

Stakeholder Consultation:

Grocery Store SSO Waste Documentation Options

OWC Project Protocol



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March 19, 2014

We will begin shortly

For audio, please dial: (480) 297-0022

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Agenda

- Brief intro to the Climate Action Reserve
- Brief intro to Organic Waste Composting Project Protocol V1.1 and policies regarding eligibility of source-separated grocery store waste
- Outline barriers project developers may face gathering requisite data
- Outline potential options for overcoming these barriers
 - Data needs
 - Can you provide such data?
 - Other options?
- Next steps
- Questions & Discussion



The Climate Action Reserve

- Non-profit GHG offsets project registry
- Develop high-quality standards, oversee verification program, and register/track offset credits in a public system
- Ensure environmental integrity and quality of offset credits
- Intended to be the premier carbon registry for North America
- Reserve stats:
 - 317 account holders
 - 207 projects currently registered with over 48 million CRTs issued
 - >10.6M CRTs retired
 - 305 additional projects seeking registration



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Protocol Summary

ORGANIC WASTE COMPOSTING V1.1



Project Protocol Components

Section 2 Define the GHG reduction project

Section 3 Determine eligibility

Section 4 Establish the GHG assessment boundary

Section 5 Quantification of GHG reductions

- Baseline emissions
- Project emissions

Section 6 Monitoring requirements

Section 7 Reporting requirements

Section 8 Verification guidance

Eligibility Criteria



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I: Location → **U.S. and its territories**

II: Project Start Date → **No more than 6 months after first received eligible waste stream. No more than 6 months prior to project submittal.**

III: Additionality → **Exceed Legal Requirements**
→ **Meet performance standard**

IV: Regulatory Compliance → **Compliance with all applicable laws**



Performance Standard Test

- Projects pass the Performance Standard Test (PST) by meeting a performance threshold, i.e. a standard of performance applicable to all composting projects.
 - Based on assessment of the common practice waste management of potential compost feedstocks.
 - The PST for this protocol defines feedstocks that the Reserve has determined are likely to be deposited in landfills or anaerobic lagoons under common practice or “business-as-usual” management practices.
 - Only projects that divert and compost eligible feedstocks are deemed to exceed common practice and are therefore eligible for registration under this protocol.



Eligible Waste Streams

- MSW Food Waste:
 - Non-industrial solid food waste commonly disposed of in a MSW system, consisting of uneaten food, food scraps, spoiled food and food preparation wastes from homes, restaurants, kitchens, grocery stores, campuses, cafeterias, or similar institutions
- Food Soiled Paper Waste:
 - Non-recyclable paper items that are co-mingled with food waste, consisting of paper napkins and tissues, paper plates, paper cups, fast food wrappers, used pizza boxes, and other similar paper items typically disposed of in an MSW system
- *Also: Livestock Manure (see LSPP) and Agro-Industrial Wastewater*

Common Practice: Pre-Existing Food Waste Composting



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- Approx. 2.8% of the MSW food waste generated in the U.S. is composted annually (i.e. common practice)
 - Composting this food waste is not additional (it was already composted without GHG credit incentives)
- Stakeholder workgroup understanding that majority of composted food waste (i.e. much of the 2.8%) is a result of **grocery store** diversion programs
 - Other MSW food waste composting was understood to be extremely uncommon



Pre-Existing Food Waste Composting

Therefore:

- Protocol needs a mechanism to prevent crediting of grocery store waste streams that have historically been composted (i.e. Business As Usual)
- Thus, grocery store waste streams:
 - Composted prior to project start date are ineligible, and
 - All new grocery store waste streams must document that previous management was landfill for at least 36 months prior to date first delivered to facility

Current Options to Document Eligibility



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- Grocery store waste streams are eligible if, and only if, the project developer can document that:
 - For continuous period of at least 36 months prior to first delivery to project, food and soiled paper waste generated by the grocery store was sent to a landfill, or
 - The source of the waste was deemed eligible waste at an OWC or OWD project registered with the Reserve, or
 - The grocery store from which the waste originated is a new facility (no prior waste management)

Current Eligibility Monitoring Requirements



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- To document eligibility, projects must monitor the following information for each grocery store waste stream:
 - The initial date of delivery to the project
 - The origin (by facility)
 - The previous waste disposal methods used by the generator
 - The opening date of any new grocery store facilities supplying waste to the project

Grocery Store Documentation Requirements Too Restrictive?



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Issues:

- Stakeholder feedback has indicated documentation requirements create significant hurdles
 1. Waste haulers may not always track this information with the necessary details.
 2. Haulers may be unwilling to supply this information due to competitive, or other, concerns.
 3. Significant additional research needed to establish 36 month pre-project history for each grocery store.
- Can make projects uneconomical



Options to Update the OWC Protocol

- **Change the Performance Standard – Full Version Update** (e.g. V2.0 to V3.0)
 1. **Option: Remove grocery store PS.** Present data showing that existing food waste composting (i.e. the 2.8%) was misidentified and no threat of non-additional waste exists.
 2. **Option: Conservative alternative option.** Propose an alternative approach that removes risks to additionality while also relieving the burden of current documentation requirements.
 - Any updates to the PS may also need to account for any recent developments in composting in certain sectors, such as college campuses and professional sporting facilities.



Options to Update the OWC Protocol

- **Change the Monitoring Requirement – Incremental Update (e.g. V2.0 to V2.1)**
 - Are there other ways to document the eligibility of grocery store waste streams?
 - Next look at a list of potential alternative monitoring options and associated documentation requirements that have been identified by Reserve staff.
 - The Reserve is open to considering further alternatives.

Option 1: Demonstrate Project Lies Outside Regions with High Composting Levels



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- **The concept:**

- Reserve could acquire data defining geographic area(s) associated with identified existing food waste composting activity
- Project developer could then demonstrate their waste source lies outside these areas.

- **Open questions:**

- How do we define such areas?
- Would such areas need to be defined differently in different parts of the country?
- Would such exclusion zones differ in size based on geography?

Option 1: Demonstrate Project Lies Outside Regions with High Composting Levels



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- **Proposed data requirements:** U.S. EPA report used by OWC protocol states 2.8% of food waste is diverted from landfill.
- We need to see data that identify the origin and fate of that 2.8% of food waste, preferably at the county level, though state level may be acceptable.
- Result would show the % food waste diversion at the particular scale, such that it would be possible to identify areas where diversion is effectively nonexistent. In those areas it may be possible to relax the performance standard.

Option 1: Demonstrate Project Lies Outside Regions with High Composting Levels



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- **Proposed documentation requirement:**
 - The PD could document that its grocery store waste generators do not lie within these areas

Option 2: Demonstrate Project Composting Operation Lies in Area with No Competing Composting Operations



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- **The concept:**

- Require PDs to demonstrate that an absence of composting activity exists within the ‘competitive area’ of the project, for 36 months prior to each new waste stream being sent to the project.
- Reserve could develop a map identifying all composting operations around the country and the ‘competitive area’ around such facilities.
- Project developers then only need determine whether their facility falls within ‘competitive area’ of any other facilities.

Option 2: Demonstrate Project Composting Operation Lies in Area with No Competing Composting Operations



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- **Open questions:**

- How do we define an appropriate ‘competitive area’ for each project
- What is a reasonable maximum distance for a composting operation to be sourcing waste?
- Would such an approach only benefit new composting operations?

- **Data requirement:**

- If data exists which identifies and maps existing composting facilities accepting food waste, this could be quite useful.
- Data on factors used to determine ‘competitive area’ would be useful, including data on distances traveled by waste received at composting facilities.

Option 2: Demonstrate Project Composting Operation Lies in Area with No Competing Composting Operations



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- **Documentation requirements:**
 - Sufficiently document that all composting being performed in the competitive area is done as part of discrete pilot programs; and/or
 - Demonstrate no historical food composting being undertaken by competitors in the competitive area.
 - Documentation could come from a source such as the USCC, or using state waste characterization reports, or some other report that covers the projects competitive area.



Further Useful Data

- Data setting out current volumes of food waste (grocery store & other) being composted around the country, broken down to county/region/state – and breakdown of % attributable to each source category.
- Include grocery stores + ideally also newly emerging potential organics-rich sources such as sports arenas, grocery store distribution centers, large restaurants (and restaurant chains), university and college campuses.
- It might also be necessary to have data on how far grocery store food waste is being transported, in different parts of the country.



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Next Steps

- Send data to Reserve
- Get in touch to discuss options/data

Questions?



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Sami Osman
Policy Manager
213-542-0294
sosman@climateactionreserve.org

Anna Schmitz
Policy Associate
213-213-1239
aschmitz@climateactionreserve.org

Max DuBuisson
Senior Policy Manager
213-785-1233
max@climateactionreserve.org

