Memorandum

Date: February 4, 2013

To: Legislative Program Committee

From: Mark Schleich, Deputy Director of Public Works, extension 3603

Subject: Resource Recovery Project

CC: Leslie Wells, Program Leader, Department of Public Works

Summary of Issue
Santa Barbara County in collaboration with the cities of Santa Barbara, Goleta, Solvang and Buellton reached a significant milestone in December 2012. The County Board of Supervisors directed staff to begin the environmental review of the **Resource Recovery Project** and all of the partner cities executed a project term sheet with the vendor.

This project would serve 210,000 County residents and process approximately 200,000 tons of municipal solid waste (MSW) per year that is currently disposed of at the County owned and operated Tajiguas Landfill. This proposal includes facilities that would reduce the amount of material currently buried by more than 60% by diverting recyclables and organics. Recyclables would be sent to market for reuse while the organics would be converted into energy and soil amendments. This proposal is included in the 2013 Legislative Platform as a funding request. The County Engineers Association of California also has an interest in this project through their Conversion Technology Working Group of which I am the Co-Chair.

Public Benefit/Impact
The Resource Recovery Project advances the following adopted 2013 Legislative Principles:

- **Job Growth/Economic Vitality** through $60 million in private investment resulting in over $800,000 in annual property tax, 40 construction jobs and 56 permanent jobs related to operations of the facilities.
- **Efficient Service Delivery/Operations** through giving the participating communities a 20-year plan of vitally important waste management services.
- **Fiscal Stability** through providing a plan that will result in little to no additional cost to ratepayers compared to alternatives.
- **Inter-Agency Collaboration** – This has been a collaborative effort from its inception in 2007 that has included all four cities currently using the Tajiguas Landfill.
- **Local Control** by proposing a 20-year solid waste management plan using local facilities.
- **Community Sustainability** through promoting state of the art facilities that enhance environmental stewardship and participation in the growing green economy including the following:
    - This proposal is potentially the single largest reducer of greenhouse gas (GHG) emissions in our community. According to the EPA's WARM calculations, this project would reduce the local GHG impact by 133,382 Metric Tons Carbon

Dioxide Equivalent per year. This would be equal to over 25,000 passenger vehicles being removed from the road annually. This project would be the biggest step forward in achieving AB 32 GHG reduction requirements.

- This project would increase the local recycling rate from 73% to well above 80% and allow us to surpass the recycling requirement of AB 341 (75% by 2020).
- This project would generate 1 megawatt of green energy for the local community, which is enough to power 1,000 homes. This would help the region achieve SBX1 2 requirement of 33% of statewide energy production from renewable sources by 2020.

Requested Action

Since 2007, the Board of Supervisors has taken a number of actions in support of this project and the principles it supports. The State of California has also taken a number of actions in the past decade to promote similar projects by providing a statewide programmatic EIR for the development of Anaerobic Digestion facilities like the one proposed in the Resource Recovery Project as well as adopting the Anaerobic Digestion Initiative which sets a goal of reducing the amount of organic waste currently disposed of in landfills by half in the next seven years.

In order to assure the success of this project, we would request that the Legislative Committee direct the staff of the Public Works Department to continue the advocacy and advancement of this project by:

1. Actively supporting the passage of State and Federal Legislation and regulations that would establish a clear pathway to encourage the development of similar projects statewide. This support would come in the form of communication with the media (i.e. letters to the editor) as well as testimony to relevant State and Federal entities and comments/letters of support from the Public Works Department on proposed legislation.
2. Outreach to State and Federal agencies, and elected officials to share information on this project in the form of face to face meetings as well as written requests for support of relevant legislation.
3. Continue to actively engage stakeholders within the community and across the State through face to face meetings in order to more effectively explain the project's goals as well as ensure those goals are a true reflection of the community's values. As of January 2013, the Department of Public Works has had more than 100 public meetings on this project with a broad range of stakeholders.

Attachments:

1. Los Angeles County Board of Supervisors Motion from September 18, 2012, directing the Los Angeles County Public Works Department to advocate and advance projects similar to the Resource Recovery Project.
2. A press release from Los Angeles County Supervisor Don Knabe explaining the need for his September 18, 2012 Motion.
3. An Opinion/Editorial article written in support of "Conversion Technologies" written by Los Angeles County Assistant Deputy Director of Public Works Pat Proano.

AGN. NO._____

MOTION BY SUPERVISOR DON KNABE September 18, 2012

Since 1999 this Board has taken a number of actions in support of the development of conversion technologies as alternatives to landfills. "Conversion technologies" are capable of converting waste into useful products. Research conducted by the U.S. EPA, CalRecycle, and by our own Department of Public Works concluded that conversion technologies have the capability to reduce the amount of waste sent to landfills, decrease air emissions, and create jobs.

Conversion technologies are also capable of recovering a variety of marketable products and producing local renewable power and transportation fuels, from materials that would otherwise be disposed in landfills. For example, the solid waste currently sent to landfills by Los Angeles County residents and businesses each year could potentially produce over half a billion gallons of renewable biofuels.

These technologies are already successfully operating in over 28 countries worldwide. However, certain provisions in California State law and regulations have created uncertainty regarding the permitting of these facilities and their ability to receive renewable energy credits, thereby hampering their development in California. Many companies have decided not to pursue projects in California due to risk and uncertainty associated with the current regulatory system.

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YAROSLAVSKY	_____

There does appear to be some movement on this issue in Sacramento. In a recent letter to a private conversion technology company, Governor Brown expressed support for legislation that would allow a conversion technology project to proceed on a pilot basis and be considered an eligible renewable energy resource under State law.

Conversion technologies are critical to ensuring Los Angeles County's ability to manage its waste in the future, thereby protecting public health and safety, and the environment. For this reason, Los Angeles County must seize the opportunity and continue to lead in this effort, working diligently with State officials and legislators, other municipalities, scientists, industry representatives, and other key stakeholders to modernize State and Federal law and regulation to support, rather than discourage, these promising technologies.

I, **THEREFORE, MOVE** that the Board of Supervisors direct the Department of Public Works, in conjunction with the Chief Executive Office, to work with the Sanitation Districts of Los Angeles County and other key stakeholders to:

1. Actively pursue and support the passage of State and Federal legislation and regulations that would establish a clear pathway to encourage the development of conversion technologies; including clarification of the definition of conversion technologies and ensuring they qualify for appropriate incentives for producing renewable energy, reducing landfill disposal, and producing low carbon fuels.
2. Support legislation to provide renewable energy status and to continue to provide diversion credits and other incentives for energy production at existing facilities in Los Angeles County that generate energy from waste.
3. Outreach to State agencies and other stakeholders to share information on the technical performance and multi-faceted benefits of conversion technologies, such as their role in meeting the solid waste management needs of local jurisdictions, producing green fuels, and reducing greenhouse gas emissions.
4. Work with conversion technology companies to identify potential regulatory changes that are necessary to streamline the permitting process to allow conversion technology facilities to flourish in California, while complying with California's strict environmental standards.

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Supervisor Don Knabe

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Knabe Seeks Alternatives to Landfills for 8 Million Tons of County Trash

Supervisor Don Knabe today called upon federal and state legislators to amend decades-old laws and regulations to encourage the development of innovative conversion technologies in Los Angeles County, as an alternative to landfills.

Through conversion technologies, trash that would get dumped in a landfill would be converted into fuels and energy sources. For example, the 8 million tons of waste sent to landfills by County residents and businesses each year could potentially produce over half a billion gallons of renewable biofuels.

"Conversion technologies are critical to ensuring the County's ability to manage its waste in the future, thereby protecting public health and safety, and the environment," Supervisor Knabe said. "Yet many companies have decided not to pursue projects here due to uncertainty created by California's outdated regulations."

For years, cities and counties in California have led the way in recycling and waste reduction. But, while LA County's award-winning programs have resulted in one of the highest recycling rates in the nation, there continues to be a substantial amount of residual waste remaining.

Supervisor Knabe said conversion technologies are already successfully operating in 28 countries worldwide but California laws written over two decades ago only envisioned trash being buried or burned.

"They did not account for these sophisticated technologies being able to recover products and fuels from trash and erroneously consider them equivalent to landfills and incinerators, thus creating barriers to their development," Supervisor Knabe said.

"We must seize the opportunity and continue to lead in this effort, working diligently with State officials and legislators, other municipalities, scientists, industry representatives, and other key stakeholders to modernize State and Federal law and regulation to support, rather than discourage, these promising technologies," he added.

Sacramento Needs to Catch Up—Californians are Ready for Conversion Technologies

By Pat Proano, Assistant Deputy Director, County of Los Angeles Department of Public Works

Californians have always been at the forefront of sustainability.

Our cities and counties, including the County of Los Angeles, continue to be recognized for excellence and achievement in the restoration of multi-use ecosystems and the development of sustainable capital projects that consistently earn Leadership in Energy and Environmental design (LEED) certification.

We have become master recyclers and maintain some of the highest recycling rates in the nation. In Los Angeles alone, we recycle nearly two thirds of our trash. But despite this success, we are now at a critical juncture in how to sustainably manage our waste.

Conversion technologies offer the answer for handling those materials that just cannot be recycled.

Conversion technologies can convert trash into renewable energy or biofuels as well as other useful byproducts. These technologies have been embraced by governments and citizens around the globe. Countries such as Japan, Israel and Spain have relied on them for many years for the management of municipal waste because they can increase recycling rates and reduce air emissions.

Development of these technologies in California would help spur a new and innovative industry producing clean energy and products from waste materials we would otherwise send to landfills. It would also generate new skilled, green collar jobs and support our local economy. Instead of exporting trash, jobs, and financial resources, California can build local, sustainable ecosystems.

Given Los Angeles County's limited potential for development new in-county landfills, the Board of Supervisors foresaw the need to implement a comprehensive, integrated, and sustainable strategy to manage its solid waste. This strategy placed high priority on maximizing waste reduction and recycling as well as developing alternatives to landfilling such as conversion technologies. The Board subsequently approved a multi-phased program aimed at promoting the development of advanced conversion technology facilities in the region. The imminent closure of Puente Hills Landfill later this year further heightens the urgency of this task—our success is critical in ensuring Los Angeles County residents' health and safety and the environment are protected.

However, state regulations have not kept pace with these local efforts, and have in fact hindered development of conversion technologies. Current definitions are confusing and

in some cases scientifically inaccurate, making it difficult for them to be permitted in this State.

If we cannot develop these facilities, we may be compelled to continue to put trash in the ground—a less desirable option for Californians. Since the year 2000, approximately half a billion tons of California trash has been sent to landfills. In other words, even after reducing, reusing and recycling over half of the waste we generated, over the last decade we threw away enough trash to fill the renowned Pasadena Rose Bowl nearly 2,000 times over.

Californians reasonably ask, "Why do we continue to bury our trash? With all the advanced technology we have, why can't we turn this trash into something useful, such as clean fuels? There must be a better way!"

Yes, there *is* a better way! Last year, the County of Los Angeles Board of Supervisors took a major step forward in developing conversion technologies in California with its unanimous approval of a motion calling on Sacramento to modernize outdated regulations and develop a friendlier attitude to the development of conversion technology facilities in the state. As a result, the County's legislative advocates are working to sponsor conversion technology legislation this year.

And Sacramento itself seems to recognize the role conversion technologies can play in the management of solid waste.

California Governor Jerry Brown's office recently expressed its support for establishing a "technology neutral, feedstock based performance standard" to replace the current unscientific definition written into State law and establish a clearer permitting pathway for new conversion technologies. Also, in August 2012 the Governor adopted a comprehensive BioEnergy Action Plan, collaboratively written by nearly a dozen State environmental and regulatory agencies, that calls for accelerating the production of renewable energy and clean burning fuels from solid waste and other biomass sources in the State.

Let's find a way forward by developing modern definitions. Let's work from a factually correct understanding of conversion technologies and a clear-eyed assessment of their importance in a modern, efficient system. Only by working together can we create the most sustainable waste system that respects the environment and economy for all Californians.

Pat Proano is an Assistant Deputy Director at the County of Los Angeles Department of Public Works, overseeing the Department's Environmental Programs Division. A 30-year veteran of Los Angeles County, Proano has been leading the County's efforts to integrate Conversion Technologies into the municipal waste system.