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SB 1383: A Revolution For Organic Waste

Following a brief public comment period, regulations to implement California's sweeping changes to organics management will be in place.

Heather Jones | Tuesday, March 17th, 2020

The regulations for Senate Bill 1383 (SB 1383), the Short-Lived Climate Pollutants Reduction Act that was signed into law in September 2016, will fundamentally change the way California manages organic waste. On January 21, 2020, after several years of research, data analysis, and stakeholder meetings — and drafting, rewriting, and fine-tuning — the California Department of Resources Recycling and Recovery (CalRecycle) sent a first of its kind rulemaking package to the Office of Administrative Law (OAL) for official approval.

OAL returned the regulations to CalRecycle in mid-March for clarifying nonsubstantive changes. None of the new revisions will change the scope of the regulations. The department will hold a 15-day public comment period after the changes are made. It will also post both a clean version of the updated regulations, and a "rainbow" version that was sent to OAL in January with color-coded edits. Once these rules have the green light, the CalRecycle will begin to support stakeholders through the implementation process.

Cap-and-Trade grant funds are available to build new composting and AD capacity in California. Photo by Adriana Salmoran

What Is SB 1383?

SB 1383 requires a 50 percent reduction in organic waste disposal from 2014 levels by 2020, and a 75 percent reduction by 2025. That will require the diversion of up to 27 million tons of organic waste by 2025 to reduce greenhouse gas emissions. In addition, SB 1383 requires that not less than 20 percent of edible food that is currently disposed be recovered for human consumption by 2025.

As monumental as it was that SB 1383 was signed into law, the real work lies ahead with implementation. CalRecycle's regulations describe what needs to be done by local governments, businesses, residents, and nonprofits to accomplish this.

Previously enacted laws set the stage for a 75 percent reduction in organic material from landfills by 2025. This legislation included:

• AB 341 (Chesbro, Chapter 476, Statutes of 2011) set a statewide goal of 75 percent recycling of all material. In its first AB 341 report to the legislature, CalRecycle made clear that the state must prioritize recycling organic material, which comprises two-thirds of the waste stream, to meet that goal. AB 341 also included the first mandatory commercial recycling requirements.

• AB 1826 Chesbro (Chapter 727, Statutes of 2014) created the tiered implementation structure of the state's Mandatory Commercial Organics Recycling, three years after AB 341 laid some initial groundwork. The law began phasing in commercial organic waste recycling requirements in 2016, depending on the amount of waste generated per week. Under AB 1826, businesses that create organic waste must arrange for organic waste recycling services, and local governments must implement a commercial organics recycling collection program.

Breaking New Ground — Edible Food Recovery

No other government in the world has created SB 1383's legal mandate to recover edible food previously sent to landfills to give to people in need. According to the California Association of Food Banks, 1 in 8, or 4.6 million, Californians are food insecure, including 1 in 5 children. At the same time, more than 5.5 million tons of food waste are disposed in California landfills each year, according to CalRecycle's 2014 waste characterization study. In 2018, CalRecycle began tracking how much potentially donatable food is disposed; that information is expected to be available in late spring 2020.

The 1383 requirements for local governments, food generators, and food recovery groups to achieve this 20 percent food recovery goal include the following:

• Commercial edible food generators must recover for human consumption the maximum amount of their edible food that they would otherwise dispose of in landfills by making written agreements with food recovery organizations or services to accept this food instead.

• Local governments must consult with food recovery organizations and services to implement edible food recovery programs and ensure adequate capacity exists to recover that food.

• Food recovery groups must follow rules for recordkeeping and reporting.

For the food recovery aspect of the regulations, CalRecycle established the following two-tiered implementation structure:

• "Tier One" food generators — supermarkets and large grocery stores, food services providers, food distributors and wholesale food vendors — must comply beginning January 1, 2022.

• “Tier Two” food generators — large restaurants, hotels with an on-site food facility and 200 or more rooms, health facilities with an on-site food facility and 100 or more beds, large venues and large events, state agencies with large cafeterias and local educations agencies with on-site food facilities — have until January 1, 2024 to comply.

Legal Requirements For Diverting Organics

SB 1383 stipulates how waste generators and local governments must operate to keep organic material out of landfills. These requirements include the following:

• Jurisdictions must provide collection service automatically to all generators (also known as universal service). At this time, most of the state’s jurisdictions already have residential organics collection service for green waste, and many are in the process of adding food waste collection service (often commingled in the same cart) to help the state meet SB 1383’s organics diversion benchmarks.

• All organic waste generators, both residents and businesses, as well as non-local entities and local education agencies, are required to participate in organic material collection programs.

• Jurisdictions must adopt enforceable ordinances to ensure that all residential and commercial generators are compliant. Penalties for noncompliance can be assessed by CalRecycle beginning in 2022.

• Jurisdictions must procure eligible recovered organic waste products. Jurisdictions can comply with the requirements through the procurement and use of compost, mulch, and various forms of bioenergy derived from recycling organic waste.

Tools And Workshops

To assist jurisdictions, CalRecycle has prepared tools for local government use, including the following:

• CalRecycle contracted with a consulting group to develop a model organics recycling ordinance and a corresponding franchise agreement, a procurement policy and a food recovery agreement for edible food. These will be available after the regulations are approved by OAL.

• The department has developed a customizable PowerPoint presentation and a video that local jurisdiction staff can use to educate local elected officials and the public about the regulations.

• CalRecycle’s website provides model signage that businesses can use to label recycling bins for customers. The signage can be customized according to the type of organic waste recycling service the jurisdiction provides. CalRecycle’s website will soon add Spanish and Mandarin versions of the signage.

• CalRecycle also plans to develop a number of tools for local jurisdictions, edible food recovery organizations, and solid waste facilities, including a capacity planning tool. The tools will help local governments quantify the amount of organic waste and edible food they dispose.

• CalRecycle contracted with a consulting group for a rate study on the costs of SB 1383 implementation. The SB 1383 Local Services Rates Analysis report addresses options and recommendations for funding mechanisms that local jurisdictions can use to implement SB 1383’s collection requirements and support the development of local organics recycling infrastructure.

Approximately 50 technical training workshops and presentations are planned with local government staff to familiarize them with these tools. In April, the department will also hold a workshop to discuss its analysis of the state’s progress toward meeting the targets.

Outreach And Education Campaign

CalRecycle is launching a $15 million, three-year recycling outreach campaign to educate local governments and California residents on the importance of recycling, including organics, and addressing contamination in recycling bins. CalRecycle has contracted with Runyon Saltzman (RSE), a marketing and communications agency, to manage the campaign.

Aspects include the following:

• RSE will use community-based social marketing techniques to research and determine the local barriers to recycling in individual communities, and work with local governments on messaging to overcome those barriers and improve recycling area by area.

• Messaging will be translated as needed to reach targeted communities, as determined by the research findings.

• The agency will provide materials that local governments can modify for their own use.

• RSE will hold one or two webinars to teach local governments how to use and modify the materials for their own recycling programs. It also will offer assistance and respond to questions for the duration of its contract.

Available Funding

Cap-and-Trade Grants: Over the past six years, California has invested $84.3 million in Cap-and-Trade grant funds for 25 new or expanded composting and anaerobic digestion facilities to produce compost and bioenergy. CalRecycle also prioritized food waste prevention and rescue programs and awarded grant funds to 68 projects statewide, resulting in approximately 36,000 tons of food either prevented from becoming waste or rescued and delivered to people in need. California will continue supporting these programs and will expand them this year to include $1.3 million for pilot grants to fund community-scale composting. The most recent organics recycling facility awards were announced on March 17 (see sidebar).

RMDZ, GHG Reduction Loans: Over the past five years, CalRecycle's Recycling Market Development Zone (RMDZ) and Greenhouse Gas (GHG) Reduction Loan Programs have loaned $850,000 to a composting facility that recycles 45,000 tons of green waste annually, and $1.3 million to an anaerobic digestion facility that recycles 2,231 tons of food waste annually.

CalRecycle also collaborates with the Governor's Office of Business and Economic Development, the State Treasurer's Office, the California Energy Commission, local RMDZ administrators, and local economic development corporations to assist recycling manufacturers that want to site or expand facilities in California. Direct links to these funding sources for jurisdictions to increase organics recycling and edible food recovery infrastructure are in the sidebar.

Funding Sources For Jurisdictions

CalRecycle's Organics Grant Program

California Air Resources Board Grants

Investment Tax Credit

Low-Carbon Fuel Standard

CPCFA Tax-Exempt Bonds

RMDZ and GHG Loans

CalRecycle Business Assistance

A new potential funding source comes in the form of a January budget change proposal. The Governor's Office of Business and Economic Development requested $1 billion from the General Fund for a loan program titled the Climate Catalyst Revolving Loan Fund. According to the document: "The goal of a revolving loan fund is to work in concert with the other elements of the climate budget by providing low-interest loans for a portfolio of projects across California's climate agenda: from zero emission vehicles and infrastructure, to climate-smart agriculture and forestry projects, to projects focused on recycling or reuse of valuable resources."

Costs and Benefits

On average, residents of single-family homes can expect a $3 to $5 increase on their monthly collection bill, or about a 13 percent average increase. The monthly bill for commercial businesses will increase by an average of $70 to $90, also about a 13 percent increase. The state will need an estimated 50 to 100 new organic material recycling facilities to process and recover up to 27 million tons of organic waste annually by 2025.

How will Californians benefit in return for their efforts and expense? Benefits include:

• Equivalent of 1.7 million cars taken off the road in GHG reductions

• 17,000 permanent green jobs, and 3,000 temporary construction jobs

• 10,000 refuse trucks or 7,500 buses powered by renewable fuel

• 700,000 acres a year of agricultural and parkland with improved soil health and ability to sequester climate change-causing carbon

• $10.4 billion to $12 billion in avoided health impacts, like respiratory illnesses and premature deaths — especially for sensitive groups such as children, the elderly, and people with chronic heart or lung disease

Reducing organic waste will take a unified effort by local governments, businesses, and California residents. By diverting organic material from landfills, we'll help reduce the dangerous impacts climate change has on our weather, forests, homes, and ocean. At the same time, we'll use that material to feed people in need, power our vehicles, and improve soil for agriculture.

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March 2020 Facility Grants

The most recent recipients of California's Organics Grants were announced on March 17. The six projects awarded funding are:

• *Pacific Recycling Solutions, DBA Organics Solutions ($3 million)*: Build a Gore™ covered aerated static pile (CASP) composting system on land it owns adjacent to its existing large-volume transfer and processing facility in Ukiah. Will compost food and green materials currently disposed in two landfills.

• *SANCO Services, LP ($3 million)*: Purchase gas upgrading and compression equipment, a feedstock shredder, valves, conveyors, and related equipment for a $42 million AD project at existing, fully permitted, large-volume transfer station and Resource Recovery Park in Escondido. Will use Hitachi Zosen Inova technology and inject RNG into pipeline. Food materials, currently landfilled in San Diego County, will be preprocessed by SANCO and digested along with green materials.

• *Northern Recycling, LLC ($3 million)*: Purchase shredders, conveyors, density separators and screens to remove contaminants from green and food materials at its new composting facility at the Yolo County Central Landfill near Davis. Materials will come from curbside green materials collection and new food waste collection programs in Yolo County and in the cities of West Sacramento, Woodland, Winters, and Davis.

• *City of Manteca ($800,000):* Proposes to purchase a Scott Thor food waste depackager/separator and food waste feedstock transportation trailers to further its existing Waste-to-Fuel program. Will divert currently landfilled food materials from City of Manteca and surrounding unincorporated areas for anaerobic digestion in dedicated tank at the city's wastewater treatment plant. Separator to be installed at existing, fully permitted transfer station.

• *Butte County ($3 milliion)*: Proposes to build a new Gore™ CASP composting system at existing, fully permitted Neal Road Landfill. Feedstock includes newly diverted food and green materials from the City of Chico and from unincorporated Butte County.

• *Hitachi Zosen Inova USA Kompogas ($3 million)*: Proposes to construct high solids anaerobic digester to produce RNG at existing, permitted Lancaster Landfill and Recycling Center near the city of Lancaster in Los Angeles County. Solid residuals will be composted on site. Will process and digest residential food and green waste collected by Waste Management (WM), commercial food materials, and green waste currently used as alternative daily cover (ADC) at landfill.