

## **Meeting #10 Agenda (November 15, 12-2pm): End Markets, Purchasing, and Procurement**

- I. Welcome and Overview of Agenda (12:00-12:05)
- II. Anthony Myint, Executive Director, Zero Foodprint + Q&A (12:05-12:20)
- III. Nehemias Chalma, Compost Facility Manager, Natural Selection Farms + Q&A (12:20-12:35)
- IV. Rod Wieber, Executive Director, Feeding the Northwest + Q&A (12:35-12:50)
- V. David Mgebhoff, Strategy Supervisor, Contracts & Procurement Division, Washington State Department of Enterprise Services + Q&A (12:50-1:05)
- VI. Julie Sands, Recycling Program Manager & Burton Ewert, Biologist, City of San Diego + Q&A (1:05-1:20)
- VII. Policy Feedback: End Markets, Purchasing & Procurement (1:20-1:55) [[Based after California's procurement requirements](#)]:
  - a. Except as otherwise provided, commencing January 1, 202x, a jurisdiction shall annually procure a quantity of recovered organic waste products that meets or exceeds its current annual recovered organic waste product procurement target as determined by this article.
  - b. On or before January 1, 202x, and on or before January 1 every five years thereafter, the Department shall recalculate the annual recovered organic waste product procurement target for each jurisdiction according to the requirements of Subdivision (c).
  - c. Each jurisdiction's recovered organic waste product procurement target shall be calculated by multiplying the per capita procurement target by the jurisdiction population where:
    - i. (1) Per capita procurement target = 0.08 tons of organic waste per California resident per year.
    - ii. (2) Jurisdiction population equals the number of residents in a jurisdiction, using the most recent annual data reported by the WA Department of Revenue.
  - d. Annually, the Department shall provide notice to each jurisdiction of its annual recovered organic waste product procurement target by posting such information on the Department's website and providing written notice directly to the jurisdiction.
  - e. A jurisdiction shall comply with Subdivision (a) by one or both of the following:
    - i. Directly procuring recovered organic waste products for use or giveaway.
    - ii. Requiring, through a written contract or agreement, that a direct service provider to the jurisdiction procure recovered organic waste products and provide written documentation of such procurement to the jurisdiction.
  - f. For the purposes of this article, the recovered organic waste products that a jurisdiction may procure to comply with this article are:
    - i. Compost, that is produced at:

1. A compostable material handling operation or facility permitted or authorized under Chapter xx; or
  2. A large volume in-vessel digestion facility as defined and permitted under Chapter xx of this division that composts on-site. [NOTE: Digestate, as defined in xx, is a distinct material from compost and is thus not a recovered organic waste product eligible for use in complying with this section.
    - ii. Renewable gas used for fuel for transportation, electricity, or heating applications.
    - iii. Electricity from biomass conversion.
    - iv. Mulch [meeting certain requirements]
- g. Policy Questions:
- i. Should procurement by others within jurisdiction count?
  - ii. Could there be a regional approach?
  - iii. How to avoid hurting existing markets?
  - iv. When should procurement requirements begin (relative to the other requirements)? (CA is 3 years)

## Policy Discussion

- Rose G.: Have experienced the joy of food gleaning in past life (i.e., repurposing food for consumption) instead of composting. Appreciate the policy but not seeing an attempt to balance that. When you try to focus on how much they had to generate, there's no incentive to help those who need repurpose of food. In one of the earlier sessions in CA, that has been lacking. We have a chance to build a policy that tries to address that gap. When policies overly focus on organic food waste, I believe it has an equity issue when we do not offer much incentive to repurpose food for consumption.
- Chris T.: Trying to better understand the implication where it mentions that digestate can't be purchased from a digester unless it's composted on the site. Assume that's meant to protect the farmer who has a digester and makes compost on site. If the purpose of the law is to reduce methane and digesting can accomplish a significant amount of methane versus composting, then why wouldn't we also incentivize local jurisdictions to purchase digestate to enhance the value of composting?
- Carl S.: This concept of mandatory procurement is one of the biggest concerns for this proposal. Sets up a system where a local government captured by the system created and is required to collect curbside organics and are required to contract with a processor to convert those into something compostable and then we're required to purchase back from the same processor a certain amount portion of the materials whether we need them or not. Seems like a closed loop where there would need a lot of safeguard built in to ensure that price gauging and that sort of thing doesn't occur. The whole cost of this and how that is going to be handled and born and what are the timelines, etc., associated with that are really concerning to hear the from the California folks. We're sort of set up without any funding and it's good to see that that did come later, but that's been a kind of fundamental underpinning of how this has been sold to us at least as something that wouldn't mitigate those concerns. We would need to see that in a lot of detail to feel comfortable with this. The final thing: I know that the idea about allowing constituents in a jurisdiction's purchases to count toward that jurisdiction's responsibility is something that we've heard before and I can't imagine how that would be possible. I don't know if there is any additional

work to be done to show a mechanism that can be meaningfully applied. Is it the city that Lowes is in that gets the credit or is it the city that the person lives in that shopped in the Mount Vernon Lowes that gets the credit?

- Heather T.: Definitely think this is a tech fix and fixable in terms of attributing purchases. Particularly, if it's regionalized, it'll be an easier way of handling it. So the Home Depot that is in King County, all the Home Depots in King County, all those stores are encompassed in King County if all the King County cities are all part of one region. That would be a way to make it a little bit easier to figure that out.
- Michael W.: Is there a \$ per CO2 eliminated calculation done somewhere for various waste strategies? Seems like that could drive a lot of the policy here. I thought some of that work may have been done.
- Michael S.: Digestate should be part of the procurement program. As its own product. It could also be added to enhance compost as well, so three products: compost, digestate and infused compost with digestate.
- Kate K.: No, we would likely not support mandated purchasing requirements as these types of policies do not reflect the amount of potential use in each jurisdiction, the desires for private sector composters to sell to public entities, nor do they necessarily reflect the highest and best use of the material. Let's see the results of the compost procurement and tracking before implementing further requirements on jurisdictions. Let's learn what the actual market barriers are before requiring jurisdictions to do the purchasing. Also, the jurisdictions cannot control the quality of the products if they're not the processor, and a requirement on purchasing material just because we have a contract for processing, is unfair to the individual jurisdictions. Also, we don't want these procurement requirements to be overly prescriptive as to the type of material or forcing it to be compost. For example, municipalities likely cannot use digestate or animal feed. If there are requirements for procurement, all sales within a jurisdiction should count, as most of the land within a jurisdiction is likely not publicly owned land, AND the publicly owned land is likely not farmland or the highest and best use of these products.
- Heather T.: Struck by talk about natural selections. There's a challenge for much more expensive materials for higher quality materials versus lower quality material. Think there needs to be something in legislation that addresses the quality of material. Kind of gets to Kate's point.
- Alli K.: Diving into details of interaction with current compost procurement ordinance in 1799. Does this supersede that or expand? Would like to dig into the nuance.
  - Heather T.: Imagine that this would be built upon 1799 and use that language but add new language that would modify it a bit, but fundamentally to add requirements instead of just planning for.
- Rod W.: With recycling, we need end markets for the policy to be successful. With expanded organics collection, will have a lot more material so we definitely will need to ensure there's demand for that product and overall supportive of some sort of procurement concept. From a lifecycle perspective, probable to have a local market where very material is transportable. We shouldn't disrupt local markets if a facility has a buyer for their product. Maybe a preference for locally sourced compost would be helpful, but definitely not mandated. On retail compost purchases being counted I'm curious how much that would move the needle or if we have some data or if that data would be necessary on how much that is sold just relative to the amount of new material that's going to need a home essentially.
- Chris T.: Earlier question to friends from SD, want to reinforce that we shouldn't be overly prescriptive on what we're asking jurisdictions to procure. Don't want to be overly prescriptive on compost, digestate or other organic byproduct. All should be allowed and perhaps at different volumes through that to equate to the amount of organic waste that they are displacing. We should implement purity or contamination free standards to ensure that contamination is not part of the procurement process. Want to avoid a situation where local jurisdiction is responsible for purchasing a product that might have a certain level of microplastics or something like that in there and you know where it'd be reintroduced back into the agriculture stream and that would sort of defeat the purpose of circularity.

- Alli K.: Either moving procurement out of DES or granting DES clear enforcement authority of the procurement within there since they said they don't have enforcement authority.
  - Rod W.: Agree strongly on enforcement authority for all aspects of new organics policy.
- Heather T.: Don't know that .8 is the right fraction. It seems that we should consider a lower fraction. When I've talked to various people in CA, they also thought that .8 was a little too high.
- Sean K.: For example, British Columbia has guidelines for compost quality. To have zero contamination is not practical to expect compost quality to get to considering what the source material is. Also, just to comment on digestate being taken off site from digesters for other uses, it's still classified as a waste stream in jurisdictions where we operate in because pathogens, weed seeds, things like that are not necessarily killed off in digestion, which is why composting is still required to complete the treatment process. Think that's an important thing to consider if you're looking at any frameworks or guidelines for the use of that material.
- Dan C.: There is a lot to think about and some folks might want to chew on it a bit more before offering some more feedback. Would echo the issues of contamination that it's not realistic to have none. Any processor that takes in food waste has a higher level of contamination. It's often times related to that whole cost for the compost. For the City of Tacoma, we make a product called TAGRO out of the biosolids. This is in direct competition in some ways to folks using that. I think there needs to be some sort of credit or acknowledgement for folks that are already recovering waste locally in this way. For requiring more purchasing requirements and the other thing is it's going to need to be a lot more funding going forth for this and from everything for education, the public of what goes in the compost container to also promoting the purchasing and end sure of compost so it's definitely of some concern that what we're trying to emulate is a program that hasn't proven itself even when we make some tweaks.
- Chris T.: Important distinction needs to be made between biosolids (which can have pathogens) and digestate which can come from a stand alone AD such as food waste (i.e. not processing manure or wastewater).
- Hannah S.: I agree with Kate and Carl's comments and concerns. I think rather than a procurement requirement we should address the contamination issues in compost and provide resources to improve compost quality and access for farmers to strengthen markets instead.
- Michael W.: Paying for systems to sort waste and pull out packaging might solve the contamination issues.
  
- Dan C. (on behalf of City of Tacoma): Regarding VII Policy Feedback: The policy requiring municipalities to purchase compost volumes based on the volume of organics diverted creates a cost disincentive for municipalities to pursue increased organic materials diversion, especially in locations where landfilling may be less expensive.
  - The policy does not direct compost to where it is needed most and where there is the greatest market potential: farmland.
  - Creating a guaranteed market does not incentivize organic processors to make the highest quality compost.
  - The policy creates an additional burden on lower income ratepayers.
  - Municipalities that are already using recovered organic materials, like biosolids(e.g., Tagro) and wood chips from tree trimming instead of compost, are forced to purchase materials, with a higher carbon footprint, that they do not need.
- Rodd P.: A key point about finished compost procurement is that there is not enough compost procurement from local facilities, by anyone, almost everywhere. Compost facilities end up stockpiling large mountains because the markets are not pulling material through as fast as it's being collected and composted on the front end. Anticipating that 1799 will result in tripling, or quadrupling that front end tonnage in just a few years, means the back end probably HAS to have some prescriptive purchase requirements or the composters will simply be buried in compost, violate their site permits, and the system will drown on its own beautiful

product. There's no way enough new facilities will be planned, permitted, and built before the law starts to kick in – existing facilities will probably try to expand, but between seasonal limits and limited storage capacity, purchasing also has to increase.

VIII. Next Steps and Adjourn (1:55-2:00)

- a. Next Meeting: **Wednesday, 12/6 12-2pm**