

Date of Hearing: April 10, 2023

**ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

Luz Rivas, Chair

AB 573 (Garcia) – As Amended March 16, 2023

**SUBJECT:** Organic waste: meeting recovered organic waste product procurement targets

**SUMMARY:** Allows local jurisdictions to comply with the state’s recovered organic waste procurement requirements by procuring California-derived organic waste products processed at out-of-state facilities.

**EXISTING LAW:**

- 1) Requires the Air Resources Board (ARB), pursuant to California Global Warming Solutions Act of 2006 [AB 32 (Núñez), Chapter 488, Statutes of 2006], to adopt a statewide greenhouse gas (GHG) emissions limit equivalent to 1990 levels by 2020 and adopt regulations to achieve maximum technologically feasible and cost-effective GHG emission reductions. AB 32 authorizes ARB to permit the use of market-based compliance mechanisms to comply with GHG reduction regulations once specified conditions are met. Requires ARB to approve a statewide GHG emissions limit equivalent to 85% below the 1990 level by 2045. (Health and Safety Code (HSC) 38500-38599.11)
- 2) Requires ARB to develop a comprehensive strategy to reduce the emissions of short-lived climate pollutants (SLCP) to achieve a 40% reduction in methane emissions, 40% reduction in hydrofluorocarbon gases, and 50% reduction in anthropogenic black carbon below 2013 levels by 2030. (HSC 39730-39730.5)
- 3) Requires the state to reduce the disposal of organic waste by 40% from the 2014 level by 2020 and 75% by 2025 to help achieve the state’s methane reduction goal. (HSC 39730.6)
- 4) Requires, beginning January 1, 2022, local jurisdictions to annually procure a quantity of recovered organic waste products that meet or exceed its current annual recovered organic waste product procurement target. Requires CalRecycle to calculate the annual recovered organic waste product procurement target based on the per capita procurement target of 0.8 tons of organic waste per resident per year and the jurisdiction’s population. Authorizes jurisdictions to comply by either directly procuring recovered organic waste products for use or giveaway, or through a direct service provider contract. (Title 14 18993.1 of the California Code of Regulations (CCR))
- 5) Defines “compostable materials” as any organic material that when accumulated will become active compost. (Title 14 17852 CCR)
- 6) Defines “jurisdiction” as a city, county, a city and county, or a special district that provides solid waste collection services. (Title 14 18982 CCR)

**THIS BILL:**

- 1) Authorizes a local jurisdiction, until December 1, 2039, to procure California-derived organic waste that the local jurisdiction sends for processing to an operation or facility located

outside the state that processes compostable materials to meet the state's organic waste product procurement requirements.

- 2) Requires that the out of state operation or facility meet the following requirements:
  - a) It has been in operation since on or before January 1, 2022;
  - b) It has been appropriately permitted in the jurisdiction in which it is located; and,
  - c) It provides all information to the local jurisdiction needed to allow it to comply with the appropriate recordkeeping requirements, as specified.
- 3) Specifies that the amount of a local jurisdiction's procurement requirement is limited to the amount of California-derived recovered organic waste that the local jurisdiction sent outside the state for processing.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

1) **Author's statement:**

As jurisdictions ramp up their organic waste collection programs, many cities and counties have struggled to meet their procurement targets due to a limited amount of organic waste infrastructure across the state. In some cases, purchasing compost from within state borders and delivering it to a jurisdiction can require trucking compost hundreds of miles, unnecessarily increasing vehicle miles traveled and ratepayer costs. CalRecycle acknowledges that the state still needs approximately 50-100 new or expanded facilities for the successful implementation of SB 1383 and that it can take years to site and permit new facilities. While jurisdictions wait for in-state compost facilities to get sited and permitted, AB 573 will help local jurisdictions in meeting procurement requirements by allowing California-derived material processed at existing out-of-state compost facilities to count towards procurement, which will both reduce vehicle miles traveled and potential financial impacts on ratepayers.

- 2) **Organic waste recycling.** An estimated 35 million tons of waste are disposed of in California's landfills annually. More than half of the materials landfilled are organics subject to SB 1383 (Lara, Chapter 395, Statutes of 2016) requirements. CalRecycle's 2021 waste characterization study, found that 34% of disposed waste is organic waste. SB 1383 requires the ARB to approve and implement a comprehensive SLCP strategy to achieve, from 2013 levels, a 40% reduction in methane, a 40% reduction in hydrofluorocarbon gases, and a 50% reduction in anthropogenic black carbon, by 2030. In order to accomplish these goals, the bill specified that the methane emission reduction goals include targets to reduce the landfill disposal of organic waste 50% by 2020 and 75% by 2025 from the 2014 level.

In order to achieve these goals, California's waste management infrastructure is going to have to recycle much higher quantities of organic materials, involving significant investments in additional processing infrastructure. Organic waste is primarily recycled by composting the material, which generates compost that can be used in gardening and

agriculture as a soil amendment and engineering purposes for things like slope stabilization. Anaerobic digestion is also widely used to recycle organic wastes. This technology uses bacteria to break down the material in the absence of oxygen and produces biogas, which can be used as fuel, and digestate, which can also be used as a soil amendment. Tree trimmings and prunings can also be mulched.

In order to ensure that there are adequate markets for the state's increasing quantities of products made from organic waste, like much, compost, and digestate, CalRecycle established procurement requirements for jurisdictions. The procurement targets are based on the average amount of organic waste generated by Californians annually multiplied by the population of a jurisdiction. Currently, the regulations require that the procurement targets be met by purchasing materials from in-state organic waste processors. While many jurisdictions are able to use in-state organic waste processing facilities, some ship materials out of state for processing. Many rural areas, for example, are closer to facilities across state lines than they are to California-based processors. Organic waste is heavy, and therefore expensive to transport, making it economically infeasible for these jurisdictions to ship to distant in-state facilities. Additionally, California does not yet have sufficient capacity to process all of the material generated in-state.

- 3) **This bill.** AB 573 would allow local jurisdictions, until 2039, to meet the state's organic waste procurement targets by purchasing recovered organic waste products from out-of-state facilities. This bill limits this procurement allowance to California-derived products and to the amount of organic waste material that the jurisdictions sends out-of-state. These limitations ensure that procurement targets will not be met using material produced from organic waste generated in other states. Instead, it simply allows jurisdictions to essentially purchase finished organic waste products produced from material generated within the jurisdiction. The sunset on this bill is intended to allow time for the state's organic waste processing infrastructure to develop and encourage local jurisdictions to procure from in-state facilities when it becomes feasible to do so.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Compost Coalition  
Californians Against Waste  
City of Blythe  
County of Imperial  
CR&R, INC (sponsor)  
League of California Cities  
Republic Services - Western Region  
Rural County Representatives of California  
Town of Paradise  
Town of Truckee  
Waste Management

**Opposition**

None on file

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