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

*NSAC
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
SB 54 - PLASTIC POLLUTION AND PACKAGING PRODUCER RESPONSIBILITY ACT (ALLEN, 2022)
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
- Draft Regulations published
- 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)
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
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
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

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

Success of SB 54 depends on everyone’s voices being heard!
THANK YOU.

QUESTIONS?

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ZERO EMISSION VEHICLES, CLEAN TECH, AND AI IMPACTS

2024 City Leaders Summit

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April 18, 2024
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
Effected Fleets begin ZEV purchases
Starting 2036, all Class 2b through Class 8 vehicles sold into California must be ZEVs.

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

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).

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.
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 ZZV
- Hybrid Electric Vehicles (HEV) are not considered ZEV
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

<table>
<thead>
<tr>
<th>Zero-Emission Fleet Percentage</th>
<th>10%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
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</thead>
<tbody>
<tr>
<td>Group 1: Box trucks, vans, 2-axle buses, yard trucks, light-duty package delivery vehicles</td>
<td>2025</td>
<td>2028</td>
<td>2031</td>
<td>2033</td>
<td>2035</td>
</tr>
<tr>
<td>Group 2: Work trucks, pickups, day cab tractors, 3-axle buses</td>
<td>2027</td>
<td>2030</td>
<td>2033</td>
<td>2036</td>
<td>2039</td>
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<tr>
<td>Group 3: Sleeper cab tractors and Class 8 specialty vehicles</td>
<td>2030</td>
<td>2033</td>
<td>2036</td>
<td>2039</td>
<td>2042</td>
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### COMPLIANCE PATHWAYS
### MILESTONE OPTION CONTINUED

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th># of Vehicles</th>
<th>ZEVs in 2025</th>
<th>ZEVs in 2029</th>
<th>ZEVs in 2033</th>
<th>ZEVs in 2037</th>
<th>ZEVs in 2041</th>
<th>ZEVs in 2045</th>
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</thead>
<tbody>
<tr>
<td>Box trucks, vans, two-axle buses, yard tractors, light-duty delivery vehicles</td>
<td>60</td>
<td>6</td>
<td>15</td>
<td>45</td>
<td>60</td>
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<td>60</td>
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<tr>
<td>Work trucks, day cab tractors, pickup trucks, three-axle buses</td>
<td>20</td>
<td>0</td>
<td>2</td>
<td>10</td>
<td>15</td>
<td>20</td>
<td>20</td>
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<tr>
<td>Sleeper cab tractors and Class 8 specialty vehicles</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td><strong>ZEV Milestones</strong></td>
<td><strong>100</strong></td>
<td><strong>6</strong></td>
<td><strong>17</strong></td>
<td><strong>60</strong></td>
<td><strong>85</strong></td>
<td><strong>95</strong></td>
<td><strong>100</strong></td>
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</tbody>
</table>
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
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
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)
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
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

**Appelate 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
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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