



CLIMATE  
ACTION  
RESERVE

## Policy Memorandum

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To: ALL PROJECT DEVELOPERS AND VERIFICATION BODIES  
Date: JANUARY 14, 2015  
Re: EFFECT OF NEW WASTE DIVERSION MANDATES ON RESERVE  
PROJECTS (CITY OF SEATTLE & STATE OF CALIFORNIA)

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The Reserve's Organic Waste Diversion (OWD) and Organic Waste Composting (OWC) Project Protocols consider municipal solid waste (MSW) food waste and food soiled paper waste eligible to generate carbon offset credits, where such wastes are voluntarily diverted from landfills. Newly enacted waste diversion mandates in the City of Seattle and the State of California will affect projects that accept such waste originating from these locations moving forward.

### Background

Both the OWD and OWC protocols give credit for the diversion of non-industrial food waste and co-mingled food soiled paper from landfill.<sup>1</sup> Both of these protocols assume a baseline or "business as usual" practice of sending such waste streams to a landfill, where it produces methane emissions as it degrades. By appropriately documenting that such waste streams are being sent to the project, projects generate offset credits for the emission reductions associated with such diversion. Though slightly different in their application, both the OWD and OWC protocols contain provisions to exclude from eligibility previously eligible waste streams if the diversion of such waste streams becomes mandated by State or local law.

### California Waste Diversion Mandate<sup>2</sup>

On September 30, 2014, Governor Jerry Brown signed into law AB 1826, a mandate to reduce the amount of organic waste going to landfills.

The measure is set to be enacted on April 1, 2016, at which time any California "business" (defined as a commercial or public entity or a multi-family dwelling of 5 units or more) that generates more than eight cubic yards of "organic waste" per week must arrange for recycling services for that waste. "Organic waste" is defined fairly broadly to include food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food soiled paper waste that is mixed with food waste. On January 1, 2017, that threshold drops to four cubic yards of organic waste per week.

On January 1, 2019, businesses that generate four cubic yards or more of "commercial solid waste" will need to arrange for recycling of the relevant waste. "Commercial solid waste" is essentially defined as a catch-all, including all solid waste, meaning from this point on, once any business generates four cubic yards of any solid waste per week, all such waste will become subject to this mandate. There is also provision for this commercial solid waste threshold to drop to two cubic yards per week, if waste diversion targets have not yet been met.

There are a number of potential exemptions (such as rural counties that opt out) and for multi-family dwellings, there is no requirement to recycle food waste regardless of how much other organic waste they generate.

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<sup>1</sup> Note that the OWD protocol also credits for the digestion of wastewater, though that is not relevant to this memo.

<sup>2</sup> A copy of the mandate can be found here: [http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab\\_1801-1850/ab\\_1826\\_bill\\_20140928\\_chaptered.htm](http://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_1801-1850/ab_1826_bill_20140928_chaptered.htm).

Businesses that are subject to this mandate have the flexibility to choose their own recycling method, as long as it meets all local laws/regulations and at a minimum they take at least one of the following actions:

- source separate organics and subscribe to some recycling service that includes collection/recycling of that waste
- recycle their own organics on-site
- subscribe to a mixed waste recycling service that specifically recycles organics
- other arrangements consistent with the law

In order to assist California businesses to meet these requirements, each jurisdiction must implement an organics recycling program by January 1, 2016. This requirement is quite comprehensive, extending to an obligation to explore all existing facilities, potential further opportunities, barriers to implementing new facilities, other “non-disposal” opportunities and markets, permitting requirements, incentives, education and outreach, etc.

### **Relevance of California Waste Diversion Mandate for OWC and OWD Projects**

OWC or OWD projects will not be able to be credited for waste streams once they become subject to this new mandate. Starting April 1, 2016, any waste stream originating from California commercial or public entities that generate eight (or more) cubic yards of organic waste per week will no longer be considered an eligible waste stream. Similarly, from April 1, 2016, any food soiled paper waste coming from multi-family dwellings of five units or more will not be considered an eligible waste stream. As the mandate threshold decreases in subsequent years, those waste streams newly captured by the mandate will no longer be eligible.

It is not yet clear how each jurisdiction will identify businesses that are subject to each stage of the mandate or how exemptions will be granted. Once that becomes clearer, it will inform how eligible and ineligible waste streams can be identified for the purposes of OWC and OWD projects.

### **City of Seattle Waste Diversion Mandate<sup>3</sup>**

**Council Bill Number: 118195, Ordinance Number: 124582**

In September of 2014, the City of Seattle passed into law a new waste diversion mandate. Starting on January 1, 2015, all “commercial establishments”<sup>4</sup> and residences (single/multi-family and mixed used buildings) are required to divert all of their food and paper waste away from landfill to recycling centers.

### **Relevance of Seattle Waste Diversion Mandate for Reserve OWC and OWD Projects**

This mandate effectively covers all MSW (food and paper) waste streams that are currently eligible for OWC and OWD projects receiving waste from the City of Seattle. Starting January 1, 2015, no such waste streams will be eligible at any OWC or OWD projects, unless it is a new project implemented no more than six months from the date the mandate was passed into law, or it is an OWC project which commenced no more than 5 years before the mandate was passed into law. This means that unless a new project is *implemented* by the end of March 2015, OWC and OWD projects will no longer be able to accept any City of Seattle MSW paper/food waste.

### **Relevance of Waste Diversion Mandates for Reserve Landfill Projects**

In contrast to the OWC and OWD protocols, which essentially give credit for the GHG benefits of the diversion of organic waste from the MSW system, the Landfill Project Protocol gives credit for the

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<sup>3</sup> A copy of the mandate can be found here: <http://clerk.seattle.gov/~scripts/nph-brs.exe?s1=food+waste&Sect4=AND&l=MAX&Sect1=IMAGE&Sect2=THESON&Sect3=PLURON&Sect5=LEGI2&Sect6=HITOFF&d=LEGA&p=1&u=http://clerk.seattle.gov/~public/legisearch.htm&r=2&f=G>.

<sup>4</sup> Not specifically defined in the Ordinance.

capture and destruction of landfill gas emanating from the landfill itself. The Landfill Project Protocol encourages parties to use or destroy the methane produced by waste that is already in landfills. As such, organic waste diversion mandates do not affect landfill projects directly. Long term, such mandates will eventually result in less methane being emitted by landfills, as the organic content in affected landfills degrades and the organic waste that would have replaced it is diverted away from landfills by such mandates.