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September 8, 2020

Ms. Ashlee Yee California Department of Resources Recycling and Recovery (CalRecycle) Materials Management and Local Assistance Division P.O. Box 4025 Sacramento, CA 95812-4025

Dear Ms. Yee:

## COMMENTS ON THE ANALYSIS OF THE PROGRESS TOWARD THE SENATE BILL 1383 ORGANIC WASTE REDUCTION GOALS

The Los Angeles County Integrated Waste Management Task Force (Task Force) appreciates the opportunity to comment on the report titled "Analysis of the Progress Toward the SB 1383 Organic Waste Reduction Goals" (Report), dated August 18, 2020.

The Report was prepared pursuant to the requirements of Senate Bill 1383 (Lara, Chapter 395 of 2016 State Statutes), which requires that no later than July 1, 2020, CalRecycle, in consultation with the State Air Resources Board, must conduct an analysis of the progress that the waste sector, state government, and local governments have made in achieving the organic waste reduction goals for 2020 and 2025.

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

Thus, the preparation of this Report provides a unique opportunity for CalRecycle to:

• Address deficiencies and factors that impede progress towards achieving the organic waste reduction goals; and

• Make appropriate recommendations to the State Legislature to address these deficiencies.

# As further discussed herein, the Report does not adequately address critical deficiencies that exist and that will make it impossible for many jurisdictions to fully comply with SB 1383's requirements.

Critical deficiencies include:

- Grossly inadequate commitment of State funding to support the development of new organic waste recycling infrastructure. Without a strong funding commitment by the State, residents and businesses will experience exorbitant increases in the cost of service at a time when they are struggling to make ends meet.
- Failure to recognize the impact that CalRecycle's delay in developing the SB 1383 implementing regulations will have on local governments' ability to meet the extensive new regulatory requirements. It has taken CalRecycle four years to develop the SB 1383 regulations. Since the regulations will become effective January 1, 2022, local governments will have less than 1.5 years to develop and roll out completely new waste management systems, including ordinances, enforcement programs, data tracking and reporting systems, extensive outreach programs in multiple languages, new waste collection contracts, organic waste processing capacity, funding mechanisms, and more.
- Failure to recognize the impact that COVID-19 has had on local governments' ability to fund expensive new programs. Many local governments have had to make significant cuts in staffing and have a limited ability to raise fees or taxes. The Report fails to recognize the seriousness of this situation and, therefore, offers no recommendations to address it. To the contrary, recently released CalRecycle guidance documents make it clear that failure by a local government to comply, including failure to provide funding and adequate staffing, will subject a local government to enforcement action and penalties up to \$10,000 per day. Thus, local governments may find themselves in a situation where they will need to cut essential services to pay for organics recycling. This is not a sustainable way of managing organic waste, as it ignores the social and economic aspects of sustainability, both of which are severely impacted by COVID-19.
- Overreliance on composting and failure to recognize the limitations of composting processes in reducing greenhouse gas (GHG) emissions, including methane. CalRecycle's strategy for achieving the organic waste

reduction goals (as a means for reducing methane emissions from organic waste), is heavily reliant on composting and has failed to recognize the limitations of composting processes in reducing greenhouse gas (GHG) emissions, including methane. A recent study which measured methane emissions from a number of composting facilities in the San Francisco Bay Area, titled "Assessment of Regional Methane Emission Inventories through Airborne Quantification in the San Francisco Bay Area," concluded that "Significant methane emissions at composting facilities indicate that a California mandate to divert organics from landfills to composting may not be an effective measure for mitigating methane emissions unless best management practices are instituted at composting facilities."

CalRecycle's continued overreliance on composting processes, while overlooking their associated GHG emissions, would render the findings of the subject Report highly questionable. It would also cause the Report to overestimate the GHG emissions reduction capabilities of available infrastructure while necessitating a substantial increase in the composting capacity that would be needed to achieve the same methane emissions reduction goals.

• Failure to provide greater flexibility in the use of methane-reducing technologies and processes. The Report recognizes that methane is "a powerful greenhouse gas 72 to 84 times more potent than carbon dioxide" and "has a short-term atmospheric life, but a long-term impact on the climate." However, the Report fails to recognize the significant methane-reducing potential of new advanced (and existing) technologies, which can help manage the more difficult-to-recycle organic wastes while achieving significant short- and medium-term reductions in methane emissions. Consequently, the Report fails to address the need for greater flexibility in the use of such technologies and processes.

# Despite the lack of progress towards achieving the organic waste reduction goals (since the SB 1383 implementing regulations are yet to be finalized) and the impacts of the COVID-19 pandemic, including economic and social impacts, the Report is not recommending to the State Legislature any changes to the SB 1383 goals or implementing timelines.

Furthermore, as noted earlier, recently released CalRecycle guidance documents make it clear that failure by a local government to comply, including failure to provide funding and adequate staffing, or to adopt required ordinances (including monetary penalty provisions against residents and businesses that fail to comply) will subject a local government to enforcement action and penalties up to \$10,000 per day.

Although local governments have urged CalRecycle to provide greater flexibility in complying with the SB 1383 requirements, make allowance for jurisdictions' "good faith" efforts to comply, and to extend the compliance timelines, CalRecycle is not doing so through the regulations and is not recommending doing so in this Report. Complying with SB 1383 requirements by the current deadlines will be impossible for many jurisdictions unless this situation is addressed.

Additional, more detailed comments on the Report are included in **Enclosure A**.

Therefore, the Task Force **strongly urges** CalRecycle to revise the Report to address the above deficiencies and to include, at a minimum, recommendations to the State Legislature provide legislative relief from the SB 1383 requirements, including:

- Extending the regulatory deadlines;
- Providing greater flexibility to comply with from SB 1383 requirements, including recognizing jurisdictions' "good faith efforts" to comply;
- Providing funding for the development of organics recycling infrastructure; and
- Providing flexibility in the use of technologies that can divert significant amounts of organic waste from landfills.

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.

If you have any questions, please contact Mr. Mike Mohajer, a member of the Task Force, at <u>MikeMohajer@yahoo.com</u> or at (909) 592-1147.

Sincerely,

Margaret Clark

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

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CC: CalRecycle (Ken DaRosa, Mark de Bie, Matt Henigan, Cara Morgan, Georgianne Turner, Chris Bria, Marshalle Graham, and Gwen Huff) California Air Resources Board (Mary Nichols and David Mallory) California Department of Fish and Wildlife (Chuck Bonham) California Department of Food and Agriculture (Secretary Karen Ross) California Department of Public Health (Director Karen Smith) League of California Cities League of California Cities, Los Angeles Division California State Association of Counties Each Member of the Los Angeles County Board of Supervisors Fasia Davenport, Los Angeles County Acting Chief Executive Officer Los Angeles County Agricultural Commission Each City Mayor/Manager in the County of Los Angeles South Coast Air Quality Management District South Bay Cities Council of Governments San Gabriel Valley Council of Governments Gateway Cities Counsel of Governments Each City Recycling Coordinator in Los Angeles County Each Member of the Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force Each Member of the Task Force Alternative Technology Advisory Subcommittee Each Member of the Task Force Facility and Plan Review Subcommittee

The Los Angeles County Solid Waste Management Committee/Integrated Waste Management Task Force respectfully submits the following comments on CalRecycle's report titled "Analysis of the Progress Toward the SB 1383 Organic Waste Reduction Goals" (Report), dated August 18, 2020.

The Report was prepared pursuant to the requirements of Senate Bill 1383 (Lara, Chapter 395 of 2016 State Statutes), which requires that no later than July 1, 2020, CalRecycle, in consultation with the State Air Resources Board, shall conduct an analysis of the progress that the waste sector, state government, and local governments have made in achieving the organic waste reduction goals for 2020 and 2025.

The analysis must include all of the following:

- 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.
- 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.
- 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.

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

The comments on the Report, which are submitted herein as part of the stakeholder consultation process, are intended to assist CalRecycle in identifying critical deficiencies and factors that impede progress towards achieving the organic waste reduction goals of SB 1383 and to urge CalRecycle to make appropriate recommendations to the State Legislature to address those deficiencies.

#### **GENERAL COMMENTS**:

Implementing the SB 1383 regulations will be a massive undertaking. The State of California lacks the infrastructure necessary to recycle organic waste. The capacity shortfall is especially severe in Los Angeles County and the Southern California region. Developing the needed infrastructure will require significant capital investment.

CalRecycle has estimated that implementing the regulations will cost nearly \$40 billion but has only identified/provided \$140 million in grants and loans for organic waste recycling infrastructure. The Task Force understands that funding for infrastructure is limited by Greenhouse Gas Reduction Fund allocations. However, if the State is truly serious about the critical importance of combating climate change by reducing methane emissions from landfills, then the State needs to do its part by demonstrating a strong commitment to provide State funding for the development of much needed organic waste recycling infrastructure. If the State is not able or willing to do so, how can the State demand local governments to do what the State is unwilling to do?

SB 1383 recognizes that achieving the organic waste reduction goals is **a shared responsibility** where the State, local governments, the waste management industry, and California residents/businesses all have an important role to play. That is why SB 1383 requires that the Report analyze the progress that the waste sector, state government, and local governments have made in achieving the organic waste reduction goals, including the commitment of State funding and appropriate rate increases for solid waste and recycling services to support infrastructure expansion.

If adequate State funding for new infrastructure development cannot be provided, CalRecycle should recognize that local governments may be unable to make up the difference and fully comply with SB 1383 by the established deadlines. Also, it has taken CalRecycle four years to develop the SB 1383 draft regulations which has yet to receive the required approval by the State Office of Administrative Law (OAL). Assuming no change in the draft regulations currently before the OAL and approval by that agency, the draft regulations will become effective January 1, 2022, and thus local governments will have less than 1.5 years to develop and roll out completely new waste management systems, including ordinances, enforcement programs, data tracking and reporting systems, extensive outreach programs in multiple languages, new waste collection contracts, organic waste processing capacity, funding mechanisms, and more. The State should not impose requirements on local governments that it knows are impossible to meet.

Local jurisdictions, acting independently or in concert with the waste management industry, will need years to plan organic waste recycling facilities, complete environmental reviews, secure all applicable permits (e.g., land use, air quality, building, grading, solid

waste facility, etc.), secure construction funding, complete construction, and comply with many other requirements that are needed to roll out collection systems that complement the new recycling infrastructure.

Although CalRecycle stated in the "SB 1383 Compliance Process" guidance document that it may provide three-year compliance extensions for jurisdictions lacking adequate organic waste recycling infrastructure - provided they have made a "substantial effort" to comply (i.e., done everything within their control and authority), this will still not be enough time to develop the dozens of new facilities that are needed to process organic waste from Los Angeles County.

CalRecycle should recognize that jurisdictions will need to invest significant time and resources to implement organic waste collection programs and develop organic waste recycling infrastructure. As mentioned earlier, CalRecycle has taken four years to develop the SB 1383 regulations, which are still not finalized. While this is somewhat understandable due to complex nature of the task, complying with the extensive requirements of the regulations will be much more complex.

Implementing organic waste collection programs will require local jurisdictions to renegotiate existing waste hauling contracts or revamp entire waste collection systems such as developing exclusive franchise systems or garbage disposal districts, which will require significant stakeholder and customer outreach. Monitoring and enforcing the requirements will require local jurisdictions to develop information systems, hire additional staff, and adopt ordinances to impose penalties on residents and businesses. Funding these programs as well as the needed infrastructure will require local jurisdictions to raise or create new fees and/or taxes, which is a challenging political process and requires extensive community participation. These challenges have only been exacerbated by the COVID-19 pandemic, which has resulted in residents becoming unemployed and facing eviction, the permanent closure of small businesses, and severe fiscal impacts to local governments.

### Procurement Requirement – Impact of Electrification on Investments in Renewable Natural Gas

The Report recommends that local jurisdictions satisfy the SB 1383 procurement requirements by using renewable natural gas (RNG) fuel in existing compressed natural gas (CNG) fleets. It is not clear how CalRecycle can make this recommendation when the California Air Resources Board (CARB) is pushing for electrification of local government fleets and refuse fleets by the year 2040. CalRecycle must provide an analysis of the effects of CARB policies on SB 1383 compliance and the development of sufficient anaerobic digestion (AD) and RNG infrastructure, which are financed based on

a 20- to 30-year operating life, if fleets are expected to transition to battery electric in 20 years or less.

#### Good Faith Effort

As part of the "Analysis of the Progress Toward the SB 1383 Organic Waste Reduction Goals," Public Resources Code (PRC) §42653 (b) allows CalRecycle to include incentives or additional requirements in the regulations to facilitate progress towards achieving organic waste reduction goals. The additional requirements are listed in PRC §42652 and include different levels of requirements for local jurisdictions and phased timelines based upon their progress in meeting the organic waste reduction goals for 2020 and 2025. PRC §42652.5 (a) (4) also states that CalRecycle shall base its determination of progress on relevant factors, including, but not limited to, reviews conducted pursuant to PRC §41825, which describes the "Good Faith Effort" review of a jurisdiction's compliance.

The "SB 1383 Compliance Process" guidance document states that, "If CalRecycle takes enforcement action, it can consider extenuating circumstances as well as **substantial efforts** made by a jurisdiction." The Task Force is concerned that it will be virtually impossible for jurisdictions to demonstrate that they have made a "**substantial effort**" to comply, as "substantial effort" is defined by CalRecycle, since they would be required to demonstrate that they have done "**everything** within their **authority** and **ability** to comply" (emphasis added). The term "everything" covers everything (i.e., every possibility, every potential course of action, etc.), it's open ended.

The guidance document further specifies that "**substantial effort**" does **not** include circumstances where a decision-making body of a jurisdiction has not taken the necessary steps to comply, including, but not limited to, failure to provide adequate staffing, provide sufficient funding, and failure to adopt ordinances, including those that will raise customer rates and impose penalties.

This hard line policy approach ignores the economic reality and hardship that local governments and ratepayers are facing due to the COVID-19 pandemic. Hiring additional staff to implement the myriad of requirements in the SB 1383 regulations, such as waste collection monitoring and enforcement, at a time when many local governments are facing staff layoffs is not feasible.

CalRecycle should reevaluate its criteria for determining "substantial effort," taking the effects of COVID-19 into consideration. CalRecycle has the opportunity to recognize and acknowledge the challenges local jurisdictions will face in complying with SB 1383 and make appropriate recommendations to the State Legislature regarding any necessary legislative fixes, including, but not limited to, extending the regulatory deadlines; providing

greater flexibility to comply with from SB 1383 requirements, including recognizing jurisdictions' "good faith efforts" to comply; providing funding for the development of organics recycling infrastructure; and providing flexibility in the use of technologies that can divert significant amounts of organic waste from landfills.

#### **SPECIFIC COMMENTS:**

- 1. The Report states that CalRecycle estimates that approximately 27 million tons of organic material will need to be redirected from landfills in 2025 to meet the SB 1383 reduction goal and that approximately 18 million tons of organic waste will need to be processed at compost, anaerobic digestion (AD), chip-and-grind, or other organic waste processing facilities (Page 1). This statement implies that CalRecycle expects that <u>9 million tons of organic waste</u> will be source reduced or donated for human consumption each year. Can CalRecycle verify if this assumption is correct? If so, has CalRecycle conducted an analysis to determine if there is adequate existing edible food recovery capacity in the State?
- 2. The Report mentions that very few facilities can accept food-soiled paper (Page 15). Can CalRecycle provide clarification on whether paper coffee cups, food wrappers, etc. generated by businesses are required to be diverted from landfill disposal? Will jurisdictions face enforcement actions for allowing businesses to continue disposing food-soiled paper items in the trash, even if these items comprise less than 25 percent of the black bin and the businesses are diverting other organic waste such as food waste and green waste?
- 3. The Report states that most of the State's jurisdictions already require mandatory residential organics collection service and that jurisdictions that are implementing mandatory commercial organics recycling programs are likely to meet the requirements of the regulations before January 1, 2022 (Page 18). The Report does not acknowledge that most residential organic waste collection programs only collect green waste and do not collect food waste, paper products, or other organic waste. Residential waste collection systems will require significant contract modifications, rate increases, outreach, and infrastructure development to become SB 1383-compliant. In addition, many existing organics processing facilities can accept green waste but are not permitted to accept food waste mixed in with green waste and do not want to accept food waste due to concerns about environmental impacts such as odors. This means that entirely new facilities will need to be developed to process mixed organic waste. The Report should acknowledge that jurisdictions may not be able to fully implement residential and commercial organic waste collection programs by January 1, 2022, due to a lack of suitable organic waste recycling infrastructure and the difficulty in raising waste collection rates to

fund these programs in light of the COVID-19 pandemic and its adverse economic impact on residents and businesses.

4. The Report discusses concerns with the composting process, which can generate criteria air pollutants such as volatile organic compounds (VOCs), nitrogen oxides (NOx), and particulate matter (Page 21). CalRecycle should consider a study on alternatives to composting and land application for organic waste management, including anaerobic digestion and non-combustion thermal conversion technologies. This study should compare the emissions of carbon dioxide, methane and criteria air pollutants from alternative technologies with those from composting and land application. The "Assessment of Regional Methane Emission Inventories through Airborne Quantification in the San Francisco Bay Area" published in Environmental Science & Technology on July 7, 2020, states that "significant methane emissions at composting facilities indicate that a California mandate to divert organics from landfills to composting may not be an effective measure for mitigating methane emissions unless best management practices are instituted at composting facilities." This finding also implies that land application of green waste, biosolids, and digestate, which are considered reductions in landfill disposal under the Senate Bill 1383 regulations, may also generate significant methane emissions as well.

The study should also take into consideration the potential unintended consequences of managing organic waste through composting. Millions of additional tons of organic waste will be collected, transported, processed, and recycled due to the proposed regulations. Local agricultural commissioners and every entity in the chain of custody may not be able to successfully prevent all quarantined materials from being transported erroneously outside of the quarantine zone. Organic waste that is mulched or composted may be used by farmers or otherwise land applied. Pathogens and microorganisms may be present in mulch compost that is not processed appropriately. The study should identify the impacts of using compost containing pathogens and/or microorganisms and recommending possible mitigation measures in the event that quarantined material is accidentally commingled with non-quarantined material and/or transported outside the quarantine zone.

5. The Report describes barriers to food waste digestion, such as that fuel produced from digesters processing food waste receives less valuable Renewable Fuel Standard (RFS) credits than fuel produced from landfill gas, animal manure, agricultural waste, green waste, or wastewater sludge. The United States Congress would have to make revisions in order for fuel produced from food waste to receive the same credits as other organic materials (Page 26). CalRecycle

should consider advocating changes to the RFS program with the federal government to provide greater credits for food waste digestion projects.

- 6. The Report describes challenges for AD and biomass conversion projects to join the BioMAT program, which offers power purchase agreements (PPAs) for eligible bioenergy projects (Page 30). CalRecycle should consider supporting the California Public Utilities Commission (CPUC)'s Proposed Decision on the BioMAT program dated July 24, 2020. The Proposed Decision extends the program end date to the end of 2025 and establishes deadlines for utilities to review project eligibility and approve contracts. CalRecycle should also work with the State legislature to develop a Renewable Portfolio Standard (RPS) program for renewable natural gas (RNG) to further incentivize the development of AD projects.
- 7. The Report states that although paper and old corrugated cardboard (OCC) are technically recyclable, their disposal in 2018 alone exceeds the 5.7-million-ton organic waste disposal limit required by SB 1383. This suggests additional measures may be necessary to address this specific portion of the waste stream (Page 31). The Report also states that CalRecycle may need to place a greater focus on the diversion of the organic portion of packaging waste to meet the SB 1383 targets, such as requiring manufacturers to produce new products with minimum recycled content (Page 34).

In addition to these measures, CalRecycle should consider providing diversion credit for all unrecyclable organic waste and solid waste diverted from landfills through non-combustion thermal conversion technologies. Although the State considers unrecyclable paper to be "biomass" that will receive diversion credit when processed through thermal conversion, the definition of "biomass" is quite narrow and the volume of municipal biomass materials may be too low to support the widespread development of biomass conversion facilities. Paper and OCC are collected alongside a wide variety of materials that are usually processed at MRFs to remove unrecyclable materials, referred to as "MRF residuals". The State should provide diversion credit for all unrecyclable MRF residuals processed through non-combustion thermal conversion to ensure that all unrecyclable paper and OCC can be diverted from landfill disposal.

8. The Report states that the procurement requirements will motivate local jurisdictions to ensure food and green waste generated by their citizens has very few contaminants, as it would cost them much more to have it removed from the product they are required to procure. The Report states that because it would be unacceptable to the public for jurisdictions to use material in public spaces, parks, and landscaping that has visible contamination, jurisdictions will use education,

monitoring, and enforcement to ensure their generators do not contaminate the feedstock. (Page 32).

The Report should recognize that large jurisdictions usually have contracts with multiple waste haulers who will differ in how they choose to provide organic waste collection services (e.g. mixed waste collection, food waste mixed with green waste, separate food waste bin) and which materials are considered "contamination." In addition, large jurisdictions expect to divert organic waste to multiple organics recycling facilities, many of which will likely be in other jurisdictions. Large jurisdictions also expect to procure recovered organic waste products from multiple facilities, which are likely to be processing organic waste from multiple jurisdictions.

Although jurisdictions will be motivated to reduce contamination, the procurement requirements do not necessarily guarantee that jurisdictions will be successful in doing so, even with robust education, monitoring, and enforcement. CalRecycle must consider the challenges of preventing contamination in large jurisdictions when assessing whether a jurisdiction has complied with the outreach, monitoring, enforcement, and procurement requirements of SB 1383.