

January 18, 2015

Governor's Budget - \$100 million for Greenhouse Gas Capital Investments

Great news in the Governor's Budget, CalRecycle has a proposed allocation of \$100 million for the greenhouse gas reduction fund to stimulate infrastructure growth, under the auspices of reducing Short Lived Climate Pollutants. From the Budget Summary:

"Short-Lived Climate Pollutants

Short-lived climate pollutants such as black carbon, methane, and fluorinated gases are much more potent than carbon dioxide. Cutting these pollutants can significantly help slow the rate of global warming and can improve health and air quality in local communities in California. Pursuant to Chapter 523, Statutes of 2014 (SB 605), the Air Resources Board has developed a plan that calls for a 50-percent reduction in black carbon and fluorinated gas emissions and a 40-percent reduction in methane emissions by 2030.

Reducing methane emissions from landfills will be a key component of the short-lived climate pollutant strategy. A key to achieving these goals is the successful collection and recycling of organic and other materials.

Significant Adjustment:

\$100 million for the Department of Resources, Recycling and Recovery to provide financial incentives for capital investments that expand waste management infrastructure, with a priority in disadvantaged communities. Investment in new or expanded clean composting, anaerobic digestion, fiber, plastic, and glass facilities is necessary to divert more materials from landfills. These programs reduce GHG emissions and support the state's 75-percent solid waste recycling goal." (*update courtesy of Neil Edgar, Edgar Associates*)

AB 1063 - Revised Provisions

AB 1063, currently still in the Senate Environmental Quality Committee, has new provisions that would require CalRecycle to do the following:

- 1) January 1, 2017 implement a \$4 per ton disposal fee.
- 2) Until January 1, 2022 allocate \$1.50 of that fee to activities that promote recycling and the highest and best use of materials and allocate a portion of that fee to those activities

thereafter.

3) January 1, 2019 establish a quarterly charge on all solid waste generators including commercial, residential, public entities and self-haulers, the revenues to be remitted to the State Board of Equalization.

4) Until January 1, 2022 allocate a portion of the charge to recycling activities and to the highest and best use of materials.

5) Until January 1, 2022 assure that the fee generates not less than \$15,000,000 annually.

6) Revenues appropriated by the Legislature may be used for:

a) Market incentives payments for recycling infrastructure and activities

b) Grants to local governments to implement programs that increase recycling and reduce disposal

c) Grants and loans to develop recycling infrastructure

d) If the department determines there are sufficient moneys collected pursuant to this chapter, it shall prioritize the funding of market incentive payments.

7) If the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions. The Senate Environmental Quality Committee will take up this bill later this year.

Funding Based on Recycling Performance Already Exists in New Jersey

During CalRecycle's December 15 workshop, entitled "California's Environmental Goals and Funding Waste Management Infrastructure", Director Scott Smithline discussed adopting a performance based incentive program that would provide funding to local governments based upon their recycling performance, tied to a long-term funding source . Susan Collins forwarded to me the attached December 29 article focused on a New Jersey program that will be providing \$14 million to local communities based upon their 2013 recycling performance. The program is funded by a \$3 per ton tipping fee. The largest grant of \$414,000 will go to the City of Newark.