

AMENDED IN SENATE APRIL 25, 2016

AMENDED IN SENATE MARCH 28, 2016

SENATE BILL

No. 970

Introduced by Senator Leyva

February 8, 2016

An act to ~~add Section 42649.88 to~~ amend Section 42999 of the Public Resources Code, relating to ~~solid waste~~: *greenhouse gases*.

LEGISLATIVE COUNSEL'S DIGEST

SB 970, as amended, Leyva. ~~Organic food waste diversion. Greenhouse Gas Reduction Fund: grant program: recyclable materials.~~

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature.

Existing law requires certain moneys appropriated by the Legislature from the Greenhouse Gas Reduction Fund to be used by the Department of Resources Recycling and Recovery for a grant program to provide financial assistance to reduce greenhouse gas emissions by promoting in-state development of infrastructure to process organic and other recyclable materials into new, value-added products.

This bill would require the department, in awarding a grant under the program, to consider, among other things, the amount of greenhouse gas emissions reductions that may result from the project and the

amount of organic material that may be diverted from landfills as a result of the project.

~~Existing law requires the Department of Resources Recycling and Recovery to identify and recommend actions to address permitting and siting challenges and to encourage the continued viability of the state's organic waste processing and recycling infrastructure, in partnership with the California Environmental Protection Agency and other specified state and regional agencies. Existing law requires the department to cooperate with local jurisdictions and industry to provide assistance for increasing the feasibility of organic waste recycling and to identify certain state financing mechanisms and state funding incentives and post this information on its Internet Web site.~~

~~This bill would require the department, in consultation with the State Air Resources Board and the State Energy Resources Conservation and Development Commission, by June 1, 2017, to develop a pilot demonstration program to award matching grant funding for cost effective and efficient integrated organic food waste diversion projects at existing wastewater treatment facilities, as provided.~~

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. Section 42999 of the Public Resources Code is
2 amended to read:
3 42999. (a) Any additional funds appropriated by the
4 Legislature from the Greenhouse Gas Reduction Fund, established
5 pursuant to Section 16428.8 of the Government Code, to the
6 department shall be used to administer a grant program to provide
7 financial assistance to reduce greenhouse gas emissions by
8 promoting in-state development of infrastructure to process
9 organics and other recyclable materials into new value-added
10 products. The moneys shall be expended consistent with the
11 requirements of Article 9.7 (commencing with Section 16428.8)
12 of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government
13 Code and Chapter 4.1 (commencing with Section 39710) of Part
14 2 of Division 26 of the Health and Safety Code.
15 (b) ~~For a grant made pursuant to~~ *From moneys appropriated*
16 ~~for purposes of this section, the department shall expend the~~
17 ~~moneys to provide grants, incentive payments, contracts, or other~~

1 funding mechanisms to public and private entities located in the
2 state for any of the following:

- 3 (1) Organics composting.
- 4 (2) Anaerobic digestion.
- 5 (3) Recyclable material manufacturing infrastructure projects
6 or other related activities that reduce greenhouse gas emissions.

7 (c) For purposes of this section, eligible infrastructure projects
8 that reduce greenhouse gas emissions include, but are not limited
9 to, any of the following:

- 10 (1) Capital investments in new facilities and increased
11 throughput at existing facilities for activities, such as converting
12 windrow composting to aerated-static-pile composting to use food
13 waste as feedstock.
- 14 (2) Designing and constructing anaerobic digestion facilities to
15 produce biofuels and bioenergy.
- 16 (3) Designing and constructing facilities for processing
17 recyclable materials.

18 (d) *In awarding a grant pursuant to this section, the department*
19 *shall consider all of the following:*

- 20 (1) *The amount of greenhouse gas emissions reductions that*
21 *may result from the project.*
- 22 (2) *The amount of organic material that may be diverted from*
23 *landfills as a result of the project.*
- 24 (3) *If, and how, the project may benefit disadvantaged*
25 *communities.*
- 26 (4) *Project readiness and permitting that the project may*
27 *require.*
- 28 (5) *Air and water quality benefits that the project may provide.*

29 ~~SECTION 1. This act shall be known, and may be cited, as the~~
30 ~~Regional Integrated Organics Diversion and Beneficial Utilization~~
31 ~~Act.~~

32 ~~SEC. 2. The Legislature finds and declares all of the following:~~
33 ~~(a) The California Global Warming Solutions Act of 2006~~
34 ~~(Division 25.5 (commencing with Section 38500) of the Health~~
35 ~~and Safety Code) establishes a policy to reduce emissions of~~
36 ~~greenhouse gases to 1990 levels by 2020 and to continue those~~
37 ~~reductions of greenhouse gases beyond 2020.~~

38 ~~(b) The critical role that short-lived climate pollutants (SLCPs)~~
39 ~~must play in the state's climate efforts is recognized in Chapter~~
40 ~~4.2 (commencing with Section 39730) of Part 2 of Division 26 of~~

1 the Health and Safety Code, which requires the State Air Resources
2 Board to develop a strategy to reduce the emissions of SLCPs.

3 ~~(e) California must achieve deep reductions in the emissions of~~
4 ~~SLCPs by 2030 to meet potential or actual future greenhouse gas~~
5 ~~emissions targets and air quality goals.~~

6 ~~(d) Intensified state and global action to reduce the emissions~~
7 ~~of SLCPs is the only way to immediately slow global warming~~
8 ~~and manage the damaging effects of climate change.~~

9 ~~(e) California has clear goals to reduce waste and to divert~~
10 ~~organic materials from landfills and put them to beneficial use.~~
11 ~~The state has a target to reduce landfilling of solid waste by 75~~
12 ~~percent by 2020.~~

13 ~~(f) Organic waste constitutes more than one-third of California's~~
14 ~~waste stream. Food waste alone accounts for about five million~~
15 ~~tons of landfilled organics each year.~~

16 ~~(g) Conservative estimates suggest that publicly owned~~
17 ~~wastewater treatment agencies have existing capacity to codigest~~
18 ~~up to 75 percent or more of the food waste currently being~~
19 ~~landfilled.~~

20 ~~(h) The diversion of food waste, fats, oils, and grease from~~
21 ~~landfills by using existing infrastructure and facilities at wastewater~~
22 ~~treatment agencies is recognized by the State Air Resources Board~~
23 ~~as an effective and cost-efficient strategy to maximize the resource~~
24 ~~recovery of the organic waste. Using existing facilities also ensures~~
25 ~~projects can be sited, permitted, and constructed in a timely fashion~~
26 ~~to meet the state's ambitious waste diversion goals.~~

27 ~~(i) Significant efforts to divert organic materials from landfills,~~
28 ~~reduce methane emissions, and create clean energy, including low~~
29 ~~or negative carbon transportation fuels, should be encouraged by~~
30 ~~state policies.~~

31 ~~(j) As future clean energy investments are planned and~~
32 ~~implemented, state officials should ensure targeted investment,~~
33 ~~regional cooperation, and public-private partnerships are utilized~~
34 ~~at existing wastewater agencies to maximize the state's organics~~
35 ~~diversion efforts and achieve cost effective and environmentally~~
36 ~~beneficial reductions in the emissions of greenhouse gases.~~

37 ~~SEC. 3. Section 42649.88 is added to the Public Resources~~
38 ~~Code, to read:~~

39 ~~42649.88. (a) No later than June 1, 2017, the department, in~~
40 ~~consultation with the State Air Resources Board and the State~~

1 ~~Water Resources Control Board, shall develop a pilot~~
2 ~~demonstration program to provide matching grant funds for cost~~
3 ~~effective and efficient regional integrated food waste diversion~~
4 ~~projects at existing wastewater treatment facilities. The pilot~~
5 ~~demonstration program shall give priority to projects that provide~~
6 ~~the following benefits:~~

7 ~~(1) Maximize food waste diversion in a cost-effective manner~~
8 ~~that uses existing facilities and infrastructure.~~

9 ~~(2) Maximize resource recovery of diverted waste, including~~
10 ~~the production of clean energy, or low or negative carbon~~
11 ~~transportation fuels.~~

12 ~~(3) Maximize regional cooperation among publicly owned~~
13 ~~wastewater treatment agencies, cities or counties, waste haulers,~~
14 ~~landfill operators, and other relevant regional entities.~~

15 ~~(4) Demonstrate effective and efficient organics management~~
16 ~~strategies that can be duplicated throughout the state.~~

17 ~~(b) Projects funded pursuant to the program shall be located at~~
18 ~~existing wastewater treatment facilities in California and result in~~
19 ~~all of the following:~~

20 ~~(1) Permanent, annual, measurable, and verifiable reductions~~
21 ~~in the emissions of greenhouse gases from the diversion of food~~
22 ~~waste through avoidance of methane release at landfill and capture~~
23 ~~and use of methane at wastewater treatment facilities.~~

24 ~~(2) Permanent, annual, measurable, and verifiable increases in~~
25 ~~the quantity of food waste diverted from landfills to digestion or~~
26 ~~composting.~~

27 ~~(3) Permanent, annual, measurable, and verifiable environmental~~
28 ~~benefits for disadvantaged communities, as identified pursuant to~~
29 ~~Section 39711 of the Health and Safety Code.~~

30 ~~(e) (1) The department shall give priority to projects with~~
31 ~~minimal siting and permitting requirements.~~

32 ~~(2) In awarding grants pursuant to the program, the department~~
33 ~~shall seek to maximize the reduction in the emissions of greenhouse~~
34 ~~gases achieved by a project for each grant dollar awarded.~~

35 ~~(d) (1) Projects eligible for matching grant funds pursuant to~~
36 ~~the program include, but are not limited to, the modification,~~
37 ~~renovation, or expansion of existing wastewater treatment facilities~~
38 ~~to accept and process food waste streams.~~

39 ~~(2) The department shall identify three to five regional projects~~
40 ~~for matching grant funds pursuant to the program. The department,~~

1 ~~upon appropriation by the Legislature, may expend moneys from~~
2 ~~the Greenhouse Gas Reduction Fund established pursuant to~~
3 ~~Section 16428.8 of the Government Code for awarding grants~~
4 ~~pursuant to the program.~~

5 ~~(3) The department may award matching funds of up to ten~~
6 ~~million dollars (\$10,000,000) for each project. The amount awarded~~
7 ~~shall not exceed 50 percent of the project cost.~~