



URGENT ITEM AGENDA MATERIAL

Government Code Section 54954.2(b)
Rules of Procedure Chapter III.C.5

**THIS ITEM IS NOT YET AGENDIZED AND MAY OR MAY NOT BE
ACCEPTED FOR THE AGENDA AS A LATE ITEM, SUBJECT TO THE
CITY COUNCIL'S DISCRETION ACCORDING TO BROWN ACT RULES**

Meeting Date: March 26, 2024

Item Description: Letter of Support for AB 2346 (Lee)

This item is submitted pursuant to the provision checked below:

- Emergency Situation (54954.2(b)(1) - majority vote required)
Determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.
- Immediate Action Required (54954.2(b)(2) - two-thirds vote required)
There is a need to take immediate action and the need for action came to the attention of the local agency subsequent to the agenda for this meeting being posted.

Once the item is added to the agenda (Consent or Action) it must be passed by the standard required vote threshold (majority, two-thirds, or 7/9).

Facts supporting the addition of the item to the agenda under Section 54954.2(b) and Chapter III.C.5 of the Rules of Procedure:

StopWaste let us know on March 21, 2024, the day the March 26th agenda was posted, that they are sponsoring legislation to provide additional pathways for local governments to meet the SB 1383 procurement requirements.

The bill is AB 2346, authored by Assemblymember Lee. It would provide common sense fixes to increase flexibility and reduce local government costs while continuing to advance the greenhouse gas reduction goals in SB 1383

The bill is scheduled for a hearing at the Assembly Natural Resources Committee on April 8. We need to submit our letter of support by April 1, 2024 for it to be included in the packet for committee members for that meeting.



Susan Wengraf
Vice Mayor and Councilmember District 6

CONSENT CALENDAR
March 26, 2024

To: Honorable Mayor and Members of the City Council
From: Vice Mayor Wengraf
Subject: Support of AB 2346 (Lee)

RECOMMENDATION

Send a letter to the California Legislature through their online portal, in support of AB 2346 (Lee), with copies to Priscilla@syaslpnpartners.com and Andrew.White@asm.ca.gov

FINANCIAL IMPLICATIONS

None

CURRENT SITUATION AND ITS EFFECTS

AB 2346 (Lee) would provide additional pathways for local governments to meet SB 1383 (Lara, 2016) procurement requirements and expand market development for recycled organic waste products such as compost and mulch. This bill would provide common sense fixes to increase flexibility and reduce costs to jurisdictions while furthering SB 1383's overarching goal to reduce greenhouse gas emissions across the state.

AB 2346 will help the City of Berkeley in many ways, one such example is by allowing compost from community composting and on-site composting operations count toward a jurisdiction's procurement target. While these operations produce a small fraction of the products made by commercial composting, they contribute to a strong market in two ways. Community composting is a hyperlocal circular solution that engages people and gets them excited about compost and composting, increasing the number of new users and teaching people about the importance of keeping organics streams clean.

BACKGROUND

Under SB 1383 (Lara, 2016) regulations, local governments are responsible for procuring recycled organic waste products such as compost, mulch, renewable natural gas or electricity from biomass to build a market for organic material collected within their jurisdictions. Since the enactment of these regulations, most jurisdictions have encountered barriers in meeting the requirement. Barriers differ for regions with mature organics collection programs and established compost and mulch markets than for regions with new collection programs and limited organics processing infrastructure, but jurisdictions all across the state are struggling to meet the requirements. AB 2346

provides solutions that help jurisdictions up and down the state to effectively expand the use of and markets for organic waste products.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

AB 2346 enables SB 1383 to successfully reach its goals to reduce greenhouse gas emissions across the state

CONTACT PERSON

Vice Mayor Susan Wengraf

Council District 6

510-981-7160

Attachments:

1: Letter



March 26, 2024

The Honorable Isaac Bryan
Chair, Assembly Natural Resources Committee
1020 N Street, Room 164
Sacramento, CA 95814
Assembly Natural Resources Committee

Re: AB 2346 (Lee) Organic waste reduction regulations: procurement of recovered organic waste products - Support

Dear Chair Bryan,

The City of Berkeley is pleased to **SUPPORT AB 2346 (Lee)**, which would provide additional pathways for local governments to meet SB 1383 procurement requirements and expand market development for recycled organic waste products such as compost and mulch. This bill would provide common sense fixes to increase flexibility and reduce costs to jurisdictions while furthering SB 1383's overarching goal to reduce greenhouse gas emissions across the state.

The City of Berkeley strives to be a global leader in addressing climate change, advancing environmental justice and protecting the environment. This is a goal in Berkeley's Strategic Plan. AB 2346 will help Berkeley build on its successes.

Under SB 1383 (Lara, 2016) regulations, local governments are responsible for procuring recycled organic waste products such as compost, mulch, renewable natural gas or electricity from biomass to build a market for organic material collected within their jurisdictions. Since the enactment of these regulations, most jurisdictions have encountered barriers in meeting the requirement. Barriers differ for regions with mature organics collection programs and established compost and mulch markets than for regions with new collection programs and limited organics processing infrastructure, but jurisdictions all across the state are struggling to meet the requirements. AB 2346 provides solutions that help jurisdictions up and down the state to effectively expand the use of and markets for organic waste products.

Where jurisdictions already have robust organics collection programs, high diversion rates, and mature markets for products such as compost and mulch, it is difficult to divert adequate additional organic material through SB 1383 activities to produce

enough compost and mulch to meet the procurement targets for local jurisdictions. Compost providers struggle to meet the increased demand created by procurement requirements while satisfying existing customers such as farmers, and there is a real concern that this disruption will increase costs for all customers. Meanwhile, jurisdictions with new organics programs have limited access to processing infrastructure and are not creating recovered organic waste products in the amount necessary to meet the procurement targets in the timeframe required.

Further, many jurisdictions lack appropriate local space needed to use compost and mulch in the quantities mandated. As a result, they contract with “direct service providers” (DSP) to use eligible products on their behalf as allowed by SB 1383. Jurisdictions are now subsidizing compost for farmers located in a different part of the state. Direct service provider agreements must be executed before the procurement takes place. In practice this poses significant and unnecessary challenges, hindering accurate attribution of the applied material to the jurisdiction.

There are also limited eligible products that count toward the targets. Compost produced on-site or from community composting operations does not count toward procurement, even though these operations help keep organic material out of the landfill and are considered diversion activities by SB 1383. Mulch produced from a jurisdiction’s tree trimmings and used in the jurisdiction does not count toward procurement even though on-site processing and reuse is more cost-efficient and produces less greenhouse gas. These exclusions represent a missed opportunity to incentivize jurisdictions to participate in these best practices. The result is that jurisdictions compete with each other and with existing customers, such as farmers and landscapers, to procure scarce eligible material.

Achieving success building mature compost markets requires access to clean compost as well as education, outreach, and training. Unfortunately, these essential activities do not count toward the procurement targets. Contamination from mandatory food waste collection is another issue to be addressed with more education and outreach, as any reduction in quality compromises potential markets and increases the volume of finished compost that must be landfilled, decreasing the quantity of available product for sale.

AB 2346 aims to address some of these obstacles by proposing that compost from community composting and on-site composting operations count toward a jurisdiction’s procurement target. While these operations produce a small fraction of the products made by commercial composting, they contribute to a strong market in two ways. Community composting is a hyperlocal circular solution that engages people and gets them excited about compost and composting, increasing the number of new users and teaching people about the importance of keeping organics streams clean. Allowing compost from community composting to count toward procurement provides a revenue stream for local organizations such as urban and other farms and encourages operations, so these organizations can grow their work. These local solutions reduce

greenhouse gas emissions from transport to and from commercial composting facilities and increase the quality, availability and access to compost.

Additionally, the bill counts investments made by a jurisdiction to expand organics processing capacity toward the target. This bill supports market development allowing a diversification of processing options.

Lastly, to streamline administrative processes and ensure accurate reporting of progress, the measure clarifies that direct service provider agreements may happen after procurement within the same calendar year as the target credit.

This bill will provide flexibility to local governments in how they comply with this aspect of SB 1383, which will reduce costs for jurisdictions and advance the objectives of the law. Additionally, the bill will streamline administrative processes. The goal is to develop both mature and emerging markets for compost resulting in significant reductions in greenhouse gas emissions. Ultimately, this bill will help the state achieve its goals through effective and practical SB 1383 implementation.

For these reasons, The City of Berkeley is in strong **SUPPORT** of **AB 2346**, and respectfully request your **AYE** vote on this measure.

Sincerely,

The Berkeley City Council