



A Public Agency

STUDY SESSION: SB 1383 (The Super Pollutant Reduction Act)

STAFF REPORT

To: SBWMA Board Members
From: Joe LaMariana, Executive Director
Date: March 28, 2019 Board of Director's Meeting
Subject: Study Session: SB 1383, California's Mandatory Organic Waste Recycling Law (2016)--also known as "The Short-Lived Climate Pollutant Act" or "The Super Pollutant Reduction Act"

Recommendation

This is an informational presentation provided at the request of Chair Benton to help clarify the known (and anticipated) programmatic, timing and cost implications that are associated with the SBWMA's mandatory implementation of the soon-to-be finalized SB 1383 regulations. This law is epic in scope and has far-reaching consequences to our member agencies. Staff will present slides and comments in a study session format to inspire Board comments. The resulting Board direction will assist Staff in the preparation of the Agency's new Long Range Plan (2020-2024) and its FY19/20 Operational Budget.

Summary

California is currently a national leader in organic recycling and the diversion of additional quantities of organic materials from landfill is an important element in the state's goal to reduce greenhouse gases. SB 1383 has the goal of diverting 75% of organic matter from landfills by 2025. Bold and substantial changes in the way that organic wastes are regulated and processed state-wide are needed if this timeline is to be met. The solid waste industry supports aggressive organics diversion and the greenhouse gas reductions that come from added diversion. Local implementation of this law directly aligns with:

- SBWMA member agency's GHG reduction goals as stated in their individual Climate Action Plans.
- The SBWMA's approved Organics-to-Energy (O2E) pilot and proposed O2E full-scale processing capital projects.

CalRecycle has been developing the regulations to implement SB 1383 for the past two years and released the formal draft regulations for public comment in January 2019. Under previous laws and regulation, jurisdictions have been afforded the flexibility to develop and implement programs that meet their needs and to achieve the prescribed goals. With SB 1383, participation is mandatory, and each local jurisdiction is directed to pass an ordinance that will require enforcement with escalating financial penalties to individuals and businesses who do not comply. In recent years, the cities of San Francisco and Oakland, and Alameda County have all passed mandatory recycling ordinances/programs that have required considerable enforcement efforts.

In addition to shaping the final SB 1383 program regulations, CalRecycle continues to work on a number of related, but higher-level, initiatives to achieve the most expeditious and maximum environmental benefits, including:

- Significantly expanding organics processing capacity.
- Developing broader end-markets for the anticipated surge in new compost materials.
- Expanding the State's existing "Healthy Soils" initiative, which targets the land application of mature compost material to sequester carbon, while improving soil health to support agricultural and livestock uses.
- Expanding Biogas projects (such as the SBWMA's O2E pilot/rollout)

- Providing technical and educational assistance to local jurisdictions and industry to help the public fully understand the critical importance of this major initiative.

Analysis

SB 1383 requires many other programmatic adjustments to the SBWMA's comprehensive range of solid waste services, and the costs and benefits will be much better understood when the regulations are finalized. Staff has been advised that this process could continue through the end of this CY. In the meantime, please be assured that Staff continues to monitor the current SB 1383 formal rulemaking process to make appropriate recommendations to the FY 19/20 Operations Budget (and those beyond) as well as factoring these programmatic adjustments into the new Long Range Plan development process.

Here is the link to the chaptered bill that was signed into law on September 19th, 2016 by then-Governor Brown:
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1383

Here is the link to the most current proposed regulation text-86 pages (January 18, 2019 version):
<https://www.calrecycle.ca.gov/docs/cr/laws/rulemaking/slcp/proposedregulations.pdf>

The SBWMA's approved O2E Pilot project's costs and benefits are well understood. A proposed full-scale O2E project's costs and benefits have been formulated and, will be modified based on the O2E Pilot's actual findings.

Background

Many significant bills have been enacted in recent years that have had a significant impact on the solid waste industry and local governments, including several focused on organic waste management:

- **AB 341 (2011)** - Establishes the State's policy goal that 75% of solid waste generated be source reduced, recycled, or composted by 2020, imposed mandatory commercial recycling (MCR) on businesses and multi-family dwellings.
- **AB 1594 (2014)** - Effective January 1, 2020, the beneficial use of green material used as landfill cover does not constitute diversion through recycling and would be considered disposal for purposes of AB 939 (1989).
- **AB 1826 (2014)** - Requires certain businesses and multi-family dwellings to recycle organic waste and jurisdictions to implement organic waste recycling programs. Under this statute, "organic waste" means food waste, green waste, landscape/pruning waste, nonhazardous wood waste, and food-soiled paper.
- **SB 1383 (2016)** – Requires the California Air Resources Board to develop and implement a strategy to reduce short-lived climate pollutants, including methane, from landfills (Strategy was approved in 2017). Requires CalRecycle to adopt regulations (in progress) to achieve a 50 percent statewide reduction of organic waste disposal (from the 2014 level) by 2020, a 75 percent reduction by 2025, and not less than 20 percent recovery of edible food currently disposed by 2025. CalRecycle may impose penalties (up to \$10,000/day) on a jurisdiction for noncompliance

Fiscal Impact

The full scope of implementing SB 1383's specific fiscal impacts are unknown at this time, largely because this law's enforcement regulations are not yet finalized. Staff and the Agency's Legislative and Regulatory contractor (often referred to as our "lobbyist"), Environmental & Energy Consulting (EEC) remains highly engaged in the rulemaking process and will make appropriate assumptions during the FY19/20 Operating Budget development and Long Range Plan/Capital Projects planning processes.