

CALIFORNIA COMPOST COALITION



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Sustainable Organics Management

The SB 1383 Progress Report

No later than July 1, 2020, CalRecycle in consultation with CARB, shall analyze the progress made in achieving the SB 1383 organic waste reduction goals for 2020 and 2025. As we wait for the official process to begin, we celebrate the progress we have made and provide comments as stakeholders. SB 1383 is so much bigger than just composting, as it includes the collection fleets, the facilities that pre-process, and the local markets. This is bigger than just diversion, as SB 1383 is about reducing short-lived climate pollutants and mitigating climate change impacts. The industry, in the wheelhouse of the circular economy, provides one the most cost effective greenhouse gas reduction programs, and is already embedded in most local Climate Action Plans.

While CalRecycle was developing SB 1383 regulations, the China Sword kept falling on the recycling industry, exposing our vulnerability. The statewide recycling rate fell from 50% in 2014 to 40% in 2018, on the way to 33% in 2020 with a full China ban. Rate increases were sought to sustain the blue cart of recycling. SB 1383 went through four drafts, sending signals of regulatory uncertainty to some and denial to others. Adoption of SB 1383 regulations this fall is progress that will send a clear market signal to the composting industry and local governments to make new capital investments so that additional organic waste recycling infrastructure can be established.

After SB 1383 was enacted, about \$1 billion in capital investment was leveraged using \$153 million in grant seed money from CalRecycle and CEC to develop composting facilities and anaerobic digesters (that also produce RNG for the fleet that collects SB 1383 organic waste). Capacity was developed in regional markets for new tons, but local jurisdictions struggled with rate increases to get the organic materials there. Even before the pandemic, rates were becoming inelastic on the green cart while also funding the blue cart. With CalRecycle and CEC grants no longer available, other incentives will need

to be identified. The proposed \$7 billion bond measure with \$300 million for CalRecycle awaits, if it can make it to the November ballot. Bumping the \$1.40/ton state landfill tipping fee of 1993 is the obvious funding source as cheaper disposal has encouraged more landfiling. Millions more organic processing capacity tons and billions of dollars are still required, where a \$10/ton tipping fee surcharge could raise \$400 million per year in incentives for infrastructure and to stimulate the economy.

Significant progress towards the mandates has not occurred, as commercial organic waste disposal has bounced up 27%, instead of being reduced by 33% in 2018, on the way to 50% reduction in 2020. Regulatory barriers have not diminished, but have been raised. Cal-EPA failed to deliver on the AB 1045 promise that was supposed to offer permit coordination among the agencies. Instead, CARB is installing regulatory walls, and making us pay for it, by levying the huge cost of fleet electrification, reducing RNG demand, and flippantly increasing the carbon intensity of RNG from negative to plus 45, chilling the development of anaerobic digestion facilities. CARB, in consultation with CalRecycle, under Cal-EPA, is talking in circles, disrupting the carbon-negative circular economy that has been established to implement SB 1383.

When CalRecycle determines that significant progress has not been made, CalRecycle may, upon consultation with stakeholders, include incentives or additional requirement to facilitate progress. California should be proud, having made great progress on achieving renewable energy, low carbon fuel standard, and greenhouse gas reduction goals in 2020, with a balanced blend of regulations and incentives. But our dirty waste secret is that California flopped on the 75% statewide recycling rate and SB 1383 goals for 2020, while up against a collapsing export market and now an unforgiving pandemic. Economic recovery can be centered on the SB 1383 circular economy with a bond measure or tip fee increase to pay for it.

SB 1383 Progress Report

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PRC 42653

Senate Bill No. 1383

CHAPTER 395

42653. (a) No later than July 1, 2020, the department, in consultation with the State Air Resources Board, shall analyze the progress that the waste sector, state government, and local governments have made in achieving the organic waste reduction goals for 2020 and 2025 established in Section 39730.6 of the Health and Safety Code. The analysis shall include all of the following:

(1) The *status of new organics recycling infrastructure development* [CCC Pg. 2], including the commitment of state funding and appropriate rate increases for solid waste and recycling services to support infrastructure expansion.

(2) The progress in reducing *regulatory barriers* [Pg. 2] to the siting of organics recycling facilities and the timing and effectiveness of policies that will facilitate the permitting of organics recycling infrastructure.

(3) The *status of markets* [Pg. 3] for the products generated by organics recycling facilities, including cost-effective electrical interconnection and common carrier pipeline injection of digester biogas and the status of markets for compost, biogas, and other products from the recycling of organic waste.

(b) If the department determines that *significant progress has not been made* [Pg. 3] on the items analyzed pursuant to subdivision (a), the department may include *incentives* [Pg. 4] or additional requirements in the regulations described in Section 42652 to *facilitate progress* [Pg. 4] towards achieving the organic waste reduction goals for 2020 and 2025 established in Section 39730.6 of the Health and Safety Code. The department may, upon consultation with stakeholders, recommend to the *Legislature* [Pg. 8] revisions to those organic waste reduction goals.

Infrastructure Status

PRC 42653 (a)(1)

CalRecycle published the [SB 1383 Infrastructure and Market Analysis Report](#), in April 2019, which provides analysis of organics recycling and diversion infrastructure and barriers to infrastructure development. California currently has more than 160 permitted composting facilities, and more than a dozen anaerobic digestion facilities that accept about 6 million tons of organic material each year. The State's composting facilities combined have approximately 4 million tons of processing capacity remaining. This available capacity remains concentrated in Southern California. To put these quantities in perspective, 12-14 million new tons of organics need to be diverted statewide to meet the 2025 diversion mandate. The study found 68% of composting and anaerobic digestion facilities have no plans to expand. Those facilities which are planning on expanding cited increased processing contracts as the primary reason for growth.

State funding has evaporated in 2020, as the hopeful \$15 million in the Cap-and-Trade January budget will not happen. A proposed \$300 million for CalRecycle is making its way into AB 3256 (Garcia), the \$7 billion Bond Measure, this year. Both CARB and CEC quit funding the RNG fleet with near-zero NOx engines. There is no commitment for state funding other than sales tax exclusions for equipment.

The [SB 1383 Local Services Rates Analysis draft report](#) was released for comment in January 2020, and was prepared to provide information regarding the cost impacts of SB 1383 to local jurisdictions, which are tasked with enforcing most of the provisions of the law. While the regulations do not specify the means through which a jurisdiction must fund the costs of complying with the law, they do require that the mandated program be adequately resourced. Trying to get rate increases to accommodate the blue cart as the China Sword fell on export markets was tough enough, and now the green cart needs funding in a pandemic, recessionary era.

Regulatory Barriers

PRC 42653 (a)(2)

[AB 1045 \(Irwin, 2015\)](#) became law over four years ago to assess the State's progress in developing the required compost infrastructure and assisting in developing the composting industry through permit coordination. Cal-EPA has failed to deliver on AB 1045, where the opportunity to reduce regulatory barriers for SB 1383 was passed over. The AB 1045 process stopped before it really started in November 2018, and will terminate in December 2020, without even having a discussion about designating composting as an essential public service. Instead CARB adopted a series of regulatory barriers to achieving SB 1383 mandates by levying the huge cost of electrification on the organic waste collection fleet, with the Advance Clean Truck Rule, reducing RNG demand derived from SB 1383 organic waste for the same fleet that collects organic wastes, and flippantly increasing the carbon intensity of RNG from negative to plus 45. The Low Carbon Fuel Standard (LCFS) designates RNG as carbon-negative now far ahead of the 2045 carbon neutrality goal that was used to justify ACT regulations.

The Final EIR for SB 1383 regulations was posted in December 2019 and had a chance to provide information to reduce regulatory barriers at the local level during the project-level CEQA process. CCC filed comments as part of the DEIR process to have this document act as a Program EIR for covered aerated static pile (CASP) composting, on the heels of the Program EIR CalRecycle adopted for anaerobic digestion facilities in 2011 (which was very helpful at the local level to demystify AD operations). CCC has provided these comments informally to CalRecycle on the SB 1383 Progress Report, which include identifying these facilities as Net-Zero GHG operations, following the CARB definition, as well as comparing emissions to baseline landfill disposal. Net Zero GHG facilities dovetailing to local Climate Action Plans receive positive land use consideration and significantly reduce criteria pollutants compared to landfiling.

SB 1383 Progress Report

Markets Status

PRC 42653 (a)(3)

CalRecycle will be providing the annual recovered organic waste product procurement requirement on or before January 1, 2022. If a jurisdiction wants to know the amount sooner (with cute graphics) [click here](#). Each jurisdiction will have the flexibility to purchase or broker any of the four products (compost, mulch, bioenergy, or RNG) to implement their local circular economy. On a statewide basis, this would create huge markets for a population of 44 million people by 2025. A balanced and possible procurement portfolio would fuel 2,000 to 5,100 RNG trucks, produce 87 MW to 237 MW of renewable energy, amend 100,000 acres to 185,000 acres of parklands and croplands, and mulch 15,000 to 32,000 acres of highway right-of-way. CalRecycle will be releasing model Procurement Policies right after the adoption of the regulations.

Cost-effective electrical interconnection for bioenergy as part of the BioMAT program is oxymoronic. Even before their bankruptcy, PG&E unilaterally tried to kill BioMAT and the PUC has made little progress on reducing regulatory barriers or offering cost-effective solutions. Pipeline injection of RNG is even more ominous. CARB chilled the market for RNG with aggressive heavy-duty fleet electrification in the ACT regulations, even though the RNG fleet is much more cost-effective and carbon negative. CEC is phasing out the use of CNG/RNG with building electrification.

The [January 2019 Draft California 2030 Natural and Working Lands Climate Change Implementation Plan](#) now includes compost use on irrigated cropland, adding 31,000 to 62,000 acres each year to 2030, and mulching over cropland also increasing at 10,400 to 20,800 acres per year, increasing compost use by 7.5 million tons. CalRecycle worked on the AB 2411 Compost Market Development Plans for Caltrans, which included Compost Product Quality and Specifications, Education and Outreach, Research, and Reporting – but without any metrics or goals. After 30 years of mandates, CALTRANS is still less than 1% of the compost market.

2018 Characterization

From 2014 Base Year

The 2018 Waste Characterization Study was released on May 15, 2020 and will be used to determine the AB 1826 trigger to provide organic waste collection services to businesses with 2 cubic yards per week of MSW, and to prepare the SB 1383 Progress Report that was due on July 1, 2020. The year 2014 is the baseline for both AB 1826 and SB 1383; a total of 31.2 million tons of MSW was disposed. Based upon the 2014 Waste Characterization Study, a total of 13.66 million tons of food, green waste, wood, compostable paper, and manure were disposed of, as shown in the table below. In 2018, 39.3 million tons of MSW were disposed of, an increase of 8.1 million tons over 4 years. Based on the 2018 Waste Characterization Study, a total of 13.66 million tons of food, green waste, wood, compostable paper and manure were disposed. However, commercial organic waste increased from 5.4 million tons to 6.9 million tons, or a 27% increase.

Overall	2014	2018	Change
Food	5,436,122	5,859,535	7.79%
Yard Trimmings	2,135,186	2,127,811	-0.35%
Wood	2,677,884	3,158,830	17.96%
Compostable Paper	3,240,440	2,259,784	-30.26%
Manure	174,808	254,093	45.36%
Total	13,664,440	13,660,053	-0.03%

Progress towards a 50% reduction mandate in 2020, from a 2014 base year, would translate to at least 33% reduction in 2018, where a 27% increase in commercial organic disposal and no decrease in overall organic waste disposal occurred. Adequate progress has not been made. The AB 1826 trigger could be imposed soon, but could also wait until Jan. 1, 2022 to harmonize with SB 1383.

The 2018 Study followed the 2002, 2008, and 2014 studies, but with an improved methodology, because California's waste management system has changed significantly over the past few years. The new Study recognizes the need to address packaging reform, SB 1383, and edible food recovery, where the 82 waste types analyzed grew to 94.

Progress Not Made

PRC 42653 (b)

Progress towards a 50% reduction mandate in 2020, from a 2014 base year, would translate to at least 33% reduction in 2018, where a 27% increase in commercial organic disposal and no decrease in overall organic waste disposal occurred. Organic waste disposal did not decrease over 4 years. Significant progress has not been made on SB 1383, based upon disposal tonnages. CalRecycle could cull through the Annual Reports from the local jurisdictions to determine if adequate program development has occurred on AB 1826 commercial collection and residential co-collection of organics.

There has been some good progress made on infrastructure development. About was \$1 billion leveraged using \$153 million in grant seed money from CalRecycle and CEC to develop compost facilities and anaerobic digesters (which produce RNG for the fleet that collects the SB 1383 organic waste). CalRecycle grants from Cap-and-Trade revenue has shown to be one of the most cost-effective programs, according to the Annual CARB Climate Investment Report. However, CEC will quit funding biomethane development and Cap-and-Trade dollars for CalRecycle will wane.

There has been no progress on reducing regulatory barriers as the AB 1045 permit coordination process stopped in November 2018 without even discussing composting as an essential public services. The Program EIR for SB 1383 Regulations could offer local CEQA guidance if it was decanted into a permit tool box document. CARB added regulatory barriers by reducing RNG demand, arbitrarily raising the carbon intensity of biomethane, and heaping on the cost of electrifying the refuse fleet. CARB, without consultation with CalRecycle, under Cal-EPA, has only added regulatory barriers. The SB 1383 local government procurement requirement could be huge, if only local parks used compost; if only the utilities embraced BioMAT; if only CARB supported carbon negative RNG; and if only CALTRANS bought more mulch and compost.

SB 1383 Progress Report

Incentives

PRC 42653 (b)

With SB 1383, the Legislature declared achieving organic waste disposal reduction targets requires significant investment to develop organic recycling capacity; more robust state and local funding mechanisms are needed to support the expansion of organics recycling capacity. We agree, as the industry has been awarded \$75.7 million in CalRecycle grants, which leveraged over \$300 million in additional capital investment. Whereas this is one of the most-cost effective programs, no further grants are expected for years. Another \$77.8 million awarded by the CEC on biomethane production projects leveraged over \$300 million in additional capital investment, which will be no longer available. Robust state funding has waned, as another \$2 to \$3 billion of capital investment is needed over the next few years.

The proposed Economic Recovery Bond Act of 2020, AB 3256, does not have the support of state leaders. So, the \$300 million for CalRecycle being added, must be passed, signed, and voted on in November. Over the years, a super group of stakeholders have annual requests of \$100 million to \$200 million per year of cap-and-trade money for infrastructure that gets whittled down to \$15 to \$25 million, and now dissipates to zero.

CalRecycle will also be officially releasing the [SB 1383 Local Services Rates Analysis Report](#), analyzing the impact of local service rates and appropriate rate increases for solid waste and recycling services. After reeling from the China Sword rate impacts and Livin' COVID-a Loca, funding will be scarce.

The elephant in the room is the \$1.40/ton state tipping fee, that was \$1.75/ton from 1990-1993. There has been over a decade of legislative attempts on tipping fee reform. A \$10/ton tip fee would bring in \$400 million per year, which is the most robust and obvious mechanism as 11.6 million more tons have been disposed of since 2014, as the state recycling rate is only 40% in 2018 and could drop to 33% in 2020.

Facilitate Progress

PRC 42653 (b)

Providing regulatory certainty and model tools are the best methods to facilitate progress. Finally, the SB 1383 regulations will be approved by OAL by September 2020, providing the regulatory certainty that was mystifying local government, even before the pandemic. This still leaves over 15 months before the SB 1383 regulations become effective on January 1, 2022. Model tools that were held back during the OAL reviews, will be unveiled with the adopted regulations this Fall. The Program EIR for SB 1383 Regulations could offer local CEQA guidance to facilitate progress as part of a permit tool box, highlighting the Net-Zero GHG status, reducing criteria pollutants from baseline, and demonstrate linkages to local Climate Action Plans.

Recycling and composting are essential public services, as our companies are on the front-line collecting and processing materials. SB 1383 programs are mandated to battle climate change and should be designated as essential public service facilities (EPS). EPS facilities are considered essential to public health and safety, and in some cases this designation could result in the facility's owner/operator not being required to offset the facility's emissions, and in other cases Cap-and-Trade dollars could pay for those off-sets.

CalRecycle, in consultation with CARB and the local air districts, with Cal-EPA oversight, are delinquent on this critical issue as additional regulatory barriers are foisted upon the industry. AB 1045 needs to assess the State's progress in assisting in developing the compost industry through permit coordination, and promoting compost use.

There may be different levels of requirements and phased timelines based upon local progress. CalRecycle, in good faith, could provide fair-share targeted diverted amounts per each County soon, and not wait until Jan. 1, 2022, to provide the annual recovered organic waste product procurement target amounts, as to unveil the magnitude of SB 1383. [Click here for your County.](#)

[SB 1383 Regulations](#)

CalRecycle received over 250 comments within 41 letters on the revised draft of the SB 1383 regulatory text during the last 30-day rulemaking comment period. It was noted by CalRecycle to only respond to comments on the regulatory text which are directed at the changes (in purple in the fourth draft). The official notice, including the identified list of documents, relied upon and full text of the regulation, including the newly proposed changes clearly indicated. The document is available on the [SB 1383 Rulemaking website](#). This comment period ran from **April 20, 2020 through May 20, 2020**. Hank Brady, the SB 1383 Czar, moved back to the Legislature and CalRecycle staffer, Ashlee Yee is now the Project Manager.

CalRecycle updated the SB 1383 rulemaking package, making minor changes to the final regulatory text and making various source documents relied upon for the rulemaking available for review in response to review by the Office of Administrative Law (OAL). The items identified by OAL that were addressed by CalRecycle in the regulatory text are primarily to improve clarity of the regulatory language to ensure that the meaning of the regulations will be more easily understood by those persons directly affected by them.

The regulations may be adopted by Labor Day, as staff had to respond to the 250 comments which took some extra time. Additionally, after final adoption of the regulations, CalRecycle will release a series of implementation tools, including a model ordinance, model franchise agreement, model procurement policy, and model food recovery agreement. These tools will be available to help the regulated community prepare for implementation in advance of the January 1, 2022.

CalRecycle should present a draft SB 1383 Progress Report soon. Since this analysis will show that significant progress has not been made, incentives and funding should be identified, as well as any additional requirements. Plus, CalRecycle could lower the AB 1826 threshold to 2 CYD/week of MSW before January 1, 2022 to harmonize with SB 1383.

Making Progress

Model Tools

CalRecycle plans to release a series of tools after the SB 1383 regulations are approved by OAL this Fall. The tools will be posted on their website with CalRecycle and HF&H presenting these tools via several webcasts and Zoom meetings. Realizing that the SB 1383 regulations will become effective on January 1, 2022, there is plenty of work that needs to occur over the next 18 months on program development, franchise negotiations, and ordinance review. A cadre of working groups prepared the following SB 1383 resources:

- Model Franchise Agreement
 - Addresses many SB 1383 requirements related to the collection, processing, collection containers, contamination monitoring, and more
- Model Mandatory Organics Disposal Reduction Ordinance
 - Establishes enforceable SB 1383-related requirements for organic waste generators, haulers, and other regulated entities
- Model Edible Food Recovery Agreement
 - Assists Jurisdictions to provide a tool for commercial edible food generators and food recovery organizations
- Model Procurement Policy
 - Assists jurisdictions with their requirements related to the procurement of recovered organic waste products.

The Initial Jurisdiction Compliance Report is due on April 1, 2022 which requires submittal of copies of ordinances, contracts, and everything that would go into the extensive reporting requirements of the Annual Report. It will take some hustle to get ready for SB 1383 utilizing all of the tools in CalRecycle tool box.

CalRecycle will also be officially releasing the [SB 1383 Local Services Rates Analysis Report](#) prepared by R3 Consulting Group for researching and analyzing the impact of local service rates on the organic waste recycling infrastructure, specifically, appropriate rate increases for solid waste and recycling services to support organics recycling infrastructure development. The Draft Report makes compelling findings and solid recommendations on funding for SB 1383 implementation.

Recycling Commission

The Statewide Commission on Recycling Markets & Curbside Recycling met on June 24, 2020, where they adopted a Commission Charter, elected Heidi Sanborn as Chair and Richard Valle as Vice-Chair, and agreed upon an aggressive meeting schedule and active sub-committees. The Commission Report is due on January 1, 2021, and is required to be updated with their recommendations regularly, but not less often than annually. This Report will be ready with the CalRecycle SB 1383 Progress Report to kick-off a new Legislative session to spawn bills to achieve AB 341 market development goals, facilitate progress for SB 1383 organics waste product markets, and identify products that are recyclable or compostable per SB 1335. It's a tall order, but this Commission is packed full of veteran industry players with pent up issues. CalRecycle should be commended in selecting a diverse and vocal group to get this job done on time. Even before the Commission was meeting, AB 2287 (Eggman) was being amended to extend the first Report date by 6 months, well into the Legislative session. With the formation of the Recycling Commission, you would think they would want to have a say.

Name	Affiliation
John Bouchard	Teamsters 530
Deborah Cadena	Kern County Recycling
John Davis	Mojave Desert Mountain JPA
Jan Dell	The Last Beach Cleanup
Jeff Donlevy	Ming's Recycling
Laura Ferrante	Waste Alternatives
Joseph Kalpakoff	Mid Valley Disposal
Nick Lapis	CA Against Waste
Manuel Medrano	City of Chula Vista
Alex Oseguera	Waste Management
Eric Potashner	Recology
Heidi Sanborn	NSAC
Ann Schneider	City of Millbrae
Coby Skye	LA County Public Works
Sara Toyoda	City of Indio
Richard Valle	Tri-CED Recycling
Tedd Ward	Del Norte Solid Waste

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 Facility Members/Sponsors

Agromin
American Refuse
Atlas Disposal
BLT Enterprises - Fremont
Burrtec Waste Industries
Caglia Environmental
California Waste Recovery Systems
California Wood Recycling
Clover Flat Compost
GreenWaste Recovery
Marin Sanitary Service
Monterey Regional WMD
Mt. Diablo Resource Recovery
Napa Recycling Compost
Northern Recycling Compost
Peña's Disposal Service
Pleasanton Garbage Service
Quackenbush Mt. Compost
Recology Blossom Valley Organics
Recology Feather River Organics
Recology Jepson Prairie Organics
Soiland Co, Inc.
Sonoma Compost
Synagro - South Kern
Tracy Material Recovery Compost
Upper Valley Recycling
Vision Recycling
WCI - Cold Canyon Compost
Zanker Road Resource Management
Z-Best Compost Facility
Zero Waste Energy, LLC
Zero Waste Energy Development

CCC Technology Members

CleanFleets.net
Compost Manufacturing Alliance
Engineered Compost Systems
Filtrex
Phoenix Energy
ReFuel Energy Partners
Synergy BurCell Technologies
Trillium CNG
Yorke Engineering

Newsletter Dedication to Visionary Leaders

Mario Aquino 1931-2020
Bob Hampton 1938-2020
Steve 'Moose' Jones 1950-2020

AB 341

(Chesbro, 2011)

Mandated Commercial Recycling

Legislative Report

AB 341 made a legislative declaration that it is the policy goal of the State that not less than 75% of solid waste generated be source reduced, recycled, or composted by the year 2020, and would require CalRecycle to provide a report to the Legislature that provides strategies to achieve that policy goal. The bill sunsetted the Report requirement on January 1, 2017. The AB 341 Report to the Legislature was submitted in August 2015, and CalRecycle has published the highly informative State of Recycling for 2015, State of Disposal for 2015 and an update of both in 2016. No updates have been filed since.

AB 341 also required any business generating more than 4 cubic yards of commercial solid waste per week or a multifamily residential dwelling of 5 units or more arrange for recycling services, on and after July 1, 2012. CalRecycle reviews a jurisdiction's compliance with this section where each jurisdiction shall report the progress achieved in implementing its commercial recycling program, including education, outreach, identification, and monitoring by providing updates in the Annual Report by August 1st of each year.

The statewide recycling rate has since dipped from 50% in 2014, 47% in 2015, 44% in 2016, 42% in 2017, to 40% in 2018 and could go as low as 33% in 2020, should the China ban be fully executed as expected. CalRecycle mounted a \$12.8 million recycling outreach campaign to assist in cleaning up the feedstock and is posting up resources to assist cities and counties in maintaining diversion rates. The industry is adjusting to the new reality with technology, generator education, and rate increases. The AB 1593 Statewide Recycling Commission convened on June 24, 2020 to address this crisis, but did not have the SB 1383 Progress Report in hand.

AB 1826

(Chesbro, 2014)

Mandated Commercial Organics Recycling

Annual Reports

On or after January 1, 2020, should CalRecycle determine that the statewide disposal of organic waste has not been reduced to 50% of the level of disposal during 2014, a business that generates two cubic yards or more per week of commercial solid waste shall arrange for organic waste recycling services. Based on an increase of over 11.6 million tons of new disposal since the 2014 base year, it will be determined that California has not met this 2020 goal. The 2018 Waste Characterization Study was published on May 15, 2020 to provide further evidence that this goal was not met.

In October 2018, CalRecycle presented a process in determining [AB 1826 Reduction of Statewide Organics Disposal in 2020](#). CalRecycle recommended Option No. 1 at the time where the determination would use the 2018 Statewide Waste Characterization Study (WCS) data and the 2019 Recycling and Disposal Reporting System Data. The 2018 WCS will be available and based upon 2 quarters of reported landfill disposal to the Board of Equalization; it looks like the 2019 data will be adding 3 million tons of disposal to increase to almost 11.6 million tons of new disposal over the 2014 base year.

CalRecycle may present an item in the near future to discuss the AB 1826 trigger. CalRecycle has adequate data to show that the statewide disposal of commercial organic waste has not been reduced by 50% (increased by 27%) and should trigger the 2 cubic yards threshold. CalRecycle may continue to push AB 1826 along to phase in SB 1383 with expectations that jurisdictions will have this collection program in place by 2022. Given COVID-19, CalRecycle should harmonize AB 1826 with SB 1383 to trigger on January 1, 2022.

AB 1045

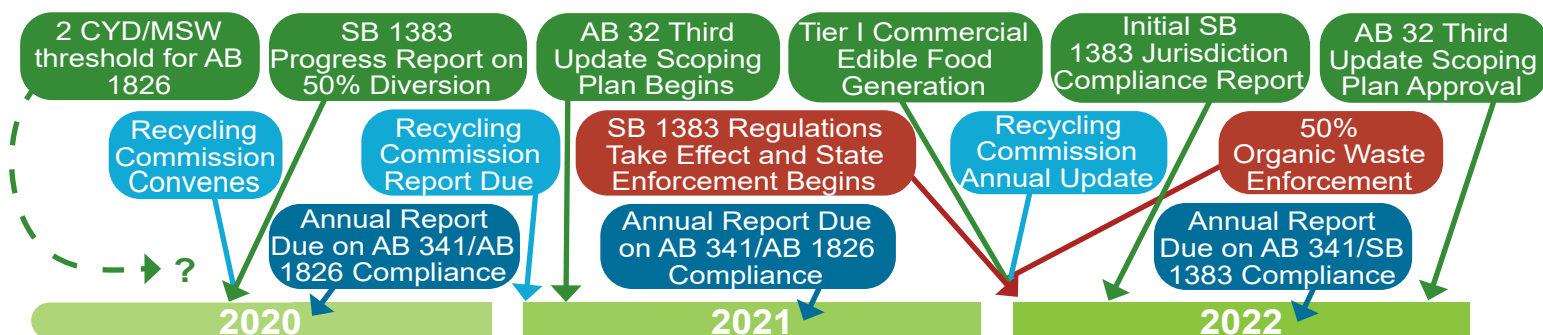
(Irwin, 2015)

Permit Coordination, Markets, Assessment

Annual Posting

[AB 1045 \(Irwin, 2015\)](#) was passed over four years ago to assess the State's progress in developing the required compost infrastructure, assisting in developing the compost industry through permit coordination, and promoting compost use. CalEPA was put in charge with the California Department of Food and Agriculture to meet quarterly, develop recommendations, post them on their website no later than January 1, 2017, and update annually thereafter to 2021. CalFire was added in 2018 to the mix in order to promote the application of compost on fire-ravaged land. CalEPA released a 29-page report in November 2018 that restated the obvious in the compost world without breaking down the regulatory silos or even mentioning composting being designated as an essential public service (EPS).

There have been no postings on the CalEPA website, and there has not been a quarterly or annual public meeting in years. AB 1045 is to expire on January 1, 2021 with no fanfare or follow-up. The SB 1383 Progress Report requires an update on reducing regulatory barriers to the siting of organics recycling facilities and the timing and effectiveness of policies that will facilitate the permitting of organics recycling infrastructure. It's [10:45](#), and Cal-EPA does not know where our compost is. The California Air Pollution Control Officers Association (CAPCOA), with CalRecycle and CARB, published a Discussion Paper in August 2018, [Composting in California – addressing Air Quality Permitting and Regulatory Issues for Expanding Infrastructure](#), which presents a thorough discussion on EPS designation. AB 1036 (McCarty, 2017) attempted to add composting facilities to the EPS definition, but failed due to opposition by air districts. Of the 35 air districts, 21 have an EPS definition in their district rules.



SB 1383

(Lara, 2016)

Short-Lived Climate Pollutants

Progress Report

"No later than July 1, 2020, CalRecycle in consultation with CARB, shall analyze the progress made in achieving the organic waste reduction goals for 2020 and 2025. The analysis shall include the following:

(1) The status of new organics recycling infrastructure development, including the commitment of state funding and appropriate rate increases for solid waste and recycling services to support infrastructure expansion;

(2) The progress in reducing regulatory barriers to the siting of organics recycling facilities and the timing and effectiveness of policies that will facilitate the permitting of organics recycling infrastructure (Refer to the AB 1045 column); and

(3) The status of markets for the products generated by organics recycling facilities, including cost-effective electrical interconnection and common carrier pipeline injection of digester biomethane and the status of markets for compost, biomethane, and other products from the recycling of organic waste.

If CalRecycle determines that significant progress has not been made, CalRecycle may include incentives or additional requirements in the SB 1383 regulations to facilitate progress toward achieving the organic waste reduction goals for 2020 and 2025. CalRecycle may, upon consultation with stakeholders, recommend to the Legislature revisions to those organic waste reduction goals."

CalRecycle will determine that significant progress has not been made, with 11.6 million more tons of waste being buried since the 2014 base year. The industry has been asking for a larger commitment of State funding, and looks forward to additional incentives in achieving the goals over the next five years and inclusion within AB 3256, the Bond Measure.

AB 32

(Pavley, 2006)

Greenhouse Gas Reduction

Scoping Plan Update

In 2006, the Legislature passed the California Global Warming Solutions Act of 2006 (AB 32), which created a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. AB 32 required CARB to develop a Scoping Plan that describes the approach California will take to reduce GHGs and achieve the goal of reducing emissions to 1990 levels by 2020. The Scoping Plan was first approved by the Board in 2008 and must be updated every five years. The First Update to the Climate Change Scoping Plan was approved by the Board on May 22, 2014. In 2016, the Legislature passed SB 32, which codifies a 2030 GHG emissions reduction target of 40 percent below 1990 levels. With SB 32, the Legislature passed companion legislation AB 197, which provides additional direction for developing the Second Update to the Scoping Plan that was adopted in November 2017.

The Third Update to the Scoping Plan needs to be adopted by November 2022, which should begin in early 2021. This update will validate that the 2020 GHG reductions target was achieved and will determine the progress made toward the goals of reducing GHGs and methane by 40% by 2030, plus review the Scoping Plan goal for the Waste Sector to be Net-Zero GHG emissions by 2035. The Waste Sector can expound on the role that SB 1383 - diverted organic waste plays in achieving the low carbon fuel standard with the production and use of carbon negative renewable natural gas. The SB 1383 Progress Report due on July 1, 2020 and the AB 1593 Recycling Commission Report due on January 1, 2021 will be the foundational documents for the Third Update of the Scoping Plan. We can show CARB that our industry is Net-Zero GHG now with carbon negative fuel and near-Zero NOx.

AB 1583

(Eggman, 2019)

Statewide Recycling Commission

Commission Report

Since 1991, existing law requires CalRecycle to build a comprehensive market development plan that will stimulate market demand for postconsumer waste material and secondary waste material generated in the State. At one time, the California Integrated Waste Management Board (1990-2009) convened a Markets Committee on a monthly basis to implement this law.

The AB 341 Report that presented a market development plan to the Legislature to reach a stated recycling rate goal of 75% by 2020 has not been updated since 2016. Meanwhile, the statewide recycling rate fell from 50% in 2012 to 40% in 2018. With the full implementation of the China Sword to further ban most all recyclables, the statewide recycling rate could go as low as 33%. AB 1593 (Eggman, 2019) created a Recycling Commission to stop the drop, which also includes SB 1383 new tons.

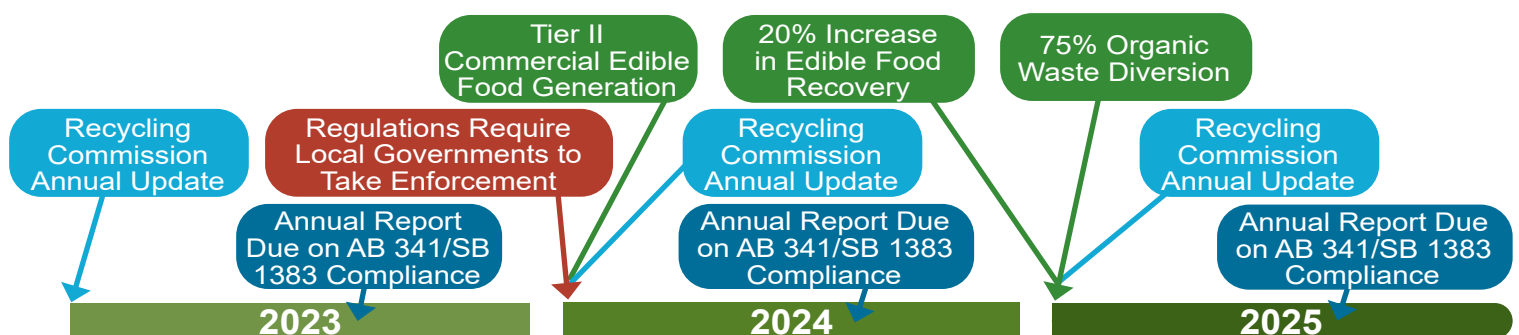
CalRecycle shall, by July 1, 2020, convene a Statewide Commission on Recycling Markets and Curbside Recycling consisting of representatives of public agencies, private solid waste enterprises, and environmental organizations with expertise in recycling.

The commission shall, by January 1, 2021, do both of the following:

(A) Issue policy recommendations to achieve the market development goals established by AB 939 (Sher, 1989), AB 341 (Chesbro, 2012), and SB 1383 (Lara, 2016); and

(B) Identify products that are recyclable or compostable, as defined in the Sustainable Packaging for the State of California Act of 2018, and regularly collected in curbside recycling programs.

The Recycling Commission shall update the recommendations and identifications made regularly, but not less often than annually.



Leg Update

SB 1383 5-Year Plan

SB 1383 requires that a Progress Report be prepared no later than July 1, 2020 by CalRecycle, in consultation with CARB, in achieving the mandate of diverting 50% of the organics by 2020 and 75% by 2025. Given the immense gravity of SB 1383 and the need for regulatory coordination among many state agencies, SB 667 (Hueso) was an attempt to provide additional clarity and a backstop to inspire a 5-Year SB 1383 Plan. The Cap-and-Trade Program requires a 3-Year Investment Plan coupled with an Annual Report to the Legislature. CARB updates the AB 32 Scoping Plan every five years, and each fiscal year CARB prepares a Funding Plan for the Low Carbon Transportation investment. The California Energy Commission adopts an Integrated Energy Policy Report every two years and an update every other year, and prepares an Annual Investment Plan update for the Clean Transportation Program.

There were three significant visionary legislative attempts in 2019 to facilitate some type of SB 1383 assessment plan, which could cost between \$2 to \$3 billion just for the infrastructure. AB 1583 (Eggman) had been on track for years to increase revenues with a generator fee or a landfill tipping fee to pay for SB 1383 implementation, but got buried. AB 144 (Aguiar-Curry) attempted to have the Strategic Growth Council prepare a Scoping Plan for the urban, agricultural, and forest sectors to manage organic waste in a comprehensive manner, but with the price tag of \$400,000, it was thought to be too much. It's back this year as AB 1567 and is still alive. SB 667 (Hueso) was more focused on having CalRecycle develop a five-year strategy to develop financial incentives for in-state recycling infrastructure, but stalled due to the potential questionable costs of \$1.2 to \$1.8 million for the plan, and became a two-year bill that has since died on the Corona vine. With the increase of over 8.6 million more disposal tons in 2018, from 2014, CalRecycle revenue grew by \$12 million this year and should be able to fund an SB 1383 5-year Plan.

Legislation

[AB 3256 \(Eduardo Garcia\)](#)

TOPIC: This bill would enact the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,980,000,000 pursuant to the State General Obligation Bond Law to finance projects for economic recovery, with \$50 million for healthy soils and seek HVIP funding for near-zero fleets and \$300 million for waste diversion. This bill would provide for the submission of these provisions to the voters in the November 3, 2020, statewide general election. This bill does not have the apparent support of the Governor nor Legislative Leaders. So, \$300 million for CalRecycle is being added, passed, signed, and voted on in November. This SB 1383 incentive has a near-zero chance of happening.

STATUS: Referred to the Assembly Rules Committee on June 8, 2020

[SB 667 \(Hueso\)](#)

TOPIC: This bill would have required CalRecycle to develop, on or before January 1, 2021, and would authorize the department to amend, a 5-year needs assessment to support innovation and technological and infrastructure development, in order to meet SB 1383 mandates; and in coordination with the Treasurer and the California Pollution Control Financing Authority, to develop financial incentive mechanisms, including, among other mechanisms, loans and incentive payments, to fund and accelerate public and private capital towards organic waste diversion and recycling infrastructure. The bill would authorize the authority to provide any alternative financing necessary to implement and administer those financial incentive mechanisms for the benefit of public or private participating parties, in accordance with the needs assessment. The bill would establish the California Recycling Infrastructure Investment Account in the State Treasury, to be administered by the California Pollution Control Financing Authority. The bill would require the Treasurer to support the recycling needs of the region.

STATUS: Postponed by ASM. Committee after 38-0 vote out of the Senate – killed by COVID-19 or by inflated costs in the bill analysis

[AB 1567 \(Aguiar-Curry\)](#)

TOPIC: This bill would require the Strategic Growth Council, on or before Dec. 31, 2021, in consultation with stakeholders and relevant permitting agencies, to prepare and submit to the Legislature a report that provides a scoping plan for the state to meet its organic waste, climate change, and air quality mandates, goals, and targets and would require the scoping plan to include recommendations on policy and funding support for the beneficial reuse of organic waste.

STATUS: Passed Assembly (78-0), now onto the Senate, NR&W.

[AB 2287 \(Eggman\)](#)

TOPIC: Extend Recycling Commission Report - Existing law requires the department, by July 1, 2020, to convene a Statewide Commission on Recycling Markets and Curbside Recycling. Existing law requires the commission, by January 1, 2021, to, among other things, issue policy recommendations to achieve specified market development goals and waste reduction goals, and to identify products that are recyclable or compostable, as defined, and regularly collected in curbside recycling programs. This bill instead would require the commission to issue those recommendations and identify those products by July 1, 2021. The bill would require the commission to provide an opportunity for the public to review and provide comments before finalizing a recommendation or identifying a product described above. You would think the newly formed Recycling Commission would have a say.

This bill would repeal the provision that conditionally prohibits the sale of a plastic product that is labeled "marine degradable". The bill would authorize CalRecycle to adopt a specified standard for biodegradable mulch film plastic, or a standard that is equivalent to, or more stringent than, that standard, and would authorize the sale of commercial agricultural mulch film, as defined, labeled with the term "soil biodegradable" only if the commercial agricultural mulch film is certified to meet, and the department adopts, that specified standard. The bill would update home compost certification.

STATUS: Re-referred to Senate EQ on June 25, 2020