



DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

1001 I STREET, SACRAMENTO, CALIFORNIA 95814 • WWW.CALRECYCLE.CA.GOV • (916) 322-4027
P.O. BOX 4025, SACRAMENTO, CALIFORNIA 95812

NOTICE OF PROPOSED RULEMAKING

Title 14: Natural Resources

Division 7: Department of Resources Recycling and Recovery (the department or CalRecycle)

(New Chapter)

Chapter 12 Short-lived Climate Pollutants

(Amended Chapters)

Chapter 3 Minimum Standards for Solid Waste Handling and Disposal

Chapter 3.1 Composting Operation Regulatory Requirements

Chapter 3.2 In-Vessel Digestion Operations and Facilities Regulatory Requirements

Chapter 5 Enforcement of Solid Waste Standards and Administration of Solid Waste Facilities Permit; Loan Guarantees

Chapter 9 Planning Guidelines and Procedures for Preparing, Revising, and Amending Countywide or Regional Integrated Waste Management Plans

Title 27: Environmental Protection

Division 2: Solid Waste

(Amended Chapters)

Chapter 2 Definitions

Chapter 3 Criteria for All Waste Management Units, Facilities, and Disposal Sites

Chapter 4 Documents and Reporting for Regulatory Tiers, Permits, WDRs, and Plans

PROPOSED REGULATORY ACTION

The proposed regulations implement the department’s responsibilities established by SB 1383 (Lara, Chapter 395, Statutes of 2016) Public Resources Code (PRC) Sections 42652-42654, and

41780.01, and Health and Safety Code (HSC) Sections 39730.5 - 39730.6. This rulemaking implements regulatory requirements to reduce landfill disposal of organic waste in order to achieve the greenhouse gas emissions reductions required by SB 1383.

PUBLIC HEARING

A public hearing to receive public comments has been scheduled for 9:00 AM on March 12, 2019. The hearing will be held at the:

Joe Serna Jr., Cal EPA Building
Coastal Hearing Room
1001 I Street, 2nd Floor
Sacramento, CA 95814

The hearing will begin at 9:00 AM on March 12, 2019, and will conclude after all testimony is given. CalRecycle requests that persons making oral comments also submit a written copy of their testimony at the hearing. The hearing room is wheel chair accessible. If you have questions, please contact SLCP.Organics@calrecycle.ca.gov.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulation to the department. **The written comment period for this rulemaking closes at 5:00 PM on March 4, 2019.** The department will also accept written comments during the public hearing described above. Please submit your written comments to:

Gwen Huff
Materials Management and Local Assistance Division
California Department of Resources Recycling and Recovery
P.O. Box 4025
Sacramento, CA 95812
PHONE: (916) 341-6622
FAX: (916) 319-7146
E-MAIL: SLCP.Organics@calrecycle.ca.gov

AUTHORITY AND REFERENCES

The authority for this regulation is PRC Sections 40502, 43020, 43021 and 42652.5.

The references for this regulation include PRC Sections 40001, 40002, 40053, 40055, 41780.01, 41781.3, 41821.5-41821.8, 42652, 42652.5, 42653, 42654, 43020, 43021, 43103, 44001-44017, 44100-44101, 44500-44503 and 44813-44816; and HSC Sections 39730.5-39730.8.

INFORMATIVE DIGEST

The California Integrated Waste Management Act (Act), PRC Section 40000 et. seq., gives the department authority to provide for the protection of public health, safety, and the environment through waste prevention, waste diversion, and safe waste processing and disposal. PRC Section 40502 authorizes the department to adopt rules and regulations to implement the Act.

The proposed regulations implement the department's responsibilities under PRC Sections 42652-42654 and HSC Sections 39730.5-39730.6. This rulemaking implements regulatory requirements to reduce landfill disposal of organic waste in order to achieve the greenhouse gas emissions reductions required by SB 1383.

Specifically, SB 1383 required CalRecycle, in consultation with the California Air Resources Board (ARB), to adopt regulations designed to reduce statewide landfill disposal of organic waste. SB 1383 established two organic waste disposal reduction targets. These targets are tied to the 2014 baseline of 23 million tons of organic waste disposal and must be achieved by 2020 and 2025. The targets are as follows:

- **2020** – 50 percent organic waste reduction from 2014 baseline (11.5 million tons allowed landfill disposal of organic waste)
- **2025** – 75 percent organic waste reduction from 2014 baseline (5.75 million tons allowed landfill disposal of organic waste)

Included within the statutory requirements to reduce organic waste disposal by 75 percent by 2025, is a mandate that CalRecycle's regulations include "requirements intended to meet the goal that not less than 20 percent of edible food that is currently disposed of is recovered for human consumption by 2025." The regulations are designed to achieve these organic waste reduction targets within the authority and direction provided in enabling statute.

Statutory Guidance and Restrictions

The Legislature specifically directed CalRecycle to comply with the following conditions in developing the regulatory requirements.

- Consult with ARB.
- Include requirements designed to recover at least 20 percent of edible food that is currently disposed.
- Develop requirements consistent with the Short-lived Climate Pollutant Reduction Strategy (SLCP Strategy) and the 2017 Integrated Energy Policy Report.
- Support cost-effective, and environmentally beneficial uses of biomethane derived from solid waste facilities.

The Legislature further included language that specifies that CalRecycle's regulations may include policies and requirements that:

- Enable the department to impose penalties on regulated entities beginning in 2022, (and allow jurisdictions (e.g. cities and counties) to impose such penalties beginning in 2024).
- Require jurisdictions to impose requirements on relevant entities.

- Establish different levels of requirements for jurisdictions.

The Legislature prohibited CalRecycle from including provisions in the regulations that:

- Impose an organic waste ban on individual landfills.
- Require jurisdictions to impose penalties on regulated entities prior to 2024.
- Impose 50 percent and 75 percent recycling targets on individual jurisdictions.

Finally, SB 1383 departs from previous recycling mandates in that it does not simply require diversion of material from landfills. The statute requires that material must also be diverted to activities that reduce greenhouse gas emissions.

Elements of the Regulations

CalRecycle, in consultation with ARB, developed a regulatory framework that is consistent with the SB 1383 statutory requirements noted above. The core aspects of the regulatory framework define or require the following actions:

(A) Activities Constituting a Reduction in Landfill Disposal

1. Disposal activities are defined as actions that result in organic waste being deposited into a landfill.
2. Recovery activities are defined as actions that keep organic waste out of landfills and reduce greenhouse gas emissions.

(B) Organic Waste Collection Services

1. Jurisdictions must provide residential and commercial organic waste collection services.
2. Jurisdictions must conduct minimum levels of education, outreach, and contamination monitoring for their collection services.
3. Residents and businesses must subscribe to collection services for organic waste that is not source-reduced, managed on-site, or self-hauled.

(C) Edible Food Recovery Programs and Services

1. Jurisdictions must implement and oversee edible food recovery programs.
2. Commercial edible food generators must establish documented arrangements with food recovery services or organizations.

(D) Procurement of Recovered Organic Waste Products

1. Jurisdictions must procure minimum levels of compost or renewable natural gas.
2. Jurisdictions must meet minimum recycled content and recyclability standards for paper products.

(E) Recordkeeping and Reporting by Regulated Entities

1. Regulated entities are required to keep records demonstrating compliance with the regulations.
2. Jurisdictions, haulers, and facilities must report on compliance with specific aspects of the regulations.

(F) Enforcement and Oversight

1. CalRecycle will primarily oversee jurisdictions and entities outside of local government regulatory authority.
2. Jurisdictions will primarily oversee entities subject to their authority (e.g. generators, haulers, and other entities).

(G) Organic Waste Recovery and Processing Standards for Facilities

1. Facilities must achieve recovery rates for organic waste that is collected with non-organic waste.
2. Facilities must reduce the level of incompatible materials (e.g., non-organic waste) present in organic waste prior to sending that waste to additional processing or recovery activities.

POLICY STATEMENT OVERVIEW

Implementation of SB 1383 and the SLCP Strategy is an integral part of the state’s climate change program outlined in the 2017 Climate Change Scoping Plan (Scoping Plan). The SLCP Strategy requires immediate reductions of the most potent greenhouse gases, and is expected to provide 35 percent of the greenhouse gas emissions reductions needed to meet the state’s 2030 greenhouse gas emissions reduction targets. The success of the SLCP Strategy relies on a portfolio of policies and measures across various sectors. The measures required for the waste sector will foster the development of a more sustainable economy, reduce global emissions, reduce hunger, and safeguard public health.

SB 1383 and the SLCP Strategy require California to reduce organic waste disposal 50 percent below 2014 levels by 2020 and 75 percent by 2025. The organic waste disposal reduction targets required by SB 1383 are measured against a 2014 baseline of approximately 23 million tons of organic waste disposal.

These targets will be more difficult to maintain as population and waste generation inevitably increase. CalRecycle projects population growth will result in the generation of approximately 26 million tons of organic waste annually by 2025. This results in the 2025 target requiring the state to source-reduce, reuse, or recover approximately 20 million out of 26 million tons of organic waste in 2025, with the amount necessary to recover continuing to increase in subsequent years.

Removing organic waste from landfills prevents the creation of methane from the anaerobic breakdown of the material. This methane can work its way out of the landfill as fugitive emissions, and these emissions currently represent 21 percent of the state’s methane emissions annually. Achieving these targets will reduce an increasing amount of greenhouse gas emissions, ultimately achieving annual reductions of at least 4 Million Metric Tons of CO₂ equivalents (MMT_{CO₂e}) annually by 2030. In addition, one year of waste diversion avoids 14 MMT_{CO₂e} over the lifetime of waste decomposition.

Further, SB 1383 requires actions that will reduce poverty-induced hunger by recovering 20 percent of the edible food that is currently disposed. In addition to avoiding landfill methane emissions, the recovery of edible food provides an opportunity to feed millions of food-insecure Californians. The overall food insecurity rate in California is 12.5 percent, meaning that

approximately 1 out of every 8 Californians does not know where their next meal will come from. The rate for children is much higher, resulting in approximately 1 in 5 children going to bed hungry each night. Edible food rescue programs resulting from these regulations will increase the recovery of edible food for human consumption resulting in decreased food insecurity and healthier communities.

Implementation of SB 1383 and the SLCP Strategy will help protect California's economy, environment, and residents from the impacts of climate change. California is already experiencing the impacts of climate change today. Extreme temperatures, prolonged droughts, and reduced snowpack stemming from global warming are producing significant and measurable economic impacts. These climate events are also increasing the frequency of natural disasters such as wildfires, which have a catastrophic effect on public health and the environment.¹ Safeguarding California from climate change impacts today requires immediate action. ARB, the agency charged with monitoring and regulating sources of greenhouse gas emissions has found, "The only practical way to rapidly reduce the impacts of climate change is to employ strategies built on the tremendous body of science. The science unequivocally underscores the need to immediately reduce emissions of short-lived climate pollutants..."²

SB 1383 and the SLCP Strategy requires the state to rapidly employ strategies that will yield immediate reductions of short-lived climate pollutants that exert a warming influence that is exponentially more potent than carbon dioxide (CO₂). The warming influence of these gases, such as methane released from landfills, occur over a much shorter period than CO₂ (which lasts for approximately 100 years in the atmosphere). Therefore, actions to reduce or eliminate these greenhouse gasses today will yield immediate climate change benefits as the presence of these gases in the atmosphere declines and their significant warming potential is avoided.

The provisions of this regulation implement the waste sector aspects of SB 1383, the SLCP Strategy, and the Scoping Plan. This regulation is designed to achieve the organic waste reduction targets codified in SB 1383 by requiring programs and policies that divert organic waste from landfill disposal to recovery activities that prevent, reduce, or eliminate the methane generation potential of organic waste.

Achieving the waste sector reductions required by SB 1383 and these regulations will result in significant public health, economic, and environmental benefits for the people of California. Initiating the SB 1383 rulemaking is both a necessary and an effective measure the state must take to meet its climate change goals, and safeguard California from the impacts of global warming.

PLAIN ENGLISH REQUIREMENTS

The department prepared the proposed regulation pursuant to the standard of clarity provided in Government Code Section 11349 and the plain English requirements of Government Code

¹ California Air Resources Board, California's 2017 *Climate Change Scoping Plan*, ES-1. November 2017. https://www.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf.

² California Air Resources Board: *Short-Lived Climate Pollutant Reduction Strategy*, Page 1. March 14, 2017. https://www.arb.ca.gov/cc/shortlived/meetings/03142017/final_slcp_report.pdf.

Sections 11342.580 and 11346.2(a)(1). The proposed regulation is considered non-technical and is written to be easily understood by those parties that will use them.

FEDERAL LAW OR REGULATIONS MANDATE

After conducting an evaluation of any regulations relating to this area, the department has found that the proposed regulations are neither inconsistent nor incompatible with existing federal regulations or statute.

Under Executive Order (EO) 13693, federal agencies are required to divert at least 50 percent of non-hazardous solid waste (including food and compostable material, but not construction and demolition materials and debris), annually, and pursue opportunities for net-zero waste or additional diversion opportunities. Additionally, this EO has greenhouse gas reduction requirements and the head of each principal agency is required to ensure regional agency actions consider, and are consistent with, sustainability and climate preparedness priorities of states, local governments, and tribal communities where agency facilities are located.

CONSISTENCY WITH STATE REGULATIONS

After conducting an evaluation of any regulations relating to this area, the department has found that the proposed regulations are neither inconsistent nor incompatible with existing state regulations.

LOCAL MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

The department has determined that the regulations do impose a mandate on local agencies or school districts but that mandate does not require state reimbursement pursuant to Part 7, commencing with Section 17500 of Division 4 of the Government Code; other non-discretionary costs or savings on local agencies; or, costs or savings in federal funding to the state.

Pursuant to SB 1383:

- PRC 42652.5 (b) A local jurisdiction may charge and collect fees to recover the local jurisdiction's costs incurred in complying with the regulations adopted pursuant to this section.
- SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

FISCAL IMPACT

COSTS TO ANY LOCAL AGENCY OR SCHOOL DISTRICT REQUIRING REIMBURSEMENT

The department has determined that the proposed regulations do not result in costs to any local agency or school district that is required to be reimbursed pursuant to Government Code Section 17500 et seq.

COSTS OR SAVINGS TO ANY STATE AGENCY

State agencies will not incur any costs within the scope of the analysis required in Economic and Fiscal Impact Statement required by STD 399 (the current fiscal year or in the two subsequent fiscal years).

Existing law already requires state agencies to implement the collection and recycling programs that the SB 1383 regulations require of generators beginning in 2022. Therefore, the organic waste collection and recycling requirements included in the SB 1383 regulations will not create new costs for state agencies as those costs are already incurred.

Beginning in 2024, the SB 1383 regulations will require state agencies with on-site restaurants that seat 250 people or more to recover edible food. CalRecycle consulted with state agencies regarding the edible food recovery requirements. Total statewide costs for state agencies are estimated at \$4.2 million annually beginning in 2024. Based on survey results, these costs may be absorbable for many state agencies that already integrate food recovery services into their operations. State agency costs related to edible food recovery are noted in the Standardized Regulatory Impact Assessment (SRIA) (Pages 28-29 & 55-56).

NON-DISCRETIONARY COST OR SAVINGS IMPOSED UPON LOCAL AGENCIES

The regulations impose non-discretionary costs on local agencies. The department estimates that local agencies will incur costs for education, enforcement, contamination monitoring, reporting, capacity planning, and procurement. These costs are estimated to total \$1.3 billion. These costs are related to direct actions required of local agencies in the regulations.

Additionally, local agencies will pass-through new costs associated with providing organic waste collection services to their generators. CalRecycle estimates the costs of establishing new organic waste, collection, processing and recycling infrastructure will total \$17.4 billion statewide. These costs are broken down in the following way: capital costs (\$2 billion), operation and management costs (\$5 billion), collection costs (\$7.7 billion), and processing costs (\$2.7 billion).

Per the regulations, local agencies are required to provide organic waste collection and recycling services. In order to comply with this requirement, local agencies that do not already provide these services will incur costs to establish new collection programs and secure capacity at new or expanded organic waste recycling facilities.

The costs incurred by local agencies will vary depending on the collection and recycling services that are already provided to generators subject to their jurisdiction. Prior to the adoption of SB 1383, a series of successive state mandates and policies required or encouraged local agencies to implement actions to reduce landfill disposal of organic waste. Additionally, independent local government initiatives (such as local climate action plans) require actions to reduce landfill

disposal of organic waste. Consequently, local agencies that prioritized organic waste recycling will incur more modest cost increases as result of this regulation as they already implement and provide collection and recycling services that mirror or exceed the requirements of the regulations. Local agencies that did not take action to secure new organic waste recycling capacity will incur greater costs than jurisdictions that actively sought and procured new recycling capacity over the last decade.

Costs incurred by local agencies will vary depending on the actions local agencies took in response to state mandates and policies, and local initiatives. These costs will primarily be borne by ratepayers in the form of increased waste collection rates adopted as a part of the local agencies waste collection service.

COST OR SAVINGS IN FEDERAL FUNDING TO THE STATE

The department has determined that there are no costs or savings in federal funding to the state.

EFFECT ON HOUSING COSTS

The department has determined that the proposed regulation will not have an effect on housing costs.

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESSES, INCLUDING ABILITY TO COMPETE

The department has determined that the proposed regulations will not have a significant adverse economic impact on businesses and would not affect the ability of California businesses to compete with businesses in other states.

RESULTS OF THE STANDARDIZED REGULATORY IMPACT ASSESMENT

The results of the SRIA demonstrate total statewide implementation costs and benefits. The economic costs total \$20.9 billion, the economic benefits total \$17 billion, resulting in a net statewide economic cost of \$3.9 billion. The statewide health and social benefits calculated in the SRIA total \$4.8 billion over the same time.

More than 80 percent of the total cost of compliance is associated with the statewide infrastructure requirements necessary to achieve the SB 1383 targets (\$17.4 billion). The infrastructure and management costs are unavoidable costs of the statute, and would exist regardless of the structure of the regulations. Roughly, 16 percent (\$3.5 billion) of the required investments are associated with compliance with the specific requirements for various regulated entities, including jurisdictions, haulers and facilities (this \$3.5 billion is inclusive of the \$1.3 billion in direct local agency costs noted above).

The true costs of current disposal practices are not reflected in existing waste collection rates. Californians currently bear these costs in various forms, such as negative public health and environmental impacts. These regulations will address these externalities by transferring these hidden costs to more direct and visible ratepayer costs. The cost of recovering edible food and

collecting organic waste for recycling and composting will increase waste collection rates, but it also eliminates hidden costs associated with disposal. In order to achieve the state's greenhouse gas reduction targets, and receive the public health, economic and environmental benefits noted above, the average consumer will see their waste collection rate increase.

EFFECT ON CREATION OR ELIMINATION OF JOBS, EXISTING, OR NEW BUSINESSES IN THE STATE OF CALIFORNIA

Implementation of SB 1383 will create 11,700 green jobs in the recycling and remanufacturing sector, as well as 4,500 temporary construction jobs to construct new organic waste recycling facilities. Approximately 86 new organic waste recycling facilities will be built to capture the value of materials currently lost to landfill disposal. This will result in the creation of approximately 100 new businesses in the waste collection and recycling sector in California.

BENEFITS TO THE HEALTH AND WELFARE OF CALIFORNIA RESIDENTS, WORKER SAFETY, AND THE ENVIRONMENT

Achieving the waste sector reductions required by SB 1383 and these regulations will result in significant public health and environmental benefits for the people of California.

Public Health Benefits include improved air quality, decreased hospitalization, and decreased mortality rates; collectively these benefits will avoid \$4.8 billion in costs.

Environmental Benefits are far-reaching and include improved soil water retention and carbon sequestration resulting from increased application of compost, reduced demand for landfill capacity and expansion, and reduced reliance on fossil fuels.

Finally, reduced methane emissions (projected 4 MMTCO₂e annually) will result in \$40-\$100 million annually in benefits from avoided climate change mitigation costs.

COMPETITIVE ADVANTAGES AND DISADVANTAGES FOR CALIFORNIA BUSINESSES

The proposed regulations would not affect the ability of California businesses to compete with businesses in other states to produce goods or services within California.

INCREASE OR DECREASE OF INVESTMENT IN CALIFORNIA

The department projects the regulations will result in an increase in investments in California. The annual capital expenditures and investments during construction will peak at \$245 million, amortized. The average of amortized capital expenditures and investments is \$167 million per year.

INCENTIVES FOR INNOVATION IN PRODUCTS, MATERIALS, OR PROCESSES

The department expects the regulations will drive innovation in collection, processing technology, edible food-mapping technology, etc. CalRecycle also anticipates innovations in sorting and processing systems. During the workshops that CalRecycle has conducted to date for this regulatory process, stakeholders have provided information indicating that new and

innovative technologies are already coming into commercial use. These include alternatives to non-compostable paper, technology that removes putrescible organic waste from the disposal stream, and improved systems for matching edible food donors with recovery organizations. New companies that measure and collect data on food waste and provide this information back to the generators are already operating, other companies provide imaging and monitoring for contamination and container capacity, and others de-package the food waste for recovery. The regulations are designed to encourage innovation and development of new technologies where possible through the employment of various performance standards.

DEPARTMENT OF FINANCE (DOF) COMMENTS

DOF Comment

DOF’s comments from the letter dated December 21, 2018, as well as conversations between CalRecycle and DOF staff, note that additional transparency could be provided by demonstrating the projected annual costs for facilities in a manner that mirrors Tables 3, 4, and 5 in the SRIA. Specifically, DOF noted that, “additional detail on the construction costs and the number of facilities estimated to be phased in annually are not provided; these details are needed to provide transparency and for proper planning by governments and waste haulers and facilities.”

CalRecycle Response

As noted in the SRIA, “CalRecycle expects these regulations to be fully implemented in calendar year 2025 in response to the statutorily mandated goals of 75 percent reduction in organic waste disposal and 20 percent edible food recovery by January 1, 2025.” Therefore, the SRIA notes annual costs and benefits from 2019-2025.

In order to show projected annual costs for facilities in a manner consistent with other tables in the SRIA, CalRecycle added annual costs and revenues as an addendum to Table 1 from the SRIA (shown below):

Table 1

Addendum to Table 1

Year	Existing Compost Facilities	New Build - Compost Facilities	Existing AD Facilities	New Build - AD Facilities	Capital Cost (\$ Mil)	O&M (\$ Mil)	Revenue (\$ Mil)
2019	41	6	25	0	\$14	\$340	\$730
2020	47	11	25	4	\$71	\$354	\$757
2021	58	10	29	6	\$141	\$419	\$894
2022	68	11	35	5	\$205	\$501	\$1,070
2023	79	11	40	6	\$277	\$576	\$1,229
2024	90	11	46	5	\$341	\$660	\$1,409
2025	101	0	51	0	\$341	\$735	\$1,568
Total New Facilities		60		26			

The SRIA relies on projections of potential infrastructure scenarios that are consistent with the projections made in the SLCP Strategy adopted by ARB in 2017.

COST IMPACT ON REPRESENTATIVE PERSON OR BUSINESS

CalRecycle estimates the direct costs to individuals to be about \$17 per household per year after full implementation.

CalRecycle estimates that approximately 380,000 regulated businesses will be subject to potential costs as a result of the proposed regulations. CalRecycle estimates that the average direct cost to a typical business will be about \$662 annually.

As noted above, the numbers represent statewide averages; actual costs will vary across the state based on a variety of factors. For example, a notable portion of the state's population resides in or conducts business in a jurisdiction that already provides commercial and residential organic waste recycling services. Rate increases in these jurisdictions will likely be lower as many investments in infrastructure were already made. Further, to date the state has funded \$74 million in capital costs for new organic waste recycling infrastructure through Cap and Trade grants and loans. Continued or increased state funding for capital infrastructure could further decrease costs. Finally, many jurisdictions charge for waste services by volume, therefore smaller households and businesses may face lower cost increases, and generators may be able to reduce their costs by reducing their waste generation.

BUSINESS REPORTING

The department has found that the reporting requirements of the proposed regulatory action, which apply to businesses, are necessary for the health, safety, and welfare of the people of the State of California.

EFFECT ON SMALL BUSINESSES

Of the approximately 380,000 businesses that would be subject to the proposed regulations, the majority of these are considered small businesses. CalRecycle estimates the cost on small businesses to be about \$662 annually. The costs for individual businesses will vary significantly, as the cost will depend on the amount of organic waste the business currently disposes, the ability of the business to reduce the amount of organic waste generated, and the level of organic waste collection services the business is already required to subscribe to.

CONSIDERATION OF ALTERNATIVES

The department has determined that no reasonable alternative considered or identified and brought to the attention of the department would be:

1. More effective in carrying out the purpose for which the action is proposed,
2. As effective and less burdensome to affected private persons than the proposed action; or,
3. More cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

CONTACT PERSON

Inquiries concerning the substance of the proposed action may be directed to:

Hank Brady
Executive Office
California Department of Resources Recycling and Recovery
P.O. Box 4025
Sacramento, CA 95812
PHONE: (916) 341-6250
FAX: (916) 319-7457
E-MAIL: SLCP.Organics@calrecycle.ca.gov

Back-up contact person to whom inquiries concerning the proposed administrative action may be directed:

Gwen Huff
Materials Management and Local Assistance Division
California Department of Resources Recycling and Recovery
P.O. Box 4025
Sacramento, CA 95812
PHONE: (916) 341-6622
FAX: (916) 319-7146
E-MAIL: SLCP.Organics@calrecycle.ca.gov

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION

The department will have the entire rulemaking file, and all information that provides the basis for the proposed regulation, available for inspection and copying throughout the rulemaking process at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, the initial statement of reasons, and the economic analysis discussed above. Copies may be obtained by contacting the persons listed above. For more timely access to the proposed text of the regulation, and in the interest of waste prevention, interested parties are encouraged to access the department's Internet webpage at <https://www.calrecycle.ca.gov/Laws/Rulemaking/SLCP/>. Additionally, the Final Statement of Reasons will be available at the above listed Internet address or you may contact the persons named above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

The department may adopt the proposed regulation substantially as described in this notice. If the department makes modifications, which are sufficiently related to the originally proposed text, it will make the modified text, with changes clearly indicated, available to the public for at least 15 days before the department adopts the regulation as revised. Requests for the modified text should be made to the contact person named above. The department will transmit any modified

text to all persons who testify at the public hearing; all persons who submit written comments at the public hearing; and all persons whose comments are received during the comment period; and all persons who request notification of the availability of such changes. The department will accept written comments on the modified regulation for 15 days after the date on which they are made available.