An act to amend Section 26002 of, and to add Section 42999.5 to, the Public Resources Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL’S DIGEST


(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board as a part of the market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund.

Existing law establishes the CalRecycle Greenhouse Gas Reduction Revolving Loan Program, administered by the Department of Resources Recycling and Recovery, to provide loans to reduce the emissions of greenhouse gases by promoting in-state development of infrastructure to process organic and other recyclable materials into new value-added products.

Existing law requires the department, with additional moneys from the Greenhouse Gas Reduction Fund that may be appropriated to the department, to administer a grant program to provide financial assistance, in the form of grants, incentive payments, contracts, or other funding mechanisms, to reduce the emissions of greenhouse gases by
promoting in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or process organic and other recyclable materials into new, value-added products.

This bill would require the department to develop, on or before January 1, 2021, and would authorize the department to amend, a 5-year investment strategy to drive innovation and support technological development and infrastructure, in order to meet specified organic waste reduction and recycling targets, as provided. The bill would require, on or before June 1, 2021, the department, in coordination with the Treasurer, to develop financial incentive mechanisms, including, but not limited to, loans and incentive payments, to fund organic waste recycling infrastructure, in accordance with the investment strategy. The bill would state the intent of the Legislature that, commencing with the 2020–21 fiscal year, through the 2024–25 fiscal year, an unspecified amount be appropriated in the annual Budget Act from the Greenhouse Gas Reduction Fund to the department to be expended for the loan and grant programs described above and to be transferred into the California Recycling Infrastructure Investment Account, which this bill would create in the State Treasury. The bill would authorize moneys in that account to be expended by the Treasurer for the financial incentive mechanisms developed pursuant to this bill, in accordance with the investment strategy and other specified requirements.

(2) The California Alternative Energy and Advanced Transportation Financing Authority Act creates the California Alternative Energy and Advanced Transportation Financing Authority to provide financial assistance for the development and deployment of alternative energy and renewable energy technologies, and provides that it is the purpose of the act to advance the state’s goals of reducing the levels of greenhouse gas emissions and increasing the deployment of sustainable and renewable energy sources, among other things.

This bill would additionally provide that it is the purpose of the act to provide an alternative method of financing in providing and promoting
the establishment of facilities needed to develop regional recycling markets. organic waste diversion technologies.


The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares all of the following:
(1) Organic waste is a key source of methane emissions, a powerful climate forcer for greenhouse gases and short-lived climate pollutants that significantly impact air quality, public health, and climate change.
(2) The state has been a leader in advancing policies that drastically divert organic waste from landfills and recycle it, including by mandating a 40-percent reduction in methane emissions by 2030, compared to 2013 levels.
(3) The state is facing a crisis due to international dynamics that have critically impacted our traditional recycling markets.
(4) The state, in coordination with the States of Nevada, Oregon, and Washington, requires a stable, multiyear incentive program that leverages private and other additional public funds to build infrastructure to meet the needs of the state’s organic waste diversion mandate and recycling market crisis.

(b) It is the intent of the Legislature that moneys subsequently appropriated for the Organic Waste Diversion Infrastructure Act of 2019, including, but not limited to, any moneys appropriated from the Greenhouse Gas Reduction Fund, established pursuant to Section 16428.8 of the Government Code, be expended for grants pursuant to Section 42999 of the Public Resources Code, and, notwithstanding subdivision (a) of Section 42999 of the Public Resources Code, for loans pursuant to Section 42997 of the Public Resources Code.

SECTION 1.
SEC. 2. Section 26002 of the Public Resources Code is amended to read:

26002. It is the purpose of this division to advance the state’s goals of reducing the levels of greenhouse gas emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of
energy, creating high quality employment opportunities, and
lessening the state’s dependence on fossil fuels and to that end to
provide an alternative method of financing in providing and
promoting the establishment of all of the following:
(a) Facilities utilizing alternative methods and sources of energy.
(b) Facilities needed for the development and commercialization
of advanced transportation technologies.
(c) Facilities needed to develop local and regional recycling
markets: organic waste diversion technologies.
SEC. 2.
SEC. 3. Section 42999.5 is added to the Public Resources Code,
to read:
42999.5. (a) This section shall be known, and may be cited,
as the Organic Waste—Recycling Diversion Infrastructure
(b) The Legislature finds and declares all of the following:
(1) Organic waste is a key source of methane emissions, a
powerful climate forcer that significantly impacts air quality, public
health, and climate change.
(2) The state has been a leader in advancing policies that
drastically divert organic waste from landfills and recycle it,
including by mandating the reduction of methane emissions 40
percent lower than 2013 levels by 2030.
(3) The state is facing a crisis due to international dynamics that
have critically impacted our traditional recycling markets.
(4) The state, in coordination with the States of Nevada, Oregon,
and Washington requires a stable, multiyear incentive program
that leverages private and other additional public funds to build
infrastructure to meet the needs of the state’s organic waste
diversion mandate and recycling market crisis.
(b) The department shall support technology advancement and
infrastructure to meet the state’s 2025 organic waste reduction
target pursuant to Section 39730.6 of the Health and Safety Code
and the state’s recycling goals pursuant to Section 41780.01.
(c) The department shall develop, on or before January 1, 2021,
and may amend, a five-year investment strategy to drive innovation
and support technological development and infrastructure, in order
to meet the state’s 2025 organic waste reduction target pursuant
to Section 39730.6 of the Health and Safety Code and the state’s
recycling goals pursuant to Section 41780.01. The investment strategy shall do all of the following:

1. (A) Set forth a five-year plan for the expenditure of moneys appropriated pursuant to subdivision (g) for purposes of this section.

2. (B) An eligible expenditure may occur over multiple fiscal years.

3. (C) The department may make multiyear funding commitments over a period of more than one fiscal year.

4. (2) Assess the amount of money needed to build the infrastructure necessary to achieve the waste reduction target pursuant to Section 39730.6 of the Health and Safety Code through building infrastructure.

5. (3) Identify priorities and strategies for financial incentive mechanisms authorized to be funded by the moneys appropriated pursuant to subdivision (g) to help achieve the organic waste reduction target pursuant to Section 39730.6 of the Health and Safety Code and the state's recycling goals pursuant to Section 41780.01.

(d) On or before June 1, 2021, the department, in coordination with the Treasurer, shall develop financial incentive mechanisms, including, but not limited to, loans and incentive payments, to fund organic waste diversion and recycling infrastructure, in accordance with the investment strategy developed pursuant to subdivision (c).

(e) (1) There is hereby established in the State Treasury the California Recycling Infrastructure Investment Account, which the Treasurer shall administer. Moneys transferred into the account pursuant to subdivision (g) may be expended by the Treasurer for the financial incentive mechanisms developed pursuant to subdivision (d), in accordance with the investment strategy developed pursuant to subdivision (c) and the requirements specified in paragraph (2).

2. The Treasurer, in providing any financial incentives pursuant to this subdivision, shall do all of the following:

(A) Ensure that a recipient of a financial incentive leverages local, state, federal, and private funding sources to maximize investment in organic waste diversion and recycling infrastructure.
(B) Prioritize projects that have multiple benefits, including, but not limited to, reducing greenhouse gas emissions pursuant to Section 39730.6 of the Health and Safety Code, increasing recycling pursuant to Section 41780.01, emissions, increasing solid waste diversion, increasing workforce training and development, reducing collection and recycling costs to local governments, and creating jobs.

(C) Prioritize projects that maximize benefits while minimizing negative consequences to disadvantaged communities, as identified pursuant to Section 39711 of the Health and Safety Code.

(D) Seek to achieve a portfolio approach to funding pursuant to this subdivision that supports a diverse set of projects.

(f) The Treasurer shall coordinate with the States of Nevada, Oregon, and Washington on infrastructure financing to support the recycling needs of the region and shall create an advisory stakeholder committee to support development of interstate recycling infrastructure and markets for recyclable materials.

(g) It is the intent of the Legislature that, commencing with the 2020–21 fiscal year, through the 2024–25 fiscal year, the sum of ____ dollars ($____) shall be appropriated annually from the Greenhouse Gas Reduction Fund in the annual Budget Act to the department. Moneys appropriated in those Budget Acts pursuant to this subdivision may be expended for grants pursuant to Section 42999, and, notwithstanding subdivision (a) of Section 42999, for loans pursuant to Section 42997 and may be transferred into the California Recycling Infrastructure Investment Account and expended pursuant to subdivision (e).