

THIRD READING

Bill No: AB 864
Author: Ward (D)
Amended: 8/20/26 in Senate
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 8-0, 7/16/25
AYES: Blakespear, Valladares, Dahle, Gonzalez, Hurtado, Menjivar, Padilla,
Pérez

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/2/25 - See last page for vote

SUBJECT: Hazardous waste: solar photovoltaic modules

SOURCE: Author

DIGEST: This bill requires the Department of Toxic Substances Control (DTSC) to hold a working group to solicit feedback on the applicability of the federal transfer based exclusion from regular hazardous waste regulation for solar panels, and to subsequently consider the feedback and potentially author regulations to adopt the transfer-based exclusion and apply it to end-of-life photovoltaic modules.

Senate floor amendments of 8/20/26 replace the current requirements of this bill related to solar panel universal waste reclassification and instead task DTSC with holding public workshops and potentially doing regulations to find a path for DTSC to make solar panels eligible for the federal transfer-based exclusion for hazardous waste being transported.

Existing law:

- 1) Creates the Hazardous Waste Control Law (HWCL) and provides the DTSC with responsibility for overseeing the management of hazardous waste in California. (Health and Safety Code (HSC) § 25100 et seq).

- 2) Defines hazardous wastes as those identified in regulation by DTSC; wastes categorized as hazardous under the federal Resource Conservation and Recovery Act (RCRA); and, extremely hazardous waste and acutely hazardous waste. (HSC § 25117)
- 3) Prohibits the disposal of any hazardous waste when the disposal is at a facility that does not have a permit from DTSC. (HSC § 25189.5)
- 4) Prohibits the owner or operator of a storage facility, treatment facility, transfer facility, resource recovery facility, or disposal site from accepting, treating, storing, or disposing of hazardous waste at the facility, area, or site, unless the owner or operator holds a hazardous waste facility permit or other grant of authorization from DTSC. (HSC § 25201)
- 5) Regulates seven categories of hazardous wastes that can be managed as universal wastes. (22 California Code of Regulations (CCR) § 66261.9)
- 6) Authorizes a recyclable material to be excluded from classification as a waste if it meets all of the following requirements:
 - a) The material is held in a container, tank, containment building, or waste pile that is labeled, marked, and placarded in accordance with DTSC's requirements;
 - b) The material is addressed in business plans that meet applicable state law;
 - c) The material is stored and handled in accordance with all local ordinances and codes, or the material is managed in accordance with DTSC's interim status requirements; and
 - d) If the material is being exported to a foreign country, the person exporting the material shall meet all applicable requirements for exporting that material. (HSC § 25143.9)
- 7) Defines "surplus material" as an unused raw material or commercial product obtained by a person who intended to use or sell it, but who no longer needs it, and who transfers ownership of it to another person for use in a manner for which the material or product is commonly used; specifies that surplus material is excess material. (22 CCR § 66260.10)
- 8) Provides that hazardous secondary material that is generated and then transferred to another person for the purpose of reclamation is not a solid waste, provided that the material meets specified requirements under federal

regulation (also known as the "transfer-based exclusion"). (40 Code of Federal Regulations (CFR) § 261.4(a)(24))

- 9) Authorizes the recycling of hazardous secondary materials to be exempt from hazardous waste regulations if it is legitimate recycling. Provides that recycling is legitimate if it meets all of the specified requirements in federal regulation. (40 CFR § 260.43)

This bill:

- 1) Requires DTSC to hold at least one public workshop to solicit feedback on the applicability of Section 261.4(a)(24) of Title 40 of the Code of Federal Regulations (transfer-based exclusions) to hazardous waste streams, including solar panels, by July 1, 2028.
- 2) Requires DTSC to consider the feedback and consider whether Section 261.4(a)(24) of Title 40 of the Code of Federal should apply as alternative to existing management standards for solar PV modules by July 1, 2029.
- 3) Authorizes the department, based on those findings, to adopt Section 261.4(a)(24) of Title 40 of the Code of Federal and apply it to end of life solar PV modules that are hazardous waste.

Background

- 1) *Solar panels incoming (to a landfill near you)*. According to a 2020 report by SEIA, there are an estimated 100,000 metric tons of solar panels in landfills in the United States. The majority of these panels are located in California, which has the largest solar market in the country. These numbers will grow at an increasing rate to reflect the increase in solar panel deployment over the last decades. The SEIA report estimates that between 200,000 and 300,000 metric tons of solar panels will reach the end of their lifespan and be headed to landfills in the next ten years, and the International Renewable Energy Agency (IRENA) estimates that by 2030, the United States is expected to have a million tons of solar panel waste. According to the SEIA:

"[Solar panels] are designed to last more than 25 years, and many manufacturers back their products with performance guarantees backed by warranties. The lifespan of a [solar panel] is approximately 20-30 years, while the lifetime of an inverter is approximately 10 years. Therefore, many solar

products have not yet reached end-of-life, and in fact, panels installed in the early 1980s are still performing at levels nearly equal to the installation performance level. Thus, even accounting for the dramatic growth of the industry, annual [solar panel] waste will not exceed 10,000 tons until after 2014, and will not exceed 100,000 tons until after 2017."

Right now, solar panel recycling suffers from a chicken-or-egg problem: there currently are not many places to recycle old solar panels, and there are not enough defunct solar panels to make recycling them economically attractive."

- 2) *Hazardous and universal waste.* Universal wastes are hazardous wastes that are widely produced by households and many different types of businesses. Universal wastes include televisions, computers, other electronic devices, batteries, fluorescent lamps, mercury thermostats, and other mercury containing equipment, among others.

The hazardous waste regulations identify seven categories of hazardous wastes that can be managed as universal wastes. Any unwanted item that falls within one of these waste streams can be handled, transported, and recycled following the simple requirements set forth in the universal waste regulations versus the more stringent requirements for hazardous waste.

- 3) *Solar Panels Waste Classification.* End-of-life disposal of solar products in the United States is governed by the Federal Waste Resource Conservation and Recovery Act (RCRA). In addition to RCRA, state policies also govern waste. To be governed by the RCRA, solar panels must be classified as hazardous waste. To be classified as hazardous, panels must fail to pass the Toxicity Characteristics Leach Procedure (TCLP) test. Most solar panels pass the TCLP test, and thus are classified as non-hazardous and are not federally regulated. However, the production of solar panels involves toxic heavy metals, such as cadmium, copper, lead, and selenium; therefore, some solar panels are likely to exhibit the characteristic of toxicity that have adverse environmental and public health effects.

On January 1, 2021, DTSC re-classified solar panels as universal waste instead of hazardous waste, relaxing criteria on how solar panels can be handled in the waste stream and making it easier to sort, store, and transport solar panels.

Under the new universal waste requirements, solar panel handlers may accumulate solar PV panels for up to one year, while under the previous

general hazardous waste requirements, handlers could only accumulate solar panels for 90 days (for large quantity generators). The longer accumulation period now allowed under law will allow handlers to transport the solar panels to destination facilities in bulk rather than on a more frequent basis.

- 4) *Recycling hazardous waste.* On March 14, 2025, DTSC released its draft hazardous waste management plan (Plan). The Plan is organized into 10 goals, each with specific recommendations intended to address the challenges of California's hazardous waste management system and strive towards the development of a circular economy. The Plan recommends that DTSC evaluate how the state can promote and incentivize protective hazardous waste recycling facilities in California to progress towards the state's goal of a circular economy and that DTSC evaluate incentives for new recycling facilities to operate in-state instead of relying on neighboring states or encouraging mismanagement. According to the Plan: "Recycling facilities contribute to a circular economy and are important to supporting circularity in waste streams like alternative energy sources including lithium-ion batteries and photovoltaic modules (solar panels). With proper siting and safeguards, new facilities can be designed to protect people and communities from negative impacts."

One approach to promote more recycling for hazardous waste is to make it easier to transport and store this material by granting it exclusions or exemptions from hazardous waste requirements if the material is going to legitimate recycling. The United States Environmental Protection Agency has adopted exclusions and exemptions for certain types of hazardous secondary materials or the processing of hazardous waste. California, however, has not adopted all of the exclusions or exemptions for recycling hazardous wastes that the federal government has adopted. One example of an exclusion that is the law at the Federal level but not in California is the transfer-based exclusion (Title 40 of the Code of Federal Regulations section 261.4(a)(24)). The transfer-based exclusion is a regulatory exclusion for hazardous secondary material that is recycled, as long as certain criteria laid out in the regulations are followed. This conditional exclusion is designed to encourage recycling of materials by third parties while still providing a regulatory framework that prevents mismanagement.

Currently, at least 15 states have adopted these exclusion rules, and the Hazardous Waste Management Plan has recommended that these exclusions be evaluated California's hazardous waste management program. DTSC will begin the evaluation in 2025 and may be complete by 2026. Then, if DTSC

recommends moving forward with one of these recycling exclusions, a regulatory or statutory process will be identified before implementation.

Comments

- 1) *Purpose of Bill.* According to the author, “As of 2022, California has the largest solar market in the United States, supplying over 20% of its electricity. Unfortunately, given a 20-30-year life span, many of these panels are beginning to reach the end of their lifecycle. This poses a huge challenge for the State to ensure these panels are properly collected and managed; however, it also offers a huge opportunity to reclaim valuable materials and create a truly sustainable and circular market. AB 864 reduces barriers for legitimate recyclers to transport and manage these panels at the end of their useful life, by adopting the federal transfer based exclusion.”
- 2) *Waste not want not.* Whether or not a PV module is waste or not determines if it actually is at the end of its life-- if a module can be reused or refurbished, it is not at the end of its life. At what point then, is that PV module classified as waste? According to DTSC’s website, solar panels become waste when the generator decides to discard them, or, for modules that will not be reused, when they are disconnected/removed from service. The implication of this guidance is that if modules are to be reused, they are not considered waste (universal or otherwise).

In 2021, DTSC re-classified solar panels as universal waste instead of hazardous waste, relaxing criteria on how solar panels can be handled in the waste stream and making it easier to sort, store, and transport solar panels.

AB 864 advances this a step further, tasking DTSC with holding workshops and, based on that feedback, developing regulations to adopt the federal transfer-based exclusion for solar panels.

Ensuring that solar panels are eligible for the federal transfer-based exclusion for moving hazardous waste can certainly make it easier and cheaper to store, transport and manage solar panels. On the other side, there may be inherent risks of diminishing regulations intended to protect environmental and human health in the process. Ultimately, a public workshop on the issue followed by authorizing DTSC to adopt regulations seems a prudent way to approach this problem.

Related/Prior Legislation

AB 1238 (Ward, 2023) would have added consumer-owned solar PV modules to the definition of covered electronic devices, thereby subjecting consumer-owned solar PV modules to the Electronic Waste Recycling Act. Would have created a stewardship program for the collection and recycling of non-consumer owned solar PV modules. This bill was held in the Senate Rules Committee.

AB 2 (Ward, 2023) would have added consumer-owned solar PV modules to the definition of covered electronic devices, thereby subjecting consumer-owned solar PV modules to the Electronic Waste Recycling Act. This bill was held on the suspense file in the Senate Appropriations Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

Unknown

SUPPORT: (Verified 8/20/26)

Alameda; County of
 California Product Stewardship Council
 California Solar & Storage Association
 Californians Against Waste
 Climate Reality Project San Diego
 Climate Reality Project San Fernando Valley Chapter
 Climate Reality Project, California Coalition
 Climate Reality Project, Los Angeles Chapter
 Climate Reality Project, Orange County Chapter
 Solar Energy Industry Association
 South Bayside Waste Management Authority (sbwma)

Rethinkwaste

OPPOSITION: (Verified 8/20/26)

None received

ASSEMBLY FLOOR: 79-0, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra,

Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Brynn Cook / E.Q. / (916) 651-4108
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