

Leveraging GHG Reduction Infrastructure Grants and Loans to Build Capacity

Greenhouse Gas Reduction Grant Programs

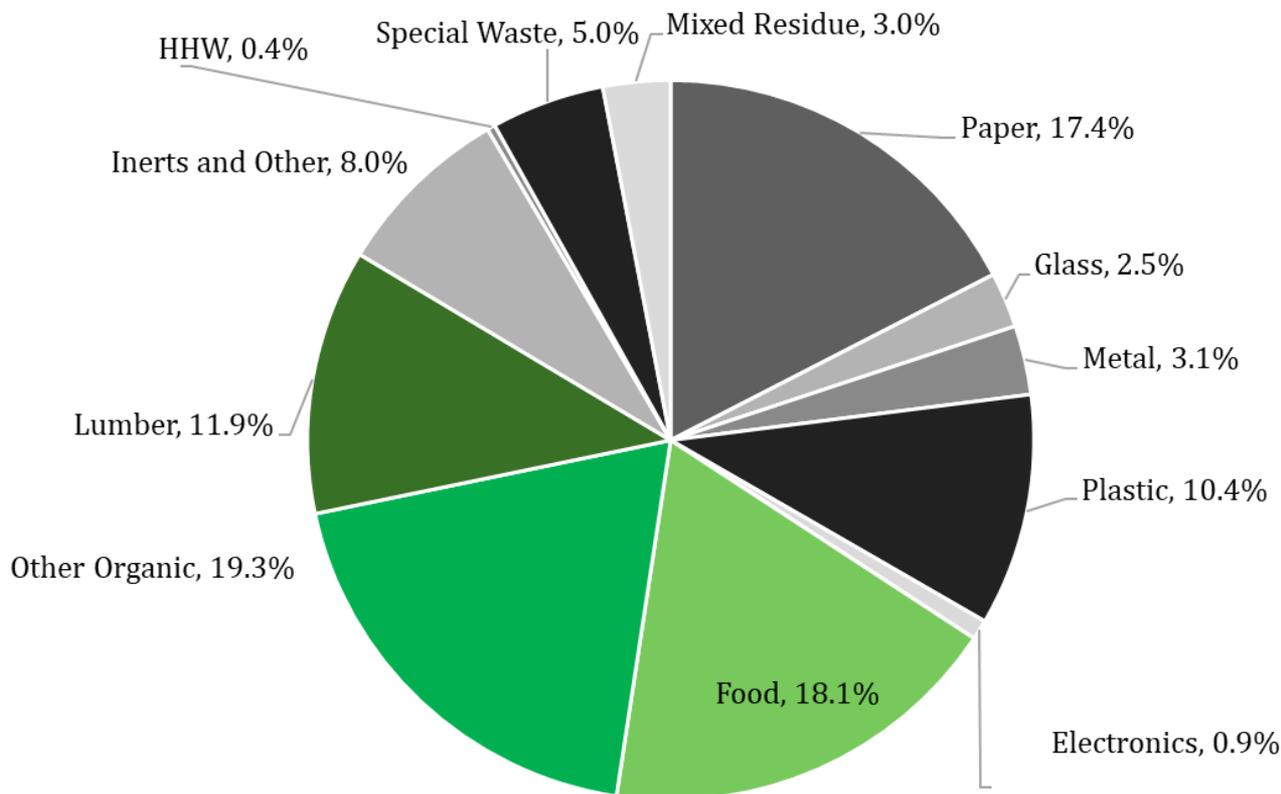
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December 05, 2017
Zone Works
Sacramento, CA



Organics in the Landfill

CA Goal of 75 % recycling, composting or source reduction of solid waste by 2020



2014 CalRecycle Waste Characterization Study

New Organics Management Facilities

Why do we need them?

- 10M tons/year suitable for compost/AD
- 30 - 100 new or expanded compost or digestion facilities to meet CA state diversion goals
 - At 500 TPD → 180,000 TPY → ~50 expansions or new
 - At 300 TPD → 100,000 TPY → ~ 100 expansions or new
 - At 1000 TPD → 365,000 TPY → ~ 30 expansions or new
- Total investment of \$2-3 billion



Barriers to Infrastructure

- Feedstock availability - contracts
- Low cost of disposal – tip fees
- Permitting and regulations – facility siting, CEQA
- Financing
- Markets and demand



Key CA policy Drivers

- **AB 939:** 50% diversion requirement for cities, counties and regional solid waste agencies
- **AB 341:** 75% statewide goal by 2020
- **AB 1826:** Mandatory commercial organics recycling
- **AB 1594:** Green material ADC ≠ recycling
- **AB 876:** 15-year planning horizon for organics capacity
- **SB1383:** Short-Lived Climate Pollutants



Greenhouse Gas Reduction Grants

Competitive grant programs aimed to lower overall greenhouse gas emissions by expanding existing capacity or establishing new facilities in California to reduce the amount of CA-generated materials including green waste, food waste, fiber, plastic, and glass being sent to landfills

Organics Grant Program (ORG)

- Reducing green waste, food waste, and/or Alternative Daily Cover sent to landfills

Fiber, Plastic & Glass Grant Program (FPG)

- Reducing fiber, plastic, or glass materials sent to landfills

Food Waste Prevention and Rescue Grant Program (FW)

- Reducing food waste sent to landfills and rescuing food for hungry people



Grant Program Overview

Project Overview

- Must result in annual GHG reductions
- Must result in landfill diversion
- Tons and GHG must be measurable and reportable
- Lasting infrastructure
- Disadvantaged Communities
- Successful implementation



Greenhouse Gas Reduction Grants

Eligible Applicants

Organics and Recycled Fiber, Plastic & Glass

- Government entities
 - Cities, counties, regional or local sanitation agencies, water agencies & JPAs
- Operators of composting or anaerobic digestion facilities
- State agencies
- UC, CSU, and California Community Colleges
- Qualifying Indian Tribes
- Private, for-profit entities
- Non-profit organizations

Food Waste Prevention and Rescue

- Government entities
 - Cities, counties, regional or local sanitation agencies, water agencies & JPAs
- Solid waste facilities
- State and federal agencies
- UC, CSU, and California Community Colleges
- Qualifying Indian Tribes
- Private, for-profit entities
 - Food processors/distributors, packing houses, large venues such as convention centers, sports facilities, fairs, parks, etc.
- Non-profit organizations
 - Food banks, homeless shelters, food rescue organizations, food runners, etc.

Greenhouse Gas Reduction Grants Eligible Projects

Organics

Construction, renovation or expansion of facilities to increase in-state infrastructure for:

- Composting
- In-vessel digestion, or fermentation processes
- Food Rescue component

Recycled Fiber, Plastic & Glass

Construction, renovation or expansion of facilities to increase in-state infrastructure for:

- Fiber
- Plastic
- Glass
- Textile Reuse component

Food Waste Prevention and Rescue

- **Food Waste projects** prevent food waste from being generated (source reduction) or divert food from becoming waste normally destined for landfills
- **Food Rescue projects** result in rescued food being distributed to people, with remaining food waste residuals being sent to composting or digestion



Greenhouse Gas Reduction Grants

Eligible Costs

Organics

- Purchase of equipment and machinery
- Real Estate improvements associated with the installation/project
- Food Rescue component

Recycled Fiber, Plastic & Glass

- Purchase of equipment and machinery
- Real Estate improvements associated with the installation/project
- Textile Reuse component

Food Waste Prevention and Rescue

- Refrigeration (stationary or mobile)
- Vehicles for food rescue delivery
- Repackaging for meal delivery
- Forklift/pallet equipment
- Kitchen equipment (stoves, ovens, dishwashers, etc.)
- Structures or building space (storage, dining areas, etc.)
- Computer hardware/software for tracking
- Education materials
- Processing of unspoiled food



Greenhouse Gas Reduction Grants Disadvantaged Communities (DAC)

Organics

- Hiring employees from a DAC
 - Temporary/Permanent, Part-time/Full-time
 - Working with employment service agencies
 - Construction, Management, Operations, etc.
- Developing/enhancing food network within DAC
- Partnering with social/food organizations
- Feeding people in need and using residuals for AD/Compost
- Outreach

Recycled Fiber, Plastic & Glass

- Hiring employees from a DAC
 - Temporary/Permanent, Part-time/Full-time
 - Working with employment service agencies
 - Construction, Management, Operations, etc.
- Developing/enhancing textile reuse network within DAC
- Partnering with social/textile organizations
- Outreach

Food Waste Prevention and Rescue

- Developing/enhancing food network within DAC
- Partnering with social/food organizations
- Feeding people in need and using residuals for AD/Compost

Greenhouse Gas Reduction Grants Application Categories

Organics and Recycled Fiber, Plastic & Glass

- Diverted Tons
- GHG
- DAC
- Permits (CEQA, CUP, etc.)
- Air and Water Benefits
- Work Plan
- Budget
- Fiscal Soundness

Food Waste Prevention and Rescue

- Diverted Tons
- GHG
- DAC/Community Need

Organics and Recycled Fiber, Plastic & Glass Grant Programs

Cycle 1 (FY 14-15)

| Program Cycle | Grantee | Project Type | Awarded Funds | Location | Projected Tons | Projected GHG |
|---------------|----------------------------|--------------|---------------|-------------------------|----------------|---------------|
| ORG1 | CR&R Incorporated | AD | \$3,000,000 | Perris | 822,300 | 483,000 |
| ORG1 | Colony Energy Partners | AD | \$2,925,920 | Tulare/ Fresno | 1,108,226 | 651,451 |
| ORG1 | Recology East Bay | AD | \$3,000,000 | SF/Oakland | 214,800 | 201,800 |
| ORG1 | Mid Valley Disposal | Compost | \$3,000,000 | Kerman | 289,700 | 137,200 |
| ORG1 | Burrtec Waste Industries | Compost | \$2,595,080 | Victorville | 323,400 | 184,300 |
| FPG1 | Reliance Carpet Cushion | Fiber | \$1,000,000 | Los Angeles | 38,633 | 8,113 |
| FPG1 | Command Packaging | Plastic | \$3,000,000 | Salinas/ Los Angeles | 313,600 | 272,700 |
| FPG1 | Peninsula Plastics | Plastic | \$1,000,000 | Turlock | 50,300 | 41,900 |

Greenhouse Gas Reduction Grants

Cycle 2 (FY16-17)

FY 16-17 - \$40 Million allocation

- **\$24M** for Organics infrastructure grants
 - \$12M for compost (*4 projects awarded*)
 - \$3M for Rural Program (*3 projects awarded*)
 - \$12M for in-vessel digestion (*3 projects awarded*)
- **\$9M** for Fiber, Plastic, and Glass infrastructure grants (*3 projects awarded*)
- **\$5M** for Food Waste Prevention & Rescue grants (*Number of awarded projects TBD*)
 - \$4M for large tier projects (grant award minimum \$100,001 and maximum \$500,000)
 - \$1M for small tier projects (grant award minimum \$25,000 to maximum \$100,000)
- Remaining funds to administer programs

Greenhouse Gas Reduction Grants

Cycle 3 (FY17-18)

FY 17-18 - \$40 Million allocation*

- **\$38M** for GHG grant programs
- Remaining funds for administration of programs

GHG Grant Workshop on December 19, 2017, 1:30 – 3:30pm

California Environmental Protection Agency
Byron Sher Auditorium
1001 I Street
Sacramento, CA 95814

**The FY 17-18 fund allocation for the CalRecycle GHG grant programs is still to be determined.*

Greenhouse Gas Reduction Loans Funding and Program Criteria

GHG Loan Terms

- Maximum loan per application: \$2,000,000
- Maximum loans with CalRecycle: \$5,000,000
- Interest rate 4%
- Loan Application Fee - \$300
- Loan Closing Points – .5 %
- Loan Amortization Period
 - 10 Years Equipment
 - 15 Years Real Estate Secured
- 25% matching fund requirement
- No prepayment penalty

Available Loans

- Total Funds Available: ~ **\$7,250,000**
- Loan applications can be submitted at any time and are processed on a first-come-first-served basis, subject to availability of program funds.

Criteria and Eligibility

- Same as the Organics Grant Program and the Recycled Fiber, Plastic & Glass Grant Program

Contacts and Resources

Alex Byrne, GHG Grant Manager

- Alex.Byrne@CalRecycle.ca.gov or (916) 323 – 2271

GHG Listserv

- <http://www.calrecycle.ca.gov/Listservs/Subscribe.aspx?ListID=135>

GHG Email

- GHGReductions@CalRecycle.ca.gov

Loans Email

- Loans@CalRecycle.ca.gov

GHG Grants and Loans Website

- <http://www.calrecycle.ca.gov/Climate/GrantsLoans/>

CalRecycle Website

- <http://www.calrecycle.ca.gov/>