

AMENDED IN ASSEMBLY MAY 8, 2013
AMENDED IN ASSEMBLY MARCH 21, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1023

Introduced by Assembly Member Eggman
(Coauthor: Assembly Member Chesbro)

February 22, 2013

An act to add Chapter 4.2 (commencing with Section 39724) to Part 2 of Division 26 of the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1023, as amended, Eggman. Air resources: greenhouse gas emissions.

Existing law, the California Global Warming Solutions Act of 2006, requires the State Air Resources Board to adopt a statewide greenhouse gas emissions limit. Existing law requires the California Environmental Protection Agency to identify disadvantaged communities and requires the Department of Finance to develop a specified 3-year investment plan for the expenditure of funds in the Greenhouse Gas Reduction Fund in the State Treasury to achieve reductions of greenhouse gas emissions, including increased in-state waste diversion through waste reduction, diversion, and reuse.

This bill would enact the Greenhouse Gas Reduction ~~through~~ *Through* Recycling, Composting, and Recycled Content Manufacturing Investment Program and would require the Department of Resources Recycling and Recovery to implement the program, *including developing standards and guidelines and implementing the market*

development program required by the bill, by expending funds appropriated by the Legislature for purposes of the program.

The bill would require the department, in consultation with the board, to annually identify industry sectors that can reduce their greenhouse gas emissions through the increased use of recycled content or by recovering putrescible materials that would have emitted greenhouse gases if disposed. The bill would require the department to develop a market development program that would provide incentives for those eligible industry sectors to make investments for waste reduction, recycling, composting, and recycled manufacturing projects that would reduce greenhouse gas emissions. The bill would require the department to implement the market development program by disbursing funds to private or public entities in the form of incentive payments or grants for capital equipment.

The bill would require the department to give priority, when disbursing funds, to projects benefiting or located in disadvantaged communities, as specified.

The bill would state the intent of the Legislature regarding the appropriation of funds for purposes of the program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Recycling is one of the most cost-effective ways to reduce
- 4 greenhouse gases, and often ranks as “cost-negative” in analyses
- 5 evaluating cost effectiveness of various greenhouse gas reduction
- 6 strategies.
- 7 (b) Investing in the burgeoning anaerobic digestion industry
- 8 reduces emissions from landfills, creates a low-carbon fuel that
- 9 reduces emissions in the transportation sector, and generates
- 10 renewable energy.
- 11 (c) In addition to reducing landfill emission, the application of
- 12 compost saves .42 net tons of CO₂ for each ton composted through
- 13 soil carbon storage, and decreases water use, fertilizer use, and
- 14 soil erosion, according to data prepared by the State Air Resources
- 15 Board.

1 (d) The State Air Resources Board has identified California’s
 2 energy-intensive glass container manufacturing sector as a leading
 3 generator of greenhouse gas emissions and has included this sector
 4 as a “covered entity” under the “Cap and Trade Program” adopted
 5 pursuant to the market-based compliance mechanism authorized
 6 by Division 25 (commencing with Section 38500) of the Health
 7 and Safety Code.

8 (e) According to data from the United States Environmental
 9 Protection Agency, for every 1 percent increase in recycled content
 10 in the manufacture of new glass containers, there is an approximate
 11 1 percent decrease in total direct greenhouse gas emissions from
 12 the manufacturer and there is also a comparable upstream benefit
 13 that results from not having to engage in mining or processing
 14 virgin inputs.

15 (f) According to a recent study from the Tellus Institute, the
 16 collection and processing of recyclables generates nearly four
 17 times as many jobs as compared to disposal, and domestic recycled
 18 content processing and manufacturing of these recycled materials
 19 adds an additional 2.5 to 18 jobs for every 1,000 tons recycled.

20 SEC. 2. Chapter 4.2 (commencing with Section 39724) is added
 21 to Part 2 of Division 26 of the Health and Safety Code, to read:

22
 23 CHAPTER 4.2. GREENHOUSE GAS REDUCTION ~~THROUGH~~
 24 THROUGH RECYCLING, COMPOSTING, AND RECYCLED CONTENT
 25 MANUFACTURING INVESTMENT PROGRAM
 26

27 39724. (a) This chapter shall be known, and may be cited, as
 28 the “Greenhouse Gas Reduction ~~through~~ *Through* Recycling,
 29 Composting, and Recycled Content Manufacturing Investment
 30 Program.”

31 (b) For purposes of this chapter “department” means the
 32 Department of Resources Recycling and Recovery.

33 39725. (a) The department shall implement this chapter,
 34 *including developing standards and guidelines and implementing*
 35 *the market development program required by Section 39726*, by
 36 expending funds appropriated by the Legislature for purposes of
 37 this chapter.

38 (b) The department, in coordination with the state board, as
 39 appropriate, shall establish the Greenhouse Gas Reduction through
 40 Recycling, Composting, and Recycled Content Manufacturing

1 Investment Program pursuant to this chapter to provide incentives
2 or grants for waste reduction, recycling, composting, and recycled
3 content manufacturing projects that reduce greenhouse gas
4 emissions in this state.

5 39726. (a) The department, in consultation with the state board,
6 shall annually identify industry sectors that can reduce their
7 greenhouse gas emissions through the increased use of recycled
8 content or by recovering putrescible materials that would have
9 emitted greenhouse gases if disposed.

10 (b) The eligible industry sectors that the department may identify
11 pursuant to subdivision (a) may include, but are not limited to, all
12 of the following:

- 13 (1) Composting and anaerobic digestion.
- 14 (2) Recycled container glass manufacturing.
- 15 (3) Food processing.
- 16 (4) Recycled paper and paperboard manufacturing.
- 17 (5) Recycled plastic manufacturing.

18 (c) Upon identifying the eligible industry sectors pursuant to
19 subdivision (a), the department shall develop a market development
20 program that would provide incentives for those eligible industry
21 sectors to make investments for waste reduction, recycling,
22 composting, and recycled content manufacturing projects that
23 would reduce greenhouse gas emissions.

24 (d) The department shall implement the market development
25 program by disbursing funds to private or public entities in the
26 form of incentive payments or grants for capital equipment.

27 (e) The funds disbursed as investments by the department
28 pursuant to subdivision (d) shall not exceed thirty million dollars
29 (\$30,000,000) per year.

30 (f) The department shall give priority, when disbursing funds
31 for investments pursuant to this chapter, to projects benefiting or
32 located within the same disadvantaged communities that are
33 identified by the California Environmental Protection Agency
34 pursuant to Section 39711, for purposes of Chapter 4.1
35 (commencing with Section 39710). The department shall disburse
36 not less than 25 percent of the funds disbursed pursuant to this
37 chapter for projects benefiting these communities and not less than
38 10 percent of the funds disbursed pursuant to this chapter shall be
39 allocated for projects located within these communities.

1 39727. *It is the intent of the Legislature that moneys shall be*
2 *appropriated for this chapter only in a manner consistent with the*
3 *requirements of this part, including Chapter 4.1 (commencing with*
4 *Section 39710), and Article 9.7 (commencing with Section 16428.8)*
5 *of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government*
6 *Code.*

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