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Sustainable Organics Recycling

## SUMMER RECESS

It would be nice to have a Time Out on the field to catch a breath with way too many moving parts. We have been overwhelmed with budget uncertainty on so many levels. We are distracted by red meat issues as the debt bubble is ready to burst. The California Legislature went on Summer Recess having adopted a budget with a \$12 billion deficit and introducing 2,350 bills this session which could have been much more with up to 5,000 bills being introduced in previous sessions. Lawmakers recently adopted a new bill limit of 35 for Assembly members, and 25 for State Senators. This change was intended to encourage lawmakers to focus on quality over quantity and prioritize more impactful legislation such as addressing affordability, Cap-and-Invest Reauthorization, redistricting gerrymandering for Congressional seats to counter Texas, regional grid reliability, refinery closures, and CEQA reform. After taking a month long recess with so many huge issues landing, the Legislature needs to take turns, play fair, play safe, and report any bullying over the next month.

The Congress has also been on Summer Recess with much more drama as federal funds are being clawed back and the tariff whiplash continues. The US federal government's gross national debt has recently surpassed \$37 trillion with another \$4 trillion coming with the Big Beautiful Bill. President Trump has taken a series of actions aimed at redirecting or withholding federal funds, often through Executive Orders, challenging the traditional congressional "power of the purse." Many of these actions have been met with swift legal challenges, with courts issuing injunctions against some Executive Orders and limiting the administration's ability to implement them unilaterally. The mysteries and misery of the Big Beautiful Bill are still being uncovered.

When the House and Senate return from Summer Recess, lawmakers will have just four weeks to avert a government shutdown — and some kind of kick-the-can

funding patch is all but guaranteed. Before the Senate adjourned for Summer Recess, the chamber passed the first bipartisan spending package of the year. But on the other side of the Capitol, House Republicans have yet to welcome government funding negotiations with Democrats, after spending the summer stiff-arming them by advancing bills with steep cuts and conservative mandates.

The Advanced Clean Fleet (ACF) Rule for the private fleets is going on recess for at least another 4 years until the next Administration takes control. But during this pause, the industry will double down on rolling out a carbon negative renewable natural gas (RNG) fleet harnessing SB 1383 organic waste proving out the benefits of a local circular economy instead of being disrupted by a linear dirty carbon positive inhumane global economy of the failing battery electric initiatives. The public fleets still bound to the ACF also need a recess as the capital costs for a new battery electric fleet with charging stations will bankrupt the cities and force privatization in the name of affordability.

SB 1383 already had a recess from 2016 to 2020 when the regulations were being promulgated and another pandemic recess from 2021 to 2023. Over \$270 million in CalRecycle grants were issued that will boost the SB 1383 recycling rate to about 25% in 2025, but no future funding has been identified. The industry is asking for \$200 million per year for the next 5 years to get to 75% diversion by 2030.

Come Monday, the Summer Recess is over, and the circus will be back in town and on the Hill. But the industry really never got a chance to unplug as the daily news relentlessly pounded us with politics as unusual. As uncertain as the times are, we still get up every day and pick up the trash and the recyclables and the organics without taking any recess.

## Budget

### Time Out

Safe to say that there are not as many bills this year to watch as bigger issues take center stage, such as the LA fires, the \$12 billion budget deficit, \$50 million in legal fees to push back on the Federal agenda, the affordability crisis, redistricting for more Congressional seats, coupled with the closure of oil refineries, and the looming cap-and-trade extension to 2045.

With bigger issues to fry, there are fewer industry bills. [SB 86 \(McNerney\)](#) will extend the sales tax exclusion for equipment to 2031 for up to \$100 million per year and [SB 279 \(McNerney\)](#) could deregulate community compost and agricultural compost sales.

California faced a projected budget deficit of \$12 billion in 2025-26. This deficit arose due to factors like increased expenditure growth, particularly in Medi-Cal, and shifts in national economic conditions. The deficit was reported to be even larger, at nearly \$20 billion, if a planned transfer of \$7.1 billion from state reserves was not counted as revenue. With focus on “affordability,” many of these 2,350 bills making to Appropriations will be held in suspense over the next few weeks as the legislature reconvenes on August 19.

If the cost to the General Fund is over \$50,000 or more than \$150,000 for a special fund, the bill is placed in suspense waiting, and could easily become a 2-year bill this year.

The state dedicated \$25 million for the California Department of Justice to challenge and defend against illegal actions by the Trump Administration and another \$25 million to support legal aid for vulnerable Californians in civil proceedings. California’s proactive efforts to defend its values against the federal administration have resulted in at least \$168 billion in federal funding remaining in the state.

## Leg Watch

### [SB 279 \(McNerney\)](#)

POSITION: Oppose, unless amended.

TOPIC: Solid Waste: Compostable materials. This bill would require that the total amount of feedstock and compost onsite at any one time not exceed 500 cubic yards instead of the 100 cubic yards and 750 square feet in the regulations. The bill would also require the composting of agricultural materials and residues that are from a large-scale biomass management event at an agricultural facility that does not otherwise operate as a solid waste facility to be an excluded activity, as specified. This bill would authorize those composting operations to give away or sell up to 5,000 cubic yards of compost product annually.

STATUS: Passed Assembly Natural Resources 14-0, and onto Appropriations

NOTE: Environmentalists want to deregulate compost without the same regulatory protections needed for raw food waste.

### [AB 436 \(Ransom\)](#)

POSITION: Support, CCC is the Sponsor

TOPIC: Composting Facilities: Zoning. This bill, on or before June 1, 2027, would require the Office of Land Use and Climate Innovation, in consultation with the Department of Resources Recycling and Recovery, to develop and post on the office’s Internet website, a technical advisory, as provided, reflecting best practices to facilitate the siting of composting facilities to meet the organic waste reduction goals. The bill would require the office to consult with specified entities throughout the development of the technical advisory. This bill, upon a substantive revision of the land use element, as specified, on or after January 1, 2029, would require a city, county, or city and county to consider, among other things, the best practices, sample general plan, and model ordinance reflected in the technical advisory and to consider updating the land use element to identify areas where composting facilities may be appropriate as an allowable use.

STATUS: Held in Assembly Appropriations since May 23, 2025. Two-Year Bill. Estimates one-time costs of \$448,000 for two positions.

### [SB 86 \(McNerney\)](#)

POSITION: Support

TOPIC: California Alternative Energy and Advanced Transportation Financing Authority Act: sales and use tax exclusion. The Authority is to provide financial assistance to a participating party by authorizing exclusions from sales and use tax for recycling, composting and bioenergy equipment, including those that promote California-based manufacturing, California-based jobs, advanced manufacturing, reduction of greenhouse gases, or reduction in air and water pollution or energy consumption. This bill would extend to January 1, 2031, the authorization to provide financial assistance in the form of a sales and use tax exclusion for projects approved by the authority for up to \$100 million per year. Projects means devices or technologies used for a renewable electrical generation facility and also includes recycled feedstock that is intended to be reused as soil amendment in the state for the design, manufacture, production, or assembly of advanced manufacturing, advanced transportation technologies.

STATUS: Passed Revenue and Taxation Committee 7-0, and onto Appropriations.

### [AB 70 \(Aguar-Curry\)](#)

POSITION: Bioenergy Association of California supports

TOPIC: Solid Waste: Organic Waste: Diversion: Biomethane. One of the conditions for using biomass conversion to satisfy a portion of the solid waste diversion requirement is that pyrolysis not be included in the source reduction and recycling element. Pyrolysis is not defined for that purpose or for other purposes in the act. This bill would define pyrolysis as the thermal decomposition of material at elevated temperatures in the absence or near absence of oxygen.

This bill would also require that CalRecycle amend SB 1383 regulations to include, as a recovered organic waste product attributable to a local jurisdiction’s procurement target, pipeline biomethane converted exclusively from organic waste.

STATUS: Passed Senate Environmental Quality 8-0, and onto Appropriations

## RNG Forever!!!

California has withdrawn its request for a waiver and authorization for the addition of the Advanced Clean Fleets (ACF) Regulation to its emissions control program where the private fleets no longer must consider ZEV purchases. CARB will be amending the ACF regulations with a public hearing scheduled on September 25, 2025. However, the state and local government fleets portion of the ACF Regulation remains unaffected, where the public sector will still need to comply with the ZEV mandate. Due to the huge capital costs to install charging stations and purchase battery ZEVs that are significantly more expensive with less duty cycle, there will be a trend towards privatization.

There are about 8,000 vehicles in the private refuse fleets and about 8,000 vehicles in the public fleet in California. Both use RNG and renewable diesel. Soon, after the lawsuits and the dust settle, the private fleets will complete their transition to all RNG where the entire fleet would be carbon negative with an average carbon intensity of minus 100 g CO<sub>2</sub>/MJ by 2030. Whereas some think this is just a 4 year pause until the next Administration can bring back the ACF rule, now is the time to double down on RNG as battery electric vehicles continue to fail, without adequate infrastructure and supply. We need to have CARB recognize the use on RNG forever.

When the ACF Rule was adopted over 3 years ago, CARB was suppose to hold a Workshop on the future on biomethane where CARB expects early adopters producing biomethane need to pipeline the biomethane too hard to decarbonized industries that are late to the game. In many cases, there are no PUC pipelines around and that the producers have intended to use their fuel on-site or for their fleet.

### ACF

CARB will conduct a public hearing on September 25, 2025, at 9:00 am in Sacramento to consider proposed amendments to the Advanced Clean Fleets (ACF) and the Low Carbon Fuel Standard (LCFS) regulations. This rule making also would repeal the drayage and high priority (HPF) and federal fleet requirements of the ACF regulation. The proposed amendments will also amend the LCFS Regulation to provide stronger credit support for hydrogen stations.

The ACF regulation has three zero-emission vehicle (ZEV) purchase requirements: one for State and Local Government Agency fleets, one for HPF fleets, and one for drayage trucks, as well as a 100% ZEV sales requirement for manufacturers by 2036.

In December 2023, CARB widely circulated a notice to affected fleets of CARB's decision to delay any enforcement action on the drayage or HPF fleet reporting requirements or drayage registration prohibitions until the U.S. Environmental Protection Agency (EPA) granted a preemption waiver applicable to those regulatory provisions or determined a waiver is not necessary. In January 2025, CARB withdrew its request for a waiver and authorization for the addition of the ACF regulation to California's emissions control program foreseeing that the waiver request to U.S. EPA would not be granted.

The State and Local Government Agency (SLG) Fleet Requirements portion of the ACF Regulation would remain, subject to proposed amendments described herein. SLG fleets must still comply with the ZEV Purchase Schedule, which requires most governmental fleets to purchase at least 50% of their annual on-road medium- and heavy-duty vehicles as ZEVs beginning January 1, 2024, unless they utilize flexibility within the regulation. This compliance schedule requires vehicles to have a minimum age before becoming eligible for some of the exemptions. Alternatively, SLG fleets can elect to permanently opt-into the ZEV Milestones Option which allows fleets to phase ZEVs into their fleets on a gradual schedule that provides fleets considerable flexibility to decide which vehicles to purchase.

### ACT

CARB conducted a public hearing on July 25, 2025, and considered proposed amendments to the Advanced Clean Trucks (ACT) regulation and the Zero-Emission Powertrain Certification (ZEP Certification) test procedure. The proposed amendments to the ACT regulation include the following modifications:

Add an option for manufacturers to use surplus ZEV and near zero emission vehicle (NZEV) credits generated in one state that has adopted the ACT regulation to assist with meeting their ACT compliance obligations in another state. The proposed pooling flexibility implements a declining annual credit transfer allowance for the 2027 through 2031 model years that dictates how many credits can be transferred in a given year into a state with a deficit. These allowances would begin at 20% in 2027 and decrease by 2% each year, reaching 12% in 2031. The credit transfer allowance would then be constant at 10% for the 2032 through 2035 model years.

Modify the Low Tractor Volume provision to permit manufacturers to offset a portion of deficits generated in the Class 7-8 tractor group with Class 2b-3 or Class 4-8 group ZEV credits for each model year.

Decrease the minimum all-electric range threshold for NZEVs after the 2030 model year.

Provide manufacturers increased flexibility with respect to the order in which they retire ZEV credits.

Modify the communication protocols with respect to the ZEV connector criteria in the ZEP Certification regulation.

"Near-zero-emission vehicle" or "NZEV" means one of the following: (A) An on-road plug-in hybrid electric vehicle or (B) An on-road hybrid electric vehicle that has the capability to charge the battery from an off-vehicle conductive or inductive electric source and achieves all-electric range. NZEV will need to be expanded to include the Cummins' natural gas engines like the L9N and X15N that are designed to significantly reduce emissions, especially when powered by renewable natural gas.



## 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, Inc.  
Atlas Disposal Industries LLC  
BLT Enterprises of Fremont  
Burrtec Waste Industries, Inc.  
California Waste Recovery Systems  
Cedar Ave Recycling and Transfer  
Mt. Diablo Resource Recovery  
CR&R Environmental Services  
Gilton Resource Recovery  
Marin Sanitary Service  
Monterey Regional WMD  
Napa Recycling and Waste Services  
Northern Recycling Compost  
Peña's Disposal Service  
Pleasanton Garbage Service  
Quackenbush Mt. Compost  
Recology  
San Joaquin County Public Works  
Soiland Co., Inc.  
Tracy Material Recovery  
Upper Valley Recycling  
Waste Management  
Zero Waste Energy, LLC.

### CCC Partners

California Resource Recovery Assn.  
California Organic Recycling Council  
California Wood Recycling  
GreenWaste Recovery  
ReFuel Energy Partners  
Resource Recovery Coalition of CA  
Zanker Road Resource Management  
Z-Best Compost Facility  
Zero Waste Energy Development

### CCC Technology Partners

CleanFleets.net/ CoolPath Inc.  
Engineered Compost Systems  
JRMA Architects Engineers  
Phoenix Energy  
Schaefer Systems International, Inc.  
Yorke Engineering LLC

### CCC Governmental Affairs

Mandi Strella, EEC  
Neil Edgar, Edgar & Associates, Inc.  
Evan Edgar, Edgar & Associates, Inc.  
Sean Edgar, Clean Fleets Advocates

## A Slow Roll

The Little Hoover Commission released their SB 1383 Report in June 2023 with 12 recommendations, and we expect that the Legislative Analyst Office (LAO) will release their anticipated SB 1383 Report soon. The LAO was critical of CalRecycle's \$2 million Zero Waste Plan where it was recommended that CalRecycle should focus on current mandates and that it was premature to develop a plan with a more ambitious goal. SB 101 (Skinner) appropriated the money for the Zero Waste Plan explicitly wanted CalRecycle to focus on the 75% diversion mandate. The Zero Waste Plan is due on January 1, 2026, where we hope to find out the progress made towards achieving the SB 1383 mandates. There is no major SB 1383 reform underway with over 6 years of pausing already, but there is tinkering on procurement.

The CalRecycle 2023 and 2024 State of Recycling reports have yet to be released. However, at last monthly meeting it was reported that the AB 341 statewide recycling rate to be 42% in 2024, and that CalRecycle is going to introduce yet another way to measure diversion. We already have four methods in place with (1) AB 939 at 50% diversion by 2000 from a 1990 base year, (2) AB 1826 at a 50% commercial organics diversion rate by 2020 with a 2014 base year, (3) AB 341 statewide recycling rate of 75% by 2020 with a 2014 base year, and (4) SB 1383 for all organics diversion with a 50% rate by 2022 and 75% rate by 2025 with a 2014 base year.

CalRecycle did release about \$270 million in grants over the last few years which leveraged another \$1 billion of public and private investments where the SB 1383 diversion rate is expected to reach at least 25% in 2025 with these new tons. In order to reach a 75% diversion rate by 2030, there needs to be at least \$200 million per year of state Cap-and-Invest revenue for the next 5 years with compost and AD being the best value.

## Little Hoover Commission

In their June 2023 report, [Reducing California's Landfill Methane Emissions: SB 1383 Implementation](#), the Little Hoover Commission highlighted how adjustments in the state's implementation of SB 1383 would improve organic waste disposal and allow for a more efficient statewide response to climate change. Successful implementation of SB 1383 will require changes in law and regulation and additional funding – all lengthy processes. Californians must also buy in to the legislation and its goals. Given these factors, the Commission calls on the Legislature to enact a temporary pause to the implementation of SB 1383 (it was later clarified that the pause was for the rural areas of California). A pause in implementation would allow time for necessary changes to infrastructure, clarification of the shared responsibility between state agencies and local government, the development of a realistic financing plan, and community education. Last year, AB 2902 (Wood) was adopted which delayed the implementation of collection to 2037 giving the pause the rurals needed.

The Commission's report offered eleven other targeted recommendations that would further the state's efforts in the fight to curb landfill methane emissions where over the last 2 years many of those recommendations still need to be addressed. Cal-EPA still needs to break down the permitting silos and CalRecycle still needs to prepare a market development plan. Near-zero emission vehicles should be supported. Community compost should be expanded as SB 279 goes too far this year. Edible food recovery needs sustainable funding where there is no upcoming grants as federal funding for food banks is being clawed back. There needs to be adequate financial resources where none are in the pipeline other than local rate increases. The \$10 billion Prop 4 Climate Bond measure has no money allocated for CalRecycle. Without adequate resources, the industry has asked for \$200 million per year for the next five years as part of the upcoming Cap-and-Invest Plan to extend the program past 2030 to 2045 for compost and anaerobic digestions.