Executive Summary

In 2016, California adopted stringent goals for reducing the amount of organic material deposited into landfills. Using 2014 as a baseline, the legislation required a reduction of 50 percent by 2020 and 75 percent by 2025. The purpose was to reduce methane emissions to make near-term improvements to climate change. Methane is a short-lived super pollutant that is extraordinarily efficient at trapping heat and thus contributing to climate change, and landfills are the largest point source of methane emissions in California.

California's ambitions far exceeded those of any other state, a fact of which the state should be proud. Sadly, however, California is falling short of its goals. The state missed its 2020 target and is poised to miss the 2025 target.

The state should recognize the importance of reducing methane emissions as part of the fight against climate change, but should consider changes in implementation that can advance the ultimate goal. Repeated failure to meet the goals of the program could undermine public confidence, increase noncompliance and delay mid-course policy corrections that are routine in projects of this size.

Part I: A Pause in Implementation

2020 Target Missed. The state missed its 2020 target to reduce the amount of organic material deposited into landfills by 50 percent below 2014 levels. Instead, the amount of organic waste going into landfills increased by a million tons from 2014 to 2020. Leaders at CalEPA said they were not surprised by this because until 2022, the regulations created to meet organic waste targets were not enforceable.

2025 Target in Doubt. California is unlikely to meet its 2025 goals. Even if state estimates of increased processing capacity are met, California is likely to be short of the necessary capacity by approximately 8 million tons a year. For reasons of both cost and time, the state is highly unlikely to add sufficient capacity by 2025.

Local Governments Still Catching Up. More than a hundred local jurisdictions have sought an extension of the deadline for complying with the state's requirements.

A TEMPORARY PAUSE

Given these problems, we believe the Legislature should enact a temporary pause to the implementation of SB 1383. Successfully achieving the goals will require changes in law and regulation, additional funding, and creating a more holistic approach to reducing landfill methane emissions. Local jurisdictions must be given a fair and realistic amount of time to make necessary changes. Just as importantly, Californians must support the legislation and its goals. None of this can happen overnight, and it is worth taking the time to get it right.

We recommend the following steps be achieved during the temporary pause:

- Educate Californians about the importance of the goals.
- Improve coordination among state agencies.
- Create a multidisciplinary team to expand market opportunities for recycled organic waste.
- Reconfigure the relationship between state agencies and local governments to better reflect shared responsibility for solid waste management.
- Exempt low-population, low-waste counties from procurement requirements.
- Separate edible food recovery from SB 1383 implementation.
- Invest in repairing and upgrading the super-emitter facilities that produce the majority of landfill methane emissions.
- Develop a realistic financing plan based on holistic cost-benefit analysis understood and supported by Californians.

Recommendation 1: The state should enact a temporary pause on SB 1383 implementation while the recommendations cited above – and discussed in more detail throughout this report – are implemented.

Recommendation 2: The state should fund an educational campaign that explains to Californians why the SB 1383 requirements are important.

Part II: Conflicting Priorities

In order to achieve methane emission reductions, California must do something with the organic waste that is diverted from landfills.

The language in SB 1383 clearly identifies renewable natural gas as an end-use for methane. However, other state actions make plain that the state prioritizes zero-emission energy. Governor Newsom issued an executive order in September 2020 declaring a state goal for sales of zero-emission vehicles. The state subsequently developed a rule to speed the process for government vehicles, although many local governments were planning on fueling their waste collection fleets with renewable natural gas. Doing so would have helped them to meet a separate state requirement that local government procure specified amounts of end-products derived from diverted organic material, such as renewable natural gas.

Local governments are also concerned about how they will meet procurement requirements if they choose other end-products, such as mulch.

Recommendation 3: CalEPA, CalRecycle, and CARB should coordinate to prevent conflicting directives and produce consistent and clear guidelines.

Recommendation 4: The Legislature and Governor should require a multidisciplinary team to develop recommendations on how to expand market opportunities for recycled organic waste.

Recommendation 5: The state should reconfigure the relationship between state agencies and local governments to better reflect statutorily-required shared responsibility for solid waste management.

Recommendation 6: The state should support near-zero emission vehicles until commercially viable zero emission vehicles are available in the waste sector.

Part III: Not Designed for Rural California

The legislation and regulations potentially disadvantage rural Californians. For example, the regulations require most jurisdictions to create curbside organics recycling programs, but many rural communities lack curbside trash pickup and paved roads that can accommodate heavy garbage trucks.

The state has created limited temporary waivers for some rural areas, but most of these waivers only exempt eligible communities from parts of the requirements, and only for a few years.

Recommendation 7: The state should permanently exempt counties that produce less than 200,000 tons per year of waste from SB 1383 requirements, including edible food recovery, except to provide options at self-haul facilities for residents to separate their organic waste from their trash.

Part IV: Missing Community-Centered Response

The state should carve out space for community organic waste recycling. This includes reclassifying those who pick up organic waste on a small scale

as something other than a hauler and designing regulations appropriate to the niche they fill.

Recommendation 8: The state should embrace a concept of keeping waste local, and allow communities to be innovative with organic waste solutions.

Part V: Missing Industry Expertise

Many industry experts discussed regulations and decisions that did not make sense from an operational perspective. In order to be compliant with regulations, for example, organic waste must be sent to facilities that can achieve a 75 percent organics recovery rate from a mixed waste stream. Industry officials say this is unrealistic in most facilities; the average recovery rate in 2020 was 42 percent, according to CalRecycle.

Recommendation 9: The state should position CalRecycle as an international expert and leader in solid waste management by facilitating exchange visits with other countries, externships inside and outside of government, and field-testing the regulations it proposes from these knowledge exchanges.

Part VI: Edible Food Recovery

SB 1383 requires the state to recover and redistribute at least 20 percent of edible food that otherwise would have been thrown away.

Organic waste comprises more than a third of the state's waste stream, and food comprises about 15 percent of municipal waste streams. However, slightly less than 4 percent of that food waste is potentially donatable: The rest is unfit for human consumption.

The Commission urges to the state to conduct a comprehensive analysis of the edible food recovery requirements.

Recommendation 10: The state should separate edible food recovery from SB 1383 implementation.

Part VII: Landfill Methane Emissions

A three-year survey of the state's point source methane emissions revealed that some facilities were leaking at levels six times previous estimates. However, the survey also revealed that a small number of facilities were responsible for nearly half of landfill methane emissions.

Recommendation 11: The state should help lower landfill methane emissions by fixing the small proportion of super-emitters that produce the majority of emissions.

- **The state should permanently fund satellites to monitor greenhouse gas emissions and integrate the findings from that data into its strategic planning for climate change adaptation.**

Part VIII: Insufficient Resources for Implementation

The legislation made CalRecycle responsible for oversight of this project, but did not supply the agency with adequate additional resources. Good governance requires sufficient staffing.

Recommendation 12: The state should conduct the holistic cost-benefit analyses discussed in this report, determine measurable outcomes, the costs to achieve those outcomes, and an outline of who will pay, and how, to meet those costs, and be transparent with Californians about what it is asking from them and what they will receive in return.