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LOS ANGELES COUNTY  
SOLID WASTE MANAGEMENT COMMITTEE/  
INTEGRATED WASTE MANAGEMENT TASK FORCE  
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August 22, 2017

The Honorable Kevin de León  
President Pro Tem  
California State Senate  
Sacramento, CA 95814

The Honorable Anthony Rendón  
Speaker  
California State Assembly  
Sacramento, CA 95814

Dear President Pro Tem de León and Speaker Rendón:

### **CAP AND TRADE REVENUES – ADDITIONAL ALLOCATION TO WASTE DIVERSION**

The Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force (Task Force) respectfully urge the Budget Committees to allocate substantial Cap and Trade revenues to CalRecycle for waste diversion, specifically for the in-state development of infrastructure to process and convert organic waste into renewable energy or fuel. Per the Legislative Analyst's Office, the most cost-effective Cap & Trade investments to date are the investments made by CalRecycle through grant process for the development of organic waste diversion and bioenergy facilities.

The Task Force is supportive of efforts to reduce greenhouse gas (GHG) emissions, and combat climate change; however, the existing Cap and Trade program lacks an efficient and effective allocation of the revenues generated from the program. There must be a clearer process for determining the proceeds allocation such as prioritizing projects that reduce the largest amount of GHG emissions per dollar invested, considering the potency of each individual GHG, (emphasis added).

Organic waste diversion projects are a clear example of a cost-effective solution to reducing a significant amount of methane, the most potent GHG; yet, out of the \$3.385 billion in Cap and Trade revenues only 2.1% has been allocated to CalRecycle for waste diversion which is vastly inadequate and insignificant. Additionally, the State has established numerous methane reduction, waste diversion, and organic waste reduction goals which are not feasible to achieve without a substantial increase in funding. According to the California Air Resources Board (ARB) proposed Short-Lived Climate Pollutant Reduction Strategy (SLCP Strategy), approximately fifty-four new facilities would need to be built in the state by 2020 and approximately seventy-three new facilities would need to be built by 2025 in order to achieve the organic diversion targets in Senate Bill 1383 (SB 1383, 2016). The SLCP Strategy

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estimates that the capital cost to build enough facilities to achieve 75 percent organics diversion is over \$2 billion, (emphasis added). For fiscal year 2016-17 the Cap and Trade revenues appropriated for organic waste diversion projects was only a mere \$24 million. Bioenergy facilities that divert organic waste and develop the necessary infrastructure require an equitable share of funds in order to meet the State's goals.

The Task Force respectfully request an appropriation of 20% from the Cap and Trade revenues to CalRecycle for waste diversion of which at least 10% must be utilized to fund grants for the in-state development of infrastructure to process and convert organic waste into renewable energy or fuel, and cost-effectively reduce the greatest amount of GHG emissions. Additionally, these projects would help the State reach its ambitions renewable energy goals and complement existing resources such as solar and wind.

Pursuant to Chapter 3.67 of the Los Angeles County Code and the California Integrated Waste Management Act of 1989 (Assembly Bill 939), the Task Force is responsible for coordinating the development of all major solid waste planning documents prepared for the County of Los Angeles and the 88 cities in Los Angeles County with a combined population in excess of ten million. Consistent with these responsibilities and to ensure a coordinated and cost-effective and environmentally sound solid waste management system in Los Angeles County, the Task Force also addresses issues impacting the system on a countywide basis. The Task Force membership includes representatives of the League of California Cities Los Angeles County Division, County of Los Angeles Board of Supervisors, City of Los Angeles, waste management industry, environmental groups, the public, and a number of other governmental agencies.

Based on the foregoing, the Task Force urge the Budget Committees to allocate substantial Cap and Trade revenues to waste diversion. If you have any questions, please contact Mr. Mike Mohajer, a member of the Task Force, at [MikeMohajer@yahoo.com](mailto:MikeMohajer@yahoo.com) or at (909) 592-1147.

Sincerely,



Margaret Clark, Vice-Chair  
Los Angeles County Solid Waste Management Committee/  
Integrated Waste Management Task Force and  
Council Member, City of Rosemead

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cc: Each Member of the Assembly Committee on Budget

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Each Member of the Senate Committee on Budget and Fiscal Review

California State Association of Counties

League of California Cities

League of California Cities – Los Angeles County Division

Each member of the Los Angeles County Board of Supervisors

Sachi A. Hamai, Los Angeles County Chief Executive Officer

San Gabriel Valley Council of Governments

South Bay Cities Council of Governments

Gateway Cities Council of Governments

Westside Cities Council of Governments

Each City Mayor and City Manager in the County of Los Angeles

Each City Recycling Coordinator in Los Angeles County

Each Member of the Los Angeles County Integrated Waste Management Task Force