

EXTENDED PRODUCER RESPONSIBILITY IN ACTION
LOCAL IMPACTS

2024 City Leaders Summit

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EXTENDED PRODUCER RESPONSIBILITY (EPR)

Beyond State Legislation

State EPR Programs

California EPR

SB 54 In Focus

EXTENDED PRODUCER RESPONSIBILITY DEFINED

- EPR programs are intended to be funded fully by industry rather than through garbage rates (ratepayers).
- Programs vary in how they are implemented.
- Extended Producer Responsibility – Mandatory; Reporting; Enforcement
- Circular Economy – May incentivize source reduction, green design, and recycling





BEYOND STATE LEGISLATION

- Bottle bills are popular - 75% of Americans support a bottle bill*
- Benefits of a national Bottle Bill include:
 - Increasing access for the public to recycle their containers at stores, return centers, and reverse vending machines
 - Reducing litter and increasing availability of recycled materials
 - Resolving competing efforts between States and creating a synergistic program nationally
- Other countries with EPR programs include Canada/British Columbia and Europe

STATE EPR PROGRAMS



9 STATES HAVE INTRODUCED
LEGISLATION ON EPR FOR PACKAGING
IN 2024



MAINE, COLORADO, OREGON, AND
CALIFORNIA HAVE PASSED MULTIPLE
MAJOR EPR LAWS



COVERED MATERIALS RANGE IN TYPE
(PACKAGING, PLASTIC PRODUCTS, TEXTILES,
HAZARDOUS WASTE, ETC.)



OTHER LEGISLATION: RIGHT TO
REPAIR; TRUTH IN LABELING



CALIFORNIA EPR

EPR covered products in California include:

- Ag pesticide containers
- Batteries
- Beverage Containers
- Carpet
- Electronic waste
- Mattresses
- Medical Sharps
- Mercury thermostats
- Packaging and food service ware
- Paint
- Product recall
- Tires
- Used oil



UPCOMING CA 2024 EPR

- **SB 1066** (Blakespear): Marine Flare EPR
- **SB 1143** (Allen): Household Hazardous Waste Producer Responsibility Act
- **SB 707** (Newman): Responsible Textile Recovery Act
- **AB 863** (Aguiar-Curry): Carpet Recycling
- **AB 2** (Ward): Solar Photovoltaic Module Recycling
- **AB 660** (Irwin): Streamlining Expiration Dates
- **AB 2648** (Bennett): Single-Use Plastics
- **AB 2236** (Bauer-Kahan): Plastic Bag Ban
- **SB 615** (Allen): Electric Vehicle Traction Batteries
- **SB 1053** (Blakespear): Plastic Bag Ban
- **SB 1280** (Laird): 1 lb. Propane Gas Cylinder Sales Phaseout

A woman with curly hair, wearing a white t-shirt, is shown in profile, filling a clear glass jar with a black funnel. She is standing at a bulk food station in a grocery store, with various jars and containers visible on the shelves. The background is slightly blurred, showing other shelves and a warm, indoor lighting. The entire image has a green tint, and there is a dark blue vertical bar on the left side.

SB 54 - PLASTIC POLLUTION AND PACKAGING PRODUCER
RESPONSIBILITY ACT (ALLEN, 2022)

IN FOCUS

SB 54 - KEY GOALS

- ✓ Reduce the volume of packaging generated/disposed
- ✓ Increase recycling
- ✓ Shift packaging pollution responsibility to producers
- ✓ Shift costs from local jurisdictions/ratepayers
- ✓ Provide clarity and consistency for consumers
- ✓ Stimulate investment in reuse and refill systems
- ✓ Fund clean up efforts in disadvantaged communities



MATERIALS COVERED BY SB 54



Single-use packaging

plastic, paper, paperboard, metal, glass, multi-layer materials, etc.



Plastic single-use food ware

Cups, lids, straws, cutlery, stirrers, lidded containers, trays, plates, clamshells, food wrap, wrappers

IN CALIFORNIA, BY 2032:



100%
of single-use
packaging and plastic
single-use food ware
recyclable or
compostable



65%
of single-use plastic
packaging and food
ware recycled



25%
source reduction
of single-use plastic
packaging and food
ware
(by weight and unit)



Earlier recycling rate requirement for expanded polystyrene foodware
(25% by 2025 → 65% by 2032)

IMPLEMENTATION AND ENFORCEMENT

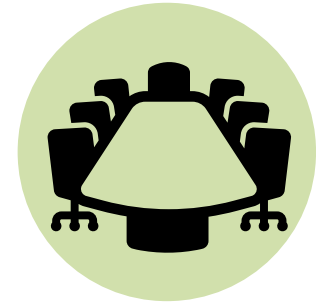
CalRecycle is responsible for:



Developing regulations
(by January 1, 2025)



Reviewing and approving
PRO Plan



Appointing 16-Member
Advisory Board



Conducting Needs Assessments
and publishing recycling rates



Enforcing requirements

RECENT SB 54 PROCESS UPDATES

2023 –
Early 2024

- **Informal stakeholder workshops** held by CalRecycle

Dec. 2023

- **Producer Responsibility Organization** selected

Dec. 2023

- **Draft Regulations** published

Dec. 2023

- **Covered Material Category Lists** developed

Jul. 2023 &
Feb. 2024

- **Advisory Board** appointed + first meeting held

Apr. 2024


- **Comments** due for Draft Regs

May 2024

- **Comments** due CMC List

UPCOMING MILESTONES

NEXT MILESTONES

- 
- Formal rulemaking begins (early 2024)
 - Regulations adopted (Jan. 1, 2025)
 - Covered Materials Category List Comments (May 7, 2024)
 - Final Covered Materials Category list (Jul. 2024)
 - Needs Assessment (2024-2025, timing TBD)
 - PRO Plan & Budget (Jan. 1, 2027)

UPCOMING CALRECYCLE EVENTS

- 
- Next Advisory Board Meeting (April 12, 2024)
 - Formal Regulatory Workshop (April 23, 2024)

A photograph of two men sitting at a small wooden table outside a cafe. The man on the left is wearing a dark blue long-sleeved shirt and dark pants, and is smiling. The man on the right is wearing a patterned shirt and dark pants, and is holding a white cup. They are sitting on wooden chairs. The cafe has a large window with a decorative frame. The entire image is overlaid with a semi-transparent green filter. A vertical blue bar is on the left side of the image.

SB 54 - LOCAL JURISDICTION IMPACTS WHY IT MATTERS

■ The **SB 54 Needs Assessment** determines baselines and necessary investments to implement SB 54, such as:

- Collection and processing infrastructure
- End markets and market development
- Education and outreach
- Reuse/refill infrastructure

Why this matters locally:
Needs Assessment will form the basis for accurate funding of local programs and infrastructure

Needs Assessment Timeline

2023-2025

Collaborative Development of Needs Assessment



2025

Publish Assessment



2030

Update Assessment Every 5 Years or As Necessary

Producer Responsibility Organizations



Create Programs



Increase Recycling



Cut Trash Pollution in
Disadvantaged Communities



Enroll Manufacturers



Pay All Implementation Costs

The PRO must fully fund plan implementation including a **\$5B plastic pollution mitigation** fund and costs incurred by local jurisdictions and service providers. Costs will include:

- Collection/ Processing
- Transportation
- Sampling and Reporting
- Market Development
- Source Reduction
- Outreach and Education

Why this matters locally:

The details of the PRO Plan and Budget will be critical to clarifying SB 54 implementation

COVERED MATERIAL CATEGORIES (CMC)

- CalRecycle published the first CMC list on Jan. 1, 2024
- Final list published on July 1, 2024
- “Recyclability” - SB 343
- “Compostability” - AB 1201
- Consideration of responsible end markets

Why this matters locally:

Jurisdictions are required to collect materials designated recyclable or compostable by CalRecycle



Recyclable
covered materials



NO:



Compostable
covered materials

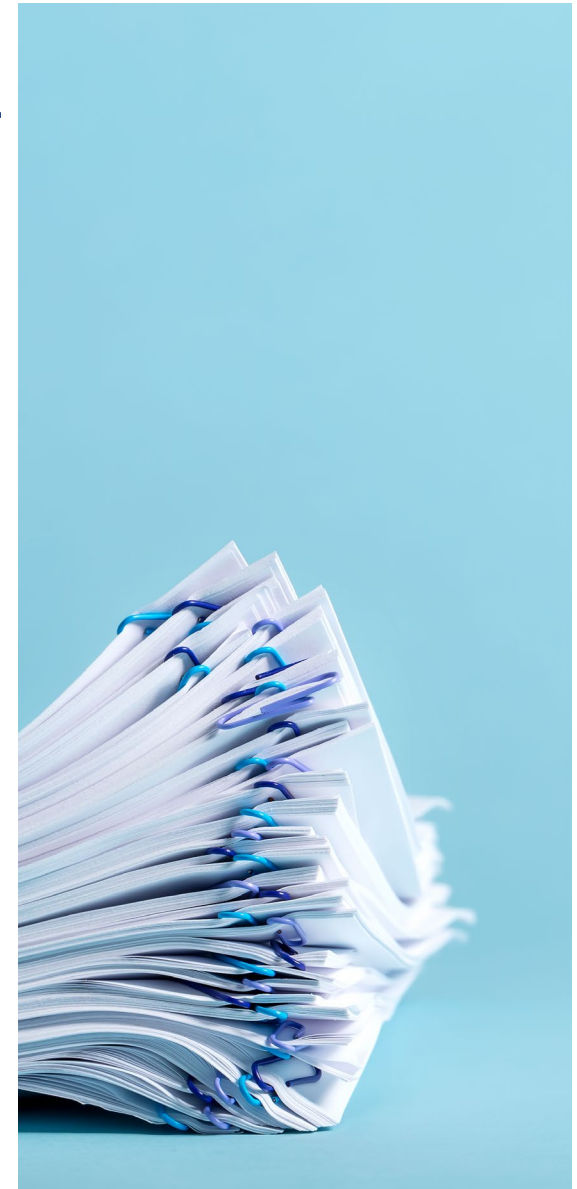


NO:



DRAFT SB 54 REGULATIONS: TAKEAWAYS FOR LOCAL GOVERNMENT

- New sections pertaining to local government:
 - Exemption process
 - Enforcement
- Outstanding questions
 - Timing of collection requirements
 - Categories of costs covered
 - Reimbursement mechanics
 - Roles between jurisdictions/service providers/PRO
 - Timeline for individual producers to join PRO
 - Timing around compostability/recyclability provisions
 - Clarification of definitions and other provisions



HOW YOU CAN ENGAGE

Success of SB 54 depends on everyone's voices being heard!

Stay Informed

- CalRecycle SB 54 Listserv
- Newsletters
- Presentations

Engage in Rulemaking Process

- Attend Workshops
- Submit Comments

Collaborate with Partners for Support

Discuss Early and Often

- Document existing costs
- Identify related program/policies



THANK YOU.
QUESTIONS?

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ZERO EMISSION VEHICLES, CLEAN TECH, AND AI **IMPACTS**

2024 City Leaders Summit

Philip Mainolfi

HF&H Consultants

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AGENDA

CARB ACF Regulations

ZEVs defined

Municipal Impacts

Electrification Considerations

Technological Advancements

ZEV REGULATIONS HISTORY

September
23, 2020

Governor Newsom signs Zero-Emissions Executive Order (N-79-20)

August 30,
2023

Final Package sent to Office of Administrative Law

October 1,
2023

Regulations effective

January 1,
2024

Effectuated Fleets begin ZEV purchases

CA AIR RESOURCES BOARD (CARB) ADVANCED CLEAN FLEET (ACF) REGULATIONS

100 Percent ZEV Sales Requirement

Starting 2036, all Class 2b through Class 8 vehicles sold into California must be ZEVs

State and Local Government Fleets

Any state or local government agency in California that owns, leases, or operates one or more vehicles with a GVWR greater than 8,500 lbs.

Drayage Trucks

Applies to Class 7 - 8 on-road trucks operating at California's seaports and intermodal railyards (movement of goods)

High Priority Fleets

Fleets with 50+ affected vehicles (**with a GVWR greater than 8,500 lbs**) and Fleets with >\$50 million in annual revenue (e.g., solid waste haulers)

ZERO EMISSIONS VEHICLES DEFINED

- Battery Electric Vehicles
- Hydrogen Fuel Cell Electric Vehicles (FCEV)
- Near-Zero-Emission Vehicles (NZEV)
 - Plug-in hybrid that can achieve minimum all-electric range
 - 2035 or earlier model year counts that same as ZEV
- Hybrid Electric Vehicles (HEV) are not considered ZEV



COMPLIANCE PATHWAYS




DEFAULT OPTION – MODEL YEAR SCHEDULE

- All additions must be ZEVs commencing January 1, 2024
- Legacy trucks removed at end of useful life
- Tractors earlier of:
 - 18 years
 - 800,000 odometer reading
- Yard trucks and other vehicles
 - 18 years






COMPLIANCE PATHWAYS

MILESTONE OPTION

Zero-Emission Fleet Percentage	10%	25%	50%	75%	100%
Group 1: Box trucks, vans, 2-axle buses, yard trucks, light-duty package delivery vehicles 	2025	2028	2031	2033	2035
Group 2: Work trucks, pickups, day cab tractors, 3-axle buses 	2027	2030	2033	2036	2039
Group 3: Sleeper cab tractors and Class 8 specialty vehicles 	2030	2033	2036	2039	2042

COMPLIANCE PATHWAYS

MILESTONE OPTION CONTINUED

Vehicle Type	# of Vehicles	ZEVs in 2025	ZEVs in 2029	ZEVs in 2033	ZEVs in 2037	ZEVs in 2041	ZEVs in 2045
Box trucks, vans, two-axle buses, yard tractors, light-duty delivery vehicles 	60	6 (10%)	15 (25%)	45 (75%)	60 (100%)	60 (100%)	60 (100%)
Work trucks, day cab tractors, pickup trucks, three-axle buses 	20	0	2 (10%)	10 (50%)	15 (75%)	20 (100%)	20 (100%)
Sleeper cab tractors and Class 8 specialty vehicles 	20	0	0	5 (25%)	10 (50%)	15 (75%)	20 (100%)
ZEV Milestones	100	6	17	60	85	95	100

JURISDICTION FLEET IMPACTS

Municipal Hauling Operations

Opportunity Charges

Charge Management

ACF Option to Comply Jointly with Other Departments

Public Works Dept

Wastewater

Transit

Other Municipal Impacts

Street Sweeping

Tree Trimming

FRANCHISE AGREEMENT IMPACT & APPROACHES

Considerations

- Maximum fleet age in current agreement – may consider waiving for longer electrification period
- Fuel Type - may conflict with fuel types that are currently specified (e.g., CNG/RNG)
- Change in law provisions

Approaches

- Simple approach (e.g., Vehicles must comply with applicable law)
- Prescriptive Approach – San Leandro

COST IMPACTS

Vehicle Costs

Charging Infrastructure

Fuel vs. Electricity

Maintenance and Repair

Spare Ratios

INFRASTRUCTURE



Site Constraints



Power Constraints

- To electrify the entire US, it is estimated that we would need a 20-50% increase in total power output.
- Aging power grid cannot deliver the power if it were to be generated.



Permitting

ENVIRONMENTAL & GLOBAL CONCERNS

Lifecycle Analysis – concerns around assumptions

- Construction of Vehicles with Green Energy Mix
- Charging EVs with 100% Green Energy
 - Note: California is currently 50% fossil fuels (while also claiming we don't know the mix of energy imported from out of state)

Greentech Capital Outlay and Cost of Capital

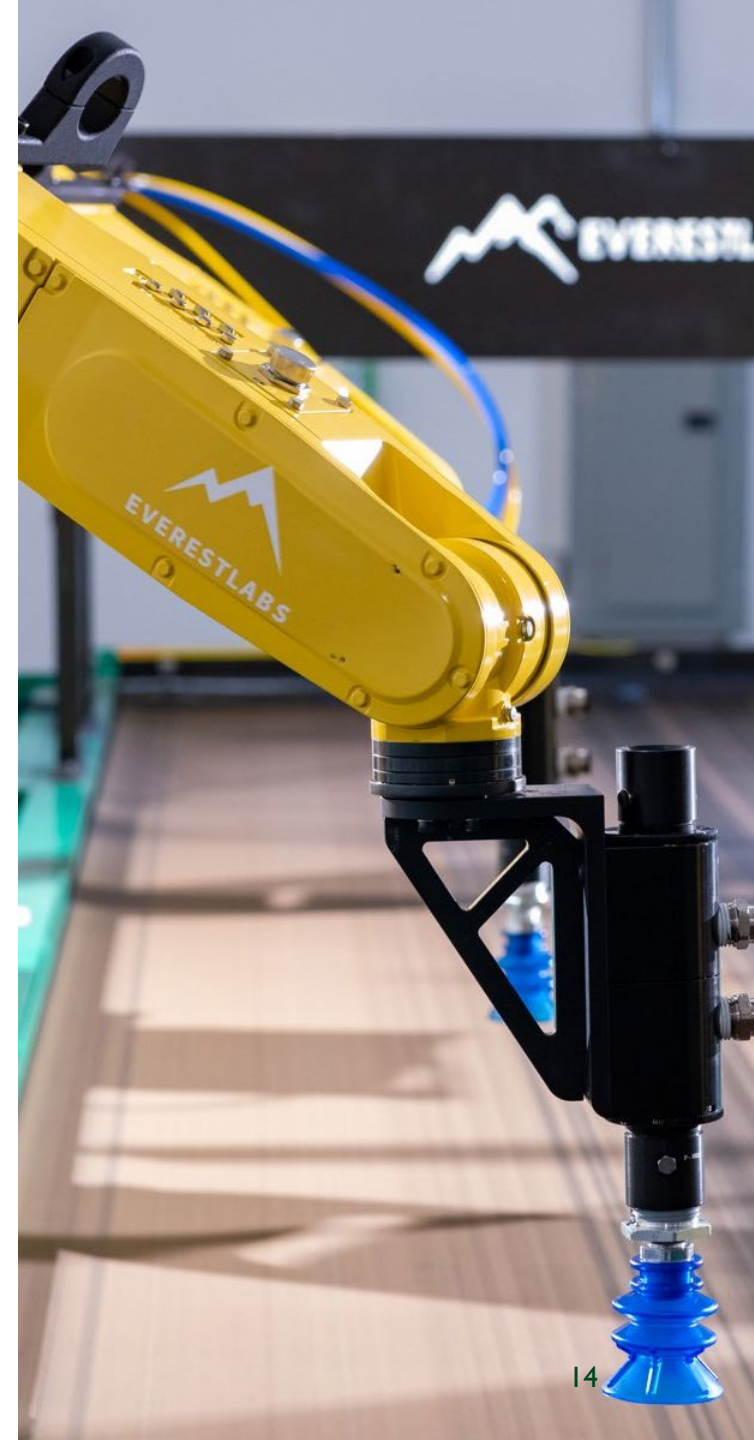
Global Supply Chain Constraints

- Require an order of magnitude more cobalt, copper, lithium, graphite, and nickel
- International “Artisanal” Mining

Battery Recycling

TECHNOLOGICAL ADVANCEMENTS

- Onboard vehicle cameras
 - Service verification
 - Contamination monitoring
- Dynamic routing
- Onboard scales
- MRF Operations
- Charging Infrastructure





THANK YOU.
QUESTIONS?

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EMERGING ISSUES:

JACKS, ZOLLY, BATA, AND THE IMPACT ON
LOCAL GOVERNMENT FUNDING



HISTORY

1996
Proposition
218

Article XIII C – Requires voter approval of certain taxes imposed by local government

Article XIII D – Establishes procedures for assessments and property-related fees/charges

- Water, Sewer, Garbage service rates allow for majority protest
- Substantive Requirement: Cost of Service by Class of Rate Payer
- Procedural Requirement: 45 Day Notice and Opportunity to Protest

2010
Proposition
26

Establishes broad definition:
Tax = levy, charge, or exaction of any kind imposed by a local government

Establishes seven exemptions:

- 1) Charge imposed for specific benefit, not exceeding cost of providing benefit or granting privilege
- 2) Charge imposed for government service or product, not exceeding cost of providing service
- 3) Charge for the reasonable regulatory costs of the local government (inspections, licensing, etc.)
- 4) Charge imposed for entrance to or use of government property (purchase, rental, or lease)
- 5) Fines, penalties, or monetary charge imposed by judicial branch or local government for violation of law
- 6) Charge imposed as a condition of property development
- 7) Property-related fees imposed in accordance with Article XIII D (Prop 218)

RECENT CASES



Jacks v City of Santa Barbara (2017)

Issue: Southern CA Edison Franchise Fee increased from 1% to 2%

City: Increased fee was in exchange for use of government property
CA Supreme Court: Surcharge bore no reasonable relationship to the value of the property interest

Result: Local governments need to establish basis for changes in franchise fees or go to the voters

RECENT CASES



Howard Jarvis v Bay Area Toll Authority (2020)

Issue: What burdens of proof does the government need to meet in applying Prop 26, Exemption 4

Appellate Court: Government must demonstrate levy/charge/exaction is not a tax, does not need to meet the reasonable relationship standard. Acknowledged conflict with Zolly and requested CA Supreme Court review

Result: Governments may use funds derived from use of government property for other purposes

RECENT CASES



Zolly v City of Oakland (2022)

Issue: Zolly files suit on a number of issues related to high solid waste rates, one of which relies on Jacks

City: Franchise fees negotiated at arms length, not imposed, and related to value of franchise

CA Supreme Court:
Needs to fit in Prop 26 Exemption 1/4, must be tangible property, extraordinary use

Result: Remanded to superior court, still pending...

WHAT NOW

Garbage Rates Comply w/ Prop 218

- Utilize Prop 26, Exemption 7
- Comply with Jarvis v Fresno
- Conduct cost of service study on solid waste
- Identify non-rate revenue subsidies
- Quantify indirect costs of service

Franchise Fee Justification

- Utilize Prop 26, Exemptions 1-4
- Quantify specific benefits to franchisee
- Quantify services provided to franchisee
- Quantify direct regulatory costs of franchise
- Determine charges for use of gov't property



SPECIFIC BENEFITS TO FRANCHISEE INCLUDE:

- Mandatory service enforcement
- Enforcement/ protection of exclusivity provisions



SERVICES PROVIDED TO FRANCHISEE INCLUDE:

- Street sweeping and trash capture device servicing to remediate litter from collection
- Bad debt assessments/liens
- Billing
- Public education and outreach to franchise ratepayers
- Recycling, composting, or landfill services provided by public agency (even through contract)

COST OF REGULATING FRANCHISE INCLUDES:

- Monitoring, investigating, and enforcing performance of franchise requirements
- Ensuring compliance with risk management provisions
- Local enforcement of state laws (e.g., AB 939, SB 1383)



USE OF GOVERNMENT PROPERTY INCLUDES:



ENCROACHMENT IN
PUBLIC RIGHT OF WAY



EXTRAORDINARY
IMPACT OF GARBAGE
TRUCKS



USE OF GOVERNMENT
FACILITIES BY STAFF
OVERSEEING CONTRACT



USE OF FACILITIES (E.G.,
CORPS YARD) BY HAULER



DISCOUNTED FUEL
RATES

THANK YOU!

QUESTIONS & DISCUSSION

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