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Sustainable Organics Recycling

No Food Left Behind

There is a philosophical goal underlying the SB1383 regulations to change the way we think about and manage organic materials out of the landfill. The focus on food recovery could be the biggest paradigm shift we face as a State in meeting those goals. The regulation requires the State to recover 20% of edible food by 2025. Haulers that embrace this shift and ensure **no** food is left behind will have the opportunity to not only survive SB1383, but sustain their franchises, and more importantly their communities. We should look for the

solutions and opportunities for collaboration with communities to navigate these changing tides with success and to think more broadly about our role as haulers and the impacts our businesses have to our jurisdictions.

SB1383 will mandate the integration of food recovery into outreach and collection programs for Jurisdictions.

Although generators are currently divided into 'Tiers' in the draft regulations, wasted food available for capture can be sourced from any sized food permitted operation. The key is clear outreach and education, the foundations of any diversion program. As haulers deal with contamination, food recovery organizations will also deal with food safety and donation dumping. These struggles will be overcome through consistent messaging in all outreach materials and communications. A united front of haulers, food recovery organizations, public health inspectors and jurisdictions is the lynchpin to managing these educational challenges. Waste haulers have a role in providing messaging about food recovery, just as food recovery agencies can communicate the importance of clean recyclables and organics to generators. Additionally, by knowing more about how our groups can benefit each other, we can also better prepare our own organics infrastructure projects by right-sizing our facilities to

accommodate the diversion of edible food.

Statewide, everyone is forecasting and bracing for the increasing costs of collection to accommodate the diversion of organics. It would be prudent to include a sustainable funding source for food recovery through the franchise at this time. Responsible agencies that recover food safely and track performance of their operations can be supported as a partner to the franchise hauler. Based on initial estimates, we know recovering food to feed people costs



less than feeding machines or compost facilities. Further, we are seeing a greater impact of food recovery education to generators where they are more likely to reduce total food waste through source reduction measures and clean up organics placed in the green carts. By funding food recovery agencies, you are also funding another arsenal of

outreach personnel that will visit generators door-todoor to discuss how to divert organics from landfills.

The cost impact to the rate payers is minor, especially in the shadows of the cost increases needed to rebalance the faltering recycling industry and to fund greater organics processing infrastructure. However, the benefits of funding these sources are immense for the 4.6 million individuals who struggle with hunger on a daily basis in California. Digging deeper, 37% of these individuals are children where the vast majority will not have enough to eat over the summer while they are out of school. Advocacy for moving the dial away from completely volunteer based and donation driven operations toward waste industry infrastructure is life changing for these agencies. Companies are embracing this mantra now by including food recovery funding in their rate increases and programs to ensure **no food is left behind**.

Legislative Update

Bill Watch

Community Funding

The California Air Resources Board (CARB) released the California Climate Investments (CCI) Annual Report in January, detailing how Cap-and-Trade investments are benefitting Californians. This marks the third investment plan, which outlines the goals for fiscal years 2019-20 and 2021-22. Nearly \$1.4 billion in new funding last year went to projects across all of California's 58 counties (almost double the \$720 million spent in 2017). These investments were reported to reduce GHG emissions at an average rate of \$75 per MTCO2e, where projects funded through CalRecycle demonstrated cost-effectiveness and were reported at an average of \$27.50 per MTCO2e. Funding for increasing landfill diversion remains crucial, as it reduces short-lived climate pollutants, promotes sustainable agriculture, promotes research and development, and promotes low-carbon transportation. Priority funding areas were redefined by AB 1550 and should be considered during the next round of organic infrastructure funding. AB 1550 was built upon SB 535 to define three priority funding areas within California, including disadvantage communities, low-income communities, and low-income communities within a 1/2 mile of disadvantaged communities. The CCI Annual report shows that 57% of all funded Cap-and-Trade projects directly benefit these regions, where 67% of CalRecycle's funded projects benefited these regions. To date, CalRecycle has been provided with \$137 million in funding that has been disbursed to projects that not only remove materials from landfill but have multiple co-benefits to these communities, including job creation and supporting renewable transportation. The California Compost Coalition, with an exceptional group of associations, will continue to support directing funds to CalRecycle for Cap-and-Trade projects that will benefit the State.

SB 54 (Allen, Skinner, & Wiener)

TOPIC: Recycling: Would establish the California Circular Economy and Plastic Pollution Reduction Act, which would require the department, in consultation with the State Water Resources Control Board and the Ocean Protection Council, to adopt regulations to source reduce and recycle 75% of single-use packaging and products sold or distributed in California by 2030.

STATUS: Do pass Appropriations on May 23, 2019. Read third time and Passed. In Assembly May 29. Read first time. Held at Desk.

AB 1080 (Gonzalez)

TOPIC: Companion bill with SB 54.

STATUS: Do pass Appropriations Committee on May 30, 2019. Read for third time and amended. In Senate. Read first time. To Committee on Rules for assignment.

<u>SB 667 (Hueso)</u>

TOPIC: Greenhouse Gases: Requires CalRecycle by January 1, 2020, to develop a five-year strategy to meet the State's organic waste and diversion goals by supporting organic waste infrastructure development, and by June 1, 2021, to coordinate with the Treasurer's Office on developing financial incentives for instate recycling infrastructure. Also, requires the Treasurer to coordinate with Nevada, Oregon, and Washington on infrastructure financing to support regional recycling needs and infrastructure.

STATUS: Passed off Senate floor on May 23, 2019. In Assembly May 24. Read first time. Held at Desk.

AB 144 (Aguiar-Curry)

TOPIC: Organic Waste: Requires the Strategic Growth Council to develop a scoping plan for the State to meet its organic waste management mandates, goals, and targets and would require the scoping plan to include among other things, recommendations on policy and funding support for closing the loop on carbon-neural or carbon-negative organic waste management practices.

STATUS: In Appropriations Committee – Held under submission May 16, 2019.

AB 1228 (Calderon)

TOPIC: Compostable Cutlery. This bill would allow a credit against those taxes on January 1, 2020, and before January 1, 2025, in an amount equal to 20% of the costs paid or incurred during the taxable year by the qualified taxpayer for the purchase of compostable cutlery.

STATUS: May 1 – Re-refer to Committee of Revenue and Tax.

AB 1583 (Eggman)

TOPIC: Requires the department, upon appropriation by the Legislature, to establish a Paper Recycling Incentive Program that makes incentive payments to in-state processors of waste paper and to establish an Organic Waste Recycling Incentive Program that makes incentive payments to in-state organic waste recycling facilities that process organic waste collected from municipal sources. The bill would require the department to convene a Statewide Commission on Recycling Markets and Curbside Recycling.

STATUS: May 29, 2019 Read third time. Passed. May 30 in Senate. Read first time. To Committee on Rules for assignment.

SB 44 (Skinner)

TOPIC: Medium-duty and heavyduty vehicles: Comprehensive strategy. The California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, upon appropriation from the Greenhouse Gas Reduction Fund, funds zero- and nearzero-emission truck, bus, and off-road vehicle and equipment technologies and related projects. This bill would require CARB no later than January 1, 2021, to develop a comprehensive strategy for the deployment of medium-duty and heavy-duty vehicles in the State that results in bringing the State into compliance with federal ambient air quality standards, a reduction of motor vehicle greenhouse gas emissions by 40% by 2030, and reduction of motor vehicle greenhouse gas emissions by 80% by 2050, as specified.

STATUS: Passed Senate May 20, 2019. In Assembly. Read first time. Held at Desk.

Regulatory Affairs

Regs Watch

SB 1383 Grant Funding

SB 1383 states that about 20 million tons of organics will need to be diverted - consisting of about 3.15 million tons of food waste by 2020, and 4.7 million tons by 2025. The 2014 CalRecycle Waste Characterization Study, which should be updated next year, determined that 265,000 tons of food waste are being collected at the curb, and another 929,000 tons are being self-hauled. AB 901 - Recycling and Disposal Facility Re-porting will track these tons of food waste, including from selfhaulers that generate more than one ton per month. SB 1383 will also require that 20% of edible food be recovered by 2025, resulting in more than 49,500 tons to be rescued - or 270,000 pounds resulting in 225,000 meals per day saved from becoming waste.

The Short-Lived Climate Reduction Strategy states that there will need to be at least \$100 million in incentives to develop required compost and organics diversion infrastructure and edible food recovery infrastructure to meet the SB 1383 mandates.

On April 24, 2019, CalRecycle approved awards for 36 different edible food reduction and recovery grants. These grants, which fund a variety of food kitchens, food banks, and rescue networks amount to a total of \$11,263,671. The original allocation for this Program was \$5,750,000, approved on August 23, 2018. The amount available for FY 2017-2018 increased by \$4,502,050 for a total of \$12,502,050. This allowed for full award funding for all of this cycle's passing applications.

The next round of organics grants for \$17 million will return to funding infrastructure projects, with a Notice of Funds available expected to be announced in July, 2019.

SB 1383 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 be reviewed out 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.

Waste Characterization Study

The 2018 Waste Characterization study will be released this Fall and will be helpful. In it, the 'edible food waste' category has the draft SB1383 definition: "Food that is unsold or unserved and meets all quality and labeling standards imposed by Federal, State, and local laws and regulations, even though the food may not be readily marketable due to appearance, age, freshness, grade, size, surplus, or other conditions. For the purposes of these regulations, edible food is not solid waste if it is recovered and not discarded."

Cascadia consulting was selected to perform the 2018 Waste Characterization Study. Some insight into the upcoming California findings might be found in Cascadia's 2017 King County, Washington Characterization. In this study, Cascadia found that three quarters of commercial food waste that was discarded was edible. Food waste comprised 14.7% of all commercial waste generation.

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SB 1383 Regulations

CalRecycle's proposed regulations were officially noticed by the Office of Administrative Law (OAL) on January 18, 2019. This rulemaking implements regulatory requirements to reduce landfill disposal of organic waste in order to achieve the greenhouse gas emissions reductions. The formal 45-day comment period from January 18, 2019 – March 4, 2019 resulted in numerous comments posted at https://www.calrecycle.ca.gov/ laws/rulemaking/slcp. The next 15-day comment period will begin around the CalRecycle monthly meeting, scheduled for Diamond Bar on June 18, 2019. Cal-Recycle hopes to adopt SB 1383 regulations by December 2019. Dr. Howard Levenson's retirement party was on May 23, 2019 and we thank him for moving SB 1383 regulations along.

AB 901 Regulations

The AB 901 Recycling and Disposal Reporting System (RDRS) was approved by the Office of Administrative Law on March 5, 2019. It has come to CalRecycle's attention that there has been confusion over the effect of the requirement for reporting entities to register in RDRS. CalRecycle is in the process of answering questions and providing clarification within the next month. Given the number of new reporting entities and guestions related to the new requirements, CalRecycle will not be taking any action against reporting entities who have not registered by the April 30th deadline, but will expect all reporting entities that are required to register to do so by May 31, 2019.

SB 1335 Regulations

This law prohibits foodservice facilities located in a state-owned facility, operating on or acting as a concessionaire on state-owned property, or under contract to provide food service to a state agency from dispensing prepared food using food service packaging unless it is either recyclable, reusable, or compostable. CalRecycle must adopt regulations by January 1, 2021 that clarify terms, specify criteria, and outline a process for determining the types of food service packaging that are reusable, recyclable, or compostable. A workshop is scheduled for June 4, 2019 in Sacramento.



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 American Refuse 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 Marin Sanitary Service Mt. Diablo Resource Recovery Napa Recycling Compost Northern Recycling Compost 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

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

Food Rescue Grants by Monica

CCC News



Food Share, the only food bank in Ventura County, has been awarded \$403,976.08, which will substantially assist in their ability to expand food recovery in the County. The money will be used to build additional infrastructure at their location, hire personnel, and purchase more vehicles. In coordination with the newly formed Waste Free VC, a coalition that brings together organizations across the food supply chain in Ventura County, Food Share will significantly expand their ability to capture and store food. This in turn, will assist food pantries, food recovery kitchens, and other distributors of food to help end hunger in Ventura County. For more information visit: www.foodshare.com

CCC Lobbying Day

CCC held its fourth Lobby Day on Wednesday, May 29, 2018 at the Downtown and Vine Restaurant in Sacramento. CCC members were briefed on the status of current legislation, talking points on policy, and set forth to 20 different offices at the Capitol. The day started with a meeting with CalRecycle Director Scott Smithline to discuss SB 1383 Regulations, SB 91 Regulations, and packaging legislation and regulations. Between rounds of meetings with key legislators and staff, members were able to have a lengthy discussion with CDFA's Natalie Krout-Greenberg (Director of Inspection Services) and Jenny Lester Moffitt (Under Secretary) to address food safety concerns, which may have an impact on testing protocols for composting operations. CCC continues to strengthen relationships that will position our organization to effect necessary changes and allow industry expansion on the heels of highly successful, table-setting policies in recent years.



Waste Not OC has recently been awarded \$492.221.00 in grant funding that will be used to support additional food recovery infrastructure across Orange County. The Coalition has been making a name for themselves by being on the forefront of innovation, due to their desire to partner with likeminded groups and leverage existing assets to maximize efficiency along the food supply chain. This grant will be used to support the two largest food banks in the region by purchasing additional trucks and hiring personnel, in addition to building a state-of-the-art food recovery kitchen at a local College and providing supplies to additional food recovery kitchens in the region. For more information visit:

www.wastenotoc.org

Food Recovery Workshop

CRRC has gathered representatives from CalRecycle, the California Associate of Food Banks, Copia, and Edgar & Associates to delve into SB 1383 requirements for food recovery, how haulers can embrace this opportunity, and the perspective of active recovery agencies that need to meet these new goals. Speakers will dive into what is required from the most recent draft regulation: defining edible and inedible food, current programs happening across the State, examples of how communities are preparing for the future, and what innovative opportunities can lead to a more sustainable management strategy of recovering edible food. CalRecycle will also discuss grant opportunities that will be made available to promote these programs. Date: June 5th, 2019 Location: Sacramento, California.