



DATE: December 20, 2023

TO: Waste Management Authority Board

FROM: Kelly Schoonmaker, Senior Program Manager
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SUBJECT: Efforts to make changes to SB 1383 procurement requirements

SUMMARY

SB 1383 (California's Short-Lived Climate Pollutant Reduction Strategy) requires each city and county to annually procure a specified quantity of recovered organic waste products, such as compost and/or mulch. The intention of the procurement requirement is to build markets for compost and mulch, a goal supported by StopWaste. However, the existing procurement requirements are unrealistic for local governments to meet, particularly in the Bay Area where much of the organics has already been diverted to composting and a mature market for that compost already exists. Therefore, there will not be enough compost to meet the increased demand that SB 1383 requires of local governments.

Since 2021, the WMA Board has directed staff to work with partners to pursue common sense adjustments to SB 1383 requirements as a main legislative priority. This memo provides the Board with an update on this legislative work and requests Board approval to continue to pursue possible changes to the SB 1383 procurement requirements, including through Agency sponsorship of legislation designed to increase local government flexibility in meeting the requirements, reduce local government costs, and continue advancing the methane-reduction goals in SB 1383. This emerging legislation has grown out of several months of stakeholder engagement with StopWaste member agencies, other local governments, compost producers, and other stakeholders.

DISCUSSION

Most, if not all, jurisdictions in the state will struggle to meet the SB 1383 procurement targets. In some areas, this is because collection and processing infrastructure has yet to be built, and so there is not enough compost available. In other areas, such as Alameda County, where significant organics diversion already exists and where composting infrastructure has been in place for many years, the demand for compost and mulch created by SB 1383's procurement requirements is in competition with existing demand, such as from landscapers and farmers.

Last year Governor Newsom signed AB 1985, which phases in the procurement targets over multiple years (30% in 2023, 65% in 2024 and 100% in 2025). This phased approach is helpful to jurisdictions that do not yet have infrastructure in place. However, it does not address the fact that early adopting

jurisdictions such as those in Alameda County, which do have significant organic waste diversion infrastructure already in place, are not starting from the same conditions and therefore do not have the same potential to extract more organics from the waste stream and increase compost production.

Per Board direction, staff has convened a stakeholder group over many months to develop a list of proposed changes to the current procurement requirement, while also maintaining the objective of creating more supply and demand for organic waste products. This stakeholder group includes Bay Area counties' staff and composters serving our region. This group has met with CalRecycle on multiple occasions to discuss implementation issues, and the StopWaste team has met regularly with CalRecycle legislative staff to discuss our proposals and identify any barriers to advancing proposed legislative solutions. No barriers have been identified so far.

The changes that our coalition of stakeholders is proposing would add flexibility for local governments to comply with the procurement requirements and create more resilient markets, while still advancing the overall goals of SB 1383. The concepts for additional pathways to compliance that have been developed by the stakeholder group include, but are not limited to:

- Allowing the use of additional recovered organic waste products, such as mulch produced by cities using their own tree trimmings, to count toward their target
- Giving credit for investments local governments make in building markets for compost, such as through contamination minimization efforts
- Making it easier for cities to claim credit for compost used in their jurisdiction by other "direct service providers" who can apply compost that can count toward the city's target
- Allowing jurisdictions to calculate a jurisdiction-specific procurement target that reflects the actual potential for market growth in their region
- Allowing jurisdictions to develop a plan for procurement including how and where they will use compost and mulch, training staff, and developing giveaway programs

Staff requests Board approval to continue to work with CalRecycle and other stakeholders to pursue changes to the SB 1383 procurement requirements, including through possible Agency sponsorship of legislation. "Sponsoring" the legislation means that StopWaste would seek a legislator to introduce a bill and our Agency would provide expertise and assist with coalition-building to help navigate the bill through the legislative process.

The main criteria that staff would consider and prioritize as we pursue changes to the SB 1383 procurement requirements are increased flexibility for local governments to meet the requirements, reduced local government costs, and supporting more realistically the overall objectives of SB 1383 to reduce methane emissions from landfilled waste.

RECOMMENDATION

Direct staff to continue to work with state and local stakeholders to pursue possible changes to the SB 1383 procurement requirements, including Agency sponsorship of legislation designed to increase local government flexibility in meeting the requirements, reduce local government costs, and continue advancing the methane-reduction goals in SB 1383.