

MARIN CONSERVATION LEAGUE

Climate Action Working Group: August 17, 2018

Muir Woods Conference Room, 175 N. Redwood Blvd., San Rafael

Present: Chairman Doug Wilson; Bob Miller, Ed Mainland, Roger Roberts, Pam Reaves, Sarah Loughran, Dale Miller, Susan Stompe, David Kunhardt, Bill Carney, Belle Cole, Robert Gould, Lawrie Mott, Mary Sackett, Ken Strong, Gretchen Schubeck, Sherina Chi, Helene Marsh, Peggy Burnett, Kate Powers, Ken Jones, Heather Furmidge, Tom Flynn, John O'Klarsky, Pat Nelson.

Speakers: Will Bakx, Manager of West Marin Compost and Principal of Renewable Sonoma; Nathaniel Malcolm, Regulatory Counsel, MCE.

Chairman Doug Wilson called the meeting to order at 9:07.

Brief Introductions

Agenda and Minutes

The amended agenda and minutes were approved by consensus.

9:15 Discussion of Waste Issues Pertinent to Climate Change

Chairman Doug Wilson introduced Will Bakx, noting that the manner in which the waste stream is handled is critical and has a climate impact.

Will summarized his background: He has been working in organic recycling since 1985, when he formed Bennett Valley Farm Compost to process agricultural and fish industry waste. In 1993 he started Sonoma Compost Company to process yard waste. Sonoma Compost operates in cooperation with the County of Sonoma and the Sonoma County Waste Management Agency. He is the co-founder of the California Organic Recycling Council (CORC) and the California Compost Coalition (CCC). Will earned a BA in Environmental Studies from Sonoma State University and a MS in Soil Science from U.C. Berkeley.

Will outlined the legislative framework for the waste diversion business. In 1993, a bill was passed requiring diversion of 25% of waste from landfills by 1995 and 50% diversion by 2000. Organics and composting are the low-hanging fruit of recycling. Regulators had limited knowledge of how to achieve compliance with the waste diversion mandate, and the California Organics Recycling Council was formed to guide regulators. The U.S. Composting Council is the national organization.

One of the recycling problems Will has dealt with is pesticide-contaminated star thistle. The pesticide does not break down and concentrates in compost. The California Compost Coalition, which lobbies for member organics recyclers, won over Dow Chemical.

Sonoma Compost converts 100,000 tons of organic waste per year to compost. It is now working with West Marin Compost, making diversion more convenient, increasing the number of compost products. Its operations “speak” to the farmers in the area.

Questions and Comments

Doug: Do you work with collecting facilities. A. No.

Doug: How do you get compost? There is not enough material. How do you scale it up? A. Yes, organic material is in short supply. Recycling this material is not done well in Southern California. Northern California is better organized and incorporates carbon sequestration. We need to use organic material wisely, use a minimum amount to achieve a maximum effect. The half-inch layer recommended by John Wick is too much. What is needed is a whole array of actions including cover cropping, etc. Let nature do the work.

The next frontier is food scraps, 75,000 tons in Sonoma County, and compostable fibers. In Sonoma County, we’ve been contacted by agriculture about how to make use of byproducts that don’t burn. In proper land management, you don’t rely on tilling the soil. Conservation tillage [reducing the intensity of tillage] locks organic material in the soil.

Bob: Could you give a summary of the benefits of methane reduction and the trajectory of regulations in this area? A. Organic materials in landfills produce methane. Methane is 83 times more potent than CO₂ as a greenhouse gas. We need 100 new compost facilities in California. It takes 3-5 years to create a facility. We need to increase the diversion goals. There are pipelines that attempt to capture methane in landfills; the claimed rate of efficiency is 90%, but environmental experts estimate a 25-30% rate of recapture. We need all organic material out of landfills. Sonoma Compost has an anaerobic digestion and filter system. We get green energy and high-quality compost—equivalent to taking 5000 cars off the road.

SB 1383 and AB 341 establish recycling goals: a 50% reduction (from 2014 levels) in the disposal of organic waste by the year 2020, and a 75% reduction by 2025. The legislation doesn’t provide tools for reaching those goals. Recyclers can provide a better pricing structure if they take in more material. We are not dependent on Sonoma County or hauler outreach; we do our own outreach, starting a diversion effort 3 years out from the construction of a facility—plan for a 50-75% by the opening date for the facility. We want to minimize contaminants. The cutoff is 3%, and we strive for a contamination level of below 1%.

David: What are the contaminants? A. Not pesticides; plastic bags, utensils, glass, etc. We’re a throw-away society, rather than a society that has respect for resources. There’s a “yuck factor” in dealing with the “leavings” after we have finished with something. Education is required; the earth cannot support our throw-away economy.

Peggy: Is packaging part of the problem? A. Yes. It’s a complex problem. There is a movement toward compostable plastics, but there is a problem in the definition of “compostable.” We want the plastic to be 100% gone—returned to water and CO₂. One part of the problem is that the standard is not set high enough in terms of how long the plastic takes to break down and how

completely it breaks down. Another part of the problem is identifying compostable plastic in the waste stream; it is difficult and expensive to distinguish it from other plastics. In organic agriculture, you need a logo to market your product as organic, based on a national USDA standard. Compostable plastic is synthetic and does not qualify under that standard. The decision to accept compostable plastic at a composting facility is a kind of greenwashing; it actually goes to the landfill. A group in the industry is looking at plant-based compostable bags, trying to create a uniform list including fibers such as bamboo, etc. Pepsi Cola is going “compostable”; this is not a sustainable solution. These bottles are not made from corn; they are oil-derived. It’s better to recycle. We should separate compostable plastics from bio-recycling.

Roger: Creating a composting operation is expensive. How do you get financing? Are there any barriers? A. For our \$50 million facility, we sought a 20-year contract with two 5-year extensions. A longer contract brings the price down. It’s not cheap. Take the example of the San Joaquin Airport facility, which has the strictest standards. The tipping fee at a composting facility is \$60/ton; at a landfill, it’s \$20/ton. One idea is to put a surcharge on the landfills and apply that to the construction of infrastructure for composting. Q. Is there a bill proposed? A. Not now.

Helene: Legislation requires composing facilities to be covered. What is being done now regarding emissions? A. We have a closed system and employ static-pile aeration. A biofilter removes 85% of emissions.

Ken: What is the utilization of green bins, as a percentage? An apartment owner refuses to allow green bins. A. Contact Judith Silver for numbers to call. AB 341 has a phase-in date for commercial pickups; it ratchets down. Apartment owners might be able to get around the requirement if they have a letter certifying that a landscaper removes organic waste.

Bill: How do you get to mandatory use of green carts? What is the viability of an ordinance? Do you take Marin recycling? A. No. Sonoma County has a ban on yard debris at a landfill. You could have a requirement with no opt-out. Currently there is an opt-out for people who do self-hauling. Zero Waste favors an opt-out for people who do backyard composting. However, composting may produce more GHGs if it’s not done correctly. A municipality might set up a second facility. Redwood Landfill is applying for expansion.

Ed: What is the quality of operation at Redwood Landfill? A. I don’t engage in evaluating other facilities. The goal is to promote composting capacity. A training course is available and beneficial.

Susan: What about Recology? A. Novato is not coming to our facility, but Recology, yes. Contracts are in negotiation. Pricing will be based on the level of participation.

10:00 Discussion 2: PCIA (Nathaniel Malcolm)

Doug introduced the ongoing issue of the Power Charge Indifference Adjustment (PCIA), which CAWG has been following at the CPUC. He then asked Nathaniel, “What is going on?”

Nathaniel: The Commission decided approximately a year ago to look again at the PCIA, which is designed to ensure that when customers depart from a utility, the rate for the remaining customers does not go up as a result of that departure. The Commission looks at the total portfolio to make this determination: cost v. value above management costs.

Doug: Utilities use long-term contracts to finance energy purchases. When CCA's pull customers out of the utility's customer base, there might not be enough customers left to cover the cost of the contracts.

Nathaniel: There's a fight because the utilities enter into the contracts long-term. How do we know that the utility is managing the portfolio so as to minimize costs. CCA customers should not be required to subsidize them indefinitely. There has been no explanation for why costs keep rising. The CPUC provided a forum to examine the PCIA issue in June 2017. It has now issued two decisions, a proposed decision (issued by a judge) and an alternate proposed decision (issued by a commissioner). There are major deviations in the two decisions, and the alternate decision is much more unfavorable to CCAs than the proposed decision issued by the judge.

Ed: Does the alternate proposed decision give the utilities everything they want? A. Much of what they want. Neither decision adopted the utilities proposal to do away with the PCIA method. The decisions offer two different proposed mechanisms. The proposed decision excludes legacy utility-owned generation from cost recovery from Community Choice Aggregators and retains a 10-year limit on PCIA cost recovery. It also establishes a PCIA collar with an upper cap starting at 2.2 cents/kWh and a lower floor of 0 cents/kWh. The alternate proposed decision finds that utility-owned generation is PCIA eligible and should be recovered from CCA customers. It also terminates the 10-year limit on PCIA cost recovery. The APD establishes a PCIA collar starting in 2020 with a cap limiting changes in the PCIA to 25% from the prior year. This attempts to usurp the CCAs' ability to procure energy and also tries to shift all excess costs to CCA customers in conflict with statutes and policy. It will lead to an increase in the PCIA in the near future.

Sarah: What is the process for deciding between the proposed decision and the alternate proposed decision? A. There is a 20-day comment period. MCE is working on comments with Cal. CCA. Then there is a 5-day reply period. The Commission's voting meeting is scheduled for September 13.

Doug: By way of simplification, it looked as if the proposed decision would be generally accepted until the alternate proposed decision was issued. What can we do? A. The idea is to inform elected to weigh in. There are strategic concerns. If they come out strongly against the Commission, the commissioners may become more entrenched and the dialog will end quickly. The goal is to persuade them not to adopt the alternate proposed decision which will increase costs and lead to more volatility and an increased period for cost recovery.

Robert: For some, an increase in cost is okay so long as there is predictability. What is MCE's position? A. MCE is not trying to get out of paying. It just wants fairness. There are ways to absorb the cost creatively. It must be tied to actual costs incurred on the departing customers' behalf. Q. Is certainty or fairness the dominant factor? A. They are on a par. Certainty aids

planning. The cap and collar is also an aid. The proposed decision uses an absolute value. The alternate proposed decision takes a percentage approach.

Ken: 350.org is a party. My question is: What is the confidence level about the contracts? They stopped at 2009, but some contracts go back much farther. How can utilities sell energy they are not using and then also charge for that energy via the PCIA? A. There is an annual resource recovery proceeding. You can see the net effect but not the details and advocate re utility practices affecting the net result.

Doug: What can we do as citizens? A. We are drafting letters re a reasonable solution. The message is don't adopt the alternate proposed decision, adopt a positive tone about a negotiated compromise. Q. Will you forward the letter to the CAWG? A. Yes.

Belle: How do you think it will come out? A. It's hard to say. The alternate proposed decision is a last-minute curve ball. The question is how to read between the lines, reach a middle ground.

Doug: It helps to have bodies at the hearing.

Ed: Is there a chance of an MCL position before the hearing? A. (Doug): Doubtful.

Updates

350 Marin. There will be a Bay Area Climate Justice March on September 8, with 9 buses from Sonoma and Marin. Go to the website to sign on.

Dale: An EV parade is part of the march. Meet at Spear Street between Market and Mission. Let Dale know if you're coming.

Lead On Climate (Belle). There is less than a month until the How to Get to Paris Without Going Through Washington event. The website is up to date: leadonclimate.org. Buy your tickets. Get the word out. If you have press contacts, let them know. Contact Belle if you wish to participate in tasks. We have had a good response with co-sponsors and with the Marin showcase. The showcase starts at 5:30. Let Belle know if there are potential additional participants.

Sarah: I suggest that you place Figueres's name front and center.

Kate: Are you advertising throughout the Bay Area. A. We're trying to. It's in process. We're contacting newspapers, past participants, Our Facebook page and website can reach people beyond Marin, as does 350 Bay Area. The space at COM has the capacity for 1400 people. We're aiming for 500-800. We have a youth effort going. We're translating events and the flyer.

Ken: Check with the Canal Alliance.

Sustainable Enterprise Conference (Doug, Robert). The conference is in the design and planning phase. There will be key speakers and breakout sessions. There will be four tracks roughly corresponding to Drawdown goals. The theme is business opportunity and economic benefit for the county and beyond. There will be time for dialog among the participants to build a sense of community. The conference will be held on October 25 at the Embassy Suites.

Drawdown Marin (Doug and Mary). There will be a new hire, starting on 9/10. The County is working with MCAN. There will be more updates at the next meeting and also at the How to Get to Paris event.

Reports

Transportation Measure A (Doug and Kate). The measure enacted in 2004 runs through 2024. The decision was made to place the continuation of the measure on the ballot this year. Half of the funding from this measure goes to transit and it provides matching funds for Marin projects. Measure A would continue and supersede the current version for a period of 30 years. The advantage in doing this now is that it creates an ability to issue bond and secure other financing. Projects at issue include widening of the Marin-Sonoma narrows, the bike path, the 101-580 flyover, improvement of interchanges, and projects addressing flooding and traffic problems. The measure also provides for local road maintenance and raises the level of local funds by 8%. The existing level of neglect increases the cost of maintenance. Vigorous advocacy led to the inclusion of language regarding flexibility to respond to changing needs and climate change. It sets aside funds for EV infrastructure and fleet conversion. It provides funds for planning for sea level rise (a relatively small amount). It funds the Muir Woods shuttle, senior transportation, mobility during natural disasters. There is a required 6-year review re needs of the county.

Environmental Legislation (Ed). AB 813 re CAISO regionalization is being held in the Rules Committee. It's not dead. SB 237 takes the cap off of direct access energy procurement. It passed out of committee. Sierra Club sent a letter opposing. It could be voted on any time. SB 901 concerns fire liability. McGuire is co-author.

Ken: SB 100 is ready for a vote on the Assembly floor. They're waiting until they have the votes, trying to get as many co-sponsors as possible, which would limit amendments. Levine is in question.

David: I met with Levine's legislative aide—unfriendly to solar. McGuire is positive on solar.

Sarah: The session ends in 15 days. The holdout is the Assembly. Reach out to Assembly members.

Ken: The 100% renewable goal is partly aspirational.

Sarah: Write letters.

Bob: A number of people want as much to happen as possible.

Q. Could there be an IJ piece asking Levine to be a co-author?

David: SB 700 continues state mandates re batteries. This is the highest priority. The Solar and Storage Association is going through their final cost analysis.

Doug: Write a letter re SB 100 and make a recommendation to the CPUC President. These are consistent with past policy and don't require a board vote.

Sarah volunteered to work on the letter.

David: Move.

Belle: Second.

Resilient Neighborhoods (Bill). New groups are starting in September – October. The website has a list.

350 Bay Area. There will be a march and picnic tomorrow in Oakland.

Robert: Is this march “one of the big ones”? A. It is ground zero, the largest march in California history.

Sustainable Organizations

Novato (Gretchen). There will be a summit at the Buck Institute for public agency personnel, city managers, mayors, etc. plus community leaders (150 participants, max.) in the week following the climate event. The event will promote collaboration and emergency preparedness. Good response so far.

San Rafael (Bill). There was a membership renewal event last week, with a focus on passing Measure A. We're looking for an opportunity for organizational input.

Announcements

Dale: The week of 9/15 is Marin's Drive Electric Week, with events on Bon Air shopping center.

David: A carbon pricing plan is up for a vote in Washington state. Republican legislation has been introduced in the House to rebuild infrastructure by means of a carbon tax. There is a national campaign to put a price on carbon. The Environmental Forum Master Class starts in September.

The next CAWG meeting is on September 20. Speakers will address the public health impacts of climate change.

Meeting adjourned 11:05.

Minutes: PN.