that the utilities are now here to help. Maybe it has to do with the recent pricing of RIN and LCFS carbon incentives for RNG that peaked over \$5.00 per diesel gallon equivalent. Remember that the Public Utility Commission (PUC) has not embraced the biomethane industry, adopting pipeline injection standards that were too restrictive and should have been set to meet CNG engine specifications. This year, PG&E had to be taken to the BioMAT to purchase renewable energy from biomass and biomethane sources having unilaterally dismissed the program without consent or cause. SB 1440 (Hueso) had big plans this year on RNG procurement, rate basing pipeline interconnection, pricing, sweeping carbon incentives, and addressing in-state production issues. With a lot of heavy lifting and little transparency to highjack RNG value, SB 1440 had big Huesos in mind, but had to settle for a PUC study bill that will languish for years such as the BioMAT program has suffered. Meanwhile, CalRecycle with SB 1383 regulations has an elegant, flexible, and fair share solution with a local government procurement requirement that can be passed onto the franchise haulers to get over 8,000 CNG garbage trucks on RNG by 2025.

AB 2061 (Frazier) was successful this year in authorizing a near-zero-emission vehicle, which exceeds the weight limits on the power unit by up to 2,000 pounds to off-set the extra CNG weight, and will incentivize the use of RNG, and can be outfitted with the new near-zero NOx engines. With Lt. Governor Newsom on the campaign trail, this would be needed since he wants to establish a goal of zero diesel pollution by 2030.

AB 2061 (Frazier)

TOPIC: Near-zero-emission and zero-emission vehicles. This bill would, to the extent expressly authorized by federal law, authorize a near-zero-emission vehicle or a zero-emission vehicle, as defined, to exceed the weight limits on the power unit by up to 2,000 pounds. This bill would increase the weight limit to 82,000 pounds for a near-zero-emission or zero-emission vehicle.

STATUS: **Signed by the Governor September 20, 2018**

SB 1440 (Hueso)

TOPIC: Energy, biomethane, biomethane procurement. This bill would require the PUC, in consultation with the State Air Resources Board, to consider adopting specific biomethane procurement targets or goals for each gas corporation, as specified. The bill would require the PUC, if the PUC adopts those targets or goals, to take certain actions in regards to the development of the targets or goals and the procurement of the biomethane to meet those targets or goals.

STATUS: **Signed by the Governor on September 23, 2018**

AB 3187 (Grayson)

TOPIC: Biomethane, gas corporations, rates, interconnection. With respect to the requirement that the PUC consider options to promote the in-state production and distribution of biomethane, including consideration of recovery in rates of the costs of investments, the bill would additionally require the PUC to open a proceeding to consider those options by no later than July 1, 2019, to achieve interconnection with facilities that generate biomethane, and ensure that these investments for infrastructure are prudent.

Status: **Signed by the Governor on September 20, 2018**

LCFS Amendments

CARB adopted LCFS Amendments this year that weakened the program by lowering the carbon intensity target from 10% to just 7.5% by 2020, thereby reducing RNG demand and the value of the LCFS credits. CARB decided to accelerate the 2030 target to 20% reduction in carbon intensity. CARB also took away the carbon negative fuel intensity in the Look-Up Tables for AD biomethane and will now have to perform the time consuming and expensive Tier 2 pathway. The Temporary Fuel Pathway is conservative, and will be 'zero', which is still carbon neutral and far better than ZEVs and hydrogen, but not default carbon negative after January 1, 2019. AD biomethane should be included as a Tier 1 pathway where there has been site-specific work on exiting projects that validate the carbon negative designation.

SB 1383 Regulations

Procurement of Recovered Organic Waste Products in Article 12 is being proposed as authorized in SB 1383. Recognizing the importance in developing RNG demand and compost use, CCC has been out in front supporting the inclusion in the regulation. CalRecycle has presented a fair share calculation with flexibility of procuring compost or RNG. Requiring, through a written contract, that a direct service provider to the jurisdiction procure recycled organic waste products and provide written documentation of such evidence to the jurisdiction. This will allow the jurisdiction to delegate the RNG use to the local franchise hauler, and fulfill the procurement requirement. This is an elegant community-scale fit where the franchise holder could produce and utilize their own RNG without the need for expensive and restrictive pipeline injection, but could also draw from a pipeline at a CNG fueling station where RNG is not being produced locally.



OCTOBER 2018 – END OF SESSION

TARIFFISM

China's *Operation Green Fence* in 2011 morphed into *The National Sword* in 2017 and now *Blue Sky 2018* reducing the contamination limits to just 0.5% from March 1, 2018 to December 31, 2018. Over this time the amount of exported recyclable material dipped from 22 million tons in 2011 to 15 million tons in 2017. The statewide recycling rate fell from 50% in 2012 to 44% in 2016, and is expected to drop another 2 points in 2017, for a statewide recycling rate of just 42%. With residual rates much higher at MRFs and landfilling way up, an additional 2 million tons per year each year is disposed, the statewide recycling rate may be under 40% in 2020, far from the goal of 75%. The AB 341 Report to the Legislature needs to be updated.

Adding insult to injury, the Chinese government announced in early August it plans to levy a 25 percent tariff on old corrugated cardboard (OCC) and other recovered fiber, as well as scrap plastic, in retaliation to the latest U.S. tariff proposals. The tariffs went into effect on August 23.

On the CalRecycle agenda this month is the Waste Evaluation and Enforcement Branch's Enforcement Update on Mandatory Commercial Recycling presentation. CalRecycle staff will continue to look at programs and understand good faith efforts, taking market conditions into consideration. We are held hostage by China and are terrified over the dip in the recycling rates and huge drop in revenues without the commensurate increasing of collection rates. The coming of SB 1383 and the bean counting of AB 901 makes everyone scared. But we know that with SB 1383 implementation we do not fear China, as we do take care of our own as we feed hungry people, feed the CNG tank, feed the energy grid, and feed our local soils with organics.

AB 3178 (Rubio)

TOPIC: Integrated waste management plans, source reduction and recycling element, diversion requirements. This bill would make findings, including, among others, that under China's National Sword import policy, many recyclable materials are now banned and may no longer be imported into that country, which has had a profound impact on California efforts to meet state recycling objectives. The bill would require the department, when evaluating a jurisdiction's good faith effort to implement a diversion program, to also consider, until January 1, 2022, whether China's National Sword import policy caused the absence or loss of a market for recyclable materials that necessitated the disposal of those materials as a temporary measure to avoid a public health threat, as specified. The bill would also require the department to consider the extent to which the jurisdiction has made efforts to reduce contamination and improve the quality of recycled materials and the extent to which the lack of an available market for one or more types of recyclable materials, which prevented the jurisdiction from fully implementing its diversion programs, was the result of circumstances beyond the reasonable control of the jurisdiction.

STATUS: **Vetoed by Governor on September 9, 2018**

CalRecycle's Web Page

China's recent strict contamination limits and import bans have led to a stockpiling of materials at California solid waste and recycling facilities and declining markets for recyclables. CalRecycle is keeping their web page active on resources available as linked above and working with the LEAs to provide guidance around storage of processed recyclable material. In addition, the CalRecycle is sharing examples of local actions that address changing markets for recyclable materials. See more information about how [California jurisdictions are responding to market changes](#).

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

2017 | 5.1 PPD (Edgar Est.)

36.9 million disposal tons
42% statewide recycling rate

2020 | 5.3 PPD (Edgar Est.)

48 million AB 341 disposal tons
40% statewide recycling rate

2020 | 2.7 PPD (AB 341)

20.0 million AB 341 disposal 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 was submitted in August 2015. The State of Disposal and Recycling in California 2017 Update was published in August of the same year, providing trends. With the statewide recycling rate falling to 42% in 2017, now is the time to update the AB 341 Report to determine the increase in landfill tip fee needed to actually get to the target by 2020, or delay the 75% goal past 2020.

CAP-AND-TRADE

The Governor and Legislature have agreed to a [\\$1.4 billion investment plan for Cap & Trade revenues for 2018-19](#). The waste diversion and compost related funds are way below what is needed to fully implement SB 1383. CalRecycle has taken a cut from last year (\$25 million instead of \$40 million). The other bioenergy related programs received the same or increased funding compared to last year. In addition, there is \$12.5 million for biofuels production at the CEC, which may take the place of the AB 118 DMV funding next year if we don't rally support. The Bioenergy Association of California (BAC) and other biofuels industries managed to prevent the Legislature from passing the Governor's Budget trailer bill that would have converted the \$100 million dollar per year clean fuels/vehicles funding program (from AB 118) to an electric vehicle only program. cap-and-trade funding allocations related to composting, bioenergy, and hauling is shown below:

- \$25 million for waste diversion
- \$5 million for Healthy Soils
- \$12.5 million for low carbon fuel production
- \$175 million for clean vehicle rebate program
- \$180 million for clean trucks, buses and, off-road vehicles

CalRecycle awarded \$25.1 million for 10 facilities in FY 2017-18. The Governor's budget is \$25 million for FY 2018-2019, with \$17 million to facilities.

AB 1933 (Maienschein)

TOPIC: Greenhouse Gas Reduction Fund, recycling infrastructure projects. This bill would additionally specify as an eligible use for in-state infrastructure projects or other projects that reduce emissions of greenhouse gases activities that expand and improve waste diversion and recycling, including the recovery of food for human consumption and food waste prevention. The bill would additionally specify that eligible infrastructure projects that reduce emissions of greenhouse gases include the expansion of facilities for the processing recyclable materials and projects to improve the quality of recycled materials.

**STATUS: Signed by Governor
September 27, 2018**

AB 1826 Trigger in 2020

CalRecycle will be presenting an informational item at their October monthly meeting regarding the process to determine the AB 1826 Reduction of Statewide Disposal in 2020. Few are really ready for the next AB 1826 thresholds starting on January 1, 2019 which mandates that all generators of more than 4 cubic yards per week of MSW must arrange for organics recycling services, which basically includes all fast food chains. Nobody, beyond this CalRecycle agenda item, is considering how to lower the threshold to 2 cubic yards per week of MSW on January 1, 2020, just 15 months away. The 2018 Waste Characterization Study will become available in early 2019, which will be used to assess whether the mandate to divert 50% of commercial organics from landfills in 2020 was achieved. SB 1383 mandates that 50% of all organics be diverted by 2020, from the same 2014 base year. Should 50% of commercial organics not be diverted in 2020, CalRecycle will need to determine how to pull the trigger to lower the threshold. There are three options on what data set to use and based upon the data set when to lower the limit, which could be as late 2021.

AB 1826 is the starter collection program to phase in while the processing capacity infrastructure is being permitted and developed. Local jurisdictions need to file an Annual Report on progress made and CalRecycle will proceed with good faith enforcement. With SB 1383 regulations adding enforcement provisions effective 2022 and encompassing all organics, we understand that CalRecycle must load the gun before pulling the trigger.

2018 Waste Characterization

The \$500,000 WC Study scope of work was presented at the June 2017 CalRecycle monthly Meeting with an update in January 2018. This study is conducted about once every 5 years and will be used in the AB 1826 compliance review to reduce 50% of the commercial organics from landfill by 2020. The report will be ready in early spring 2019. There will be a focus on commercial generator-based study for disposed food wastes and edible food types. Process residues will now be included with a revision and expansion of material types.

Should there also be a 2020 WC Study?

SB 1383 Regulations

Lenders and the Cap-and-Trade grant applications want to see the new SB 1383 tons as much as CalRecycle and the Governor's Office does in their efforts to reduce short-lived climate pollutants, such as methane being generated at landfills. New facilities have been entitled and permitted as lenders wait for the new SB 1383 tons to be in contract. Grants have been awarded as the facilities wait for those new SB 1383 tons to get into contract. We have the egg, but Chicken Little is waiting for the regulations to go away, which they will not since SB 1383 is the law to reduce greenhouse gases and mitigate climate change.

CalRecycle plans to adopt the regulations in early 2019 to inspire local government and the industry to start to get these new SB 1383 tons under contract to flow into the new compost and anaerobic digestion facilities that are being permitted and receiving grants dollars. Although the regulations will not take effect until 2022, adopting them in 2019 allows regulated entities approximately three years to plan and implement necessary budgetary, contractual, and other programmatic changes. Jurisdictions, haulers, and generators should consider taking actions now to implement programs to be in compliance with the regulations on January 1, 2022.

The final informal draft of the rulemaking text for SB 1383 (<https://www.calrecycle.ca.gov/Laws/Rulemaking/SLCP/>), has been posted since May 2018 and will go OAL at the end of the year. The draft regulations include new jurisdictional procurement requirements for compost and renewable natural gas, among the numerous revisions. During 2019, CalRecycle will be networking, providing technical assistance, and developing tools, model ordinances, contracts, and case studies to support efforts at the local level to meet the organic waste reduction targets and comply with the regulatory requirements.

SB 1383 Infrastructure & Market Analysis

The Scope of Work was approved in March 2017, where there will be a draft Report ready to be reviewed in November 2018, and will be finalized in January 2019. The organic waste processing capacity and markets has been assessed and will be presented.

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, anaerobic digestion, renewable natural gas, and biochar.

CCC Members

Agromin
Atlas Disposal
Burrtec Waste Industries
Caglia Environmental
California Waste Recovery Systems
California Wood Recycling
CleanFleets.net
Clean Fleets Advocates
Clover Flat Compost
Cold Canyon Compost
GreenWaste Recovery
Harvest Tulare
Harvest Lathrop
Marin Sanitary Service
Mt. Diablo Resource Recovery
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 Material Recovery 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*
Vince Colvis, *Mt. Diablo Recycling*
Greg Kelley, *Northern Recycling*
Eric Potashner, *Recology*
Greg Pryor, *Recology*
Will Bakx, *Sonoma Compost*
Christy Pestoni Abreu, *UVR Compost*
Michael Gross, *Z-Best Compost*

CCC Team

Neil Edgar, Executive Director
Evan Edgar, Regulatory Affairs
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.

NAPA RECYCLING INTEGRATES IT ALL

Napa Recycling & Waste Services, with Zero Waste Energy (ZWE) and the City of Napa, has been working on the Napa Renewable Resource Project for most of this decade, which integrates anaerobic digestion technologies at the Napa Material Diversion Facility. Even with proven technology and franchise tonnages, coupled with a CEC grant, nothing is easy. The City had other projects that had to be completed here (covered compost and stormwater) and elsewhere. Plus there is the extensive air permitting and cumulative effects of co-located projects. The City has been tenacious, ZWE patient, and Napa Recycling gracious in their efforts to keep this project alive.

Greg Kelley of Napa Recycling and Kevin Miller of the City saw the vision of AB 32 policies, which includes many of the moving parts regarding fleet, facilities and feedstocks highlighted in this month's newsletter as laws are passed, regulations adopted, and projects implemented. The Napa Renewable Resource Project integrates solar and biomass energy with fuel production into a Net-Zero GHG recycling and compost facility that will have a carbon negative fleet and an upgraded storm water system.

As announced over four years ago on July 18, 2014, the City of Napa was among 11 proposed award recipients announced under Round 2 of the California Energy Commission's (CEC) Grant Solicitation PON-13-609 for Pilot-Scale and Commercial-Scale Advanced Biofuels Production Facilities. The proposed "Anaerobic Digestion to Renewable Compressed Natural Gas" project was awarded \$3 million and plans to utilize ZWE technology coupled with a RNG fueling system to convert 44,000 tons per year of food waste and green waste into fuel for a fleet of 40 trucks. The City will manage the project; Napa Recycling will oversee construction and daily operations, while ZWE will provide the "SMARTFERM"

organic waste AD technology and the renewable natural gas (RNG) fueling station. The project will produce 328,000 diesel gallon equivalents per year of carbon negative fuel. A food depackaging equipment system is being installed using a \$541,700 CalRecycle grant from last year.

This Napa Project will serve as a truly unprecedented and replicable model for self-contained, community-scale distributed renewable transportation fuel production and environmental sustainability throughout California. In their award, CEC recognized that this model could be located in communities

of 100,000 people or more, ideally co-located at one of the 100 transfer stations, 60 material recovery facilities or 50 composting facilities throughout the state where the collection fleet is parked. Such as the governor has been promoting distributed generation for electricity, this Project will show that renewable transportation fuels can also be distributed within the

community, which will significantly lower vehicle miles traveled. Right-sizing the facility at 44,000 TPY limits the environmental impacts and mitigation measures. Traffic is less than 30 vehicles per day and air emissions do not exceed thresholds. Compost facilities and AD facilities are compatible and are not in competition; the AD digestate needs to be composted. CalRecycle and CARB have estimated that there needs to be over 100 types of these facilities that could cost between \$2 to \$3 billion.

Community-scale AD facilities can be co-located in-town and in-vessel at existing facilities receiving food waste and green waste. Almost all of the Climate Action Plans being adopted by hundreds of jurisdictions throughout the state target the development of alternative fuel infrastructure, alternative fuel production, renewable energy production, and waste diversion, where this community-scale model delivers.

