

**HB 171 – Yard Waste, Food Residuals, and Other Organic Materials Diversion
and Infrastructure Study**

**Study Group Meeting
July 16, 2018 1:00 PM – 3:00 PM**

Minutes

Attendance: Julia Mooney*, Dave Mrgich*, Christy Bujnovszky*, Kaley Laleker*, Tariq Masood*, John Sullivan*, Stephanie Cobb-Williams*, Dwight Dotterer (for Hans Schmidt)*, Brenda Platt*, Maria Meyers, Steven Birchfield, Ben Fischler*, Erin Young, Adria Aleto*, Joana Pei, Kristyn Oldendorf, Andrew Cassilly*, Joseph Zach Brendel*, Gemma Evans*, Jeff Dannis, Chris Skaggs, Linnea Boogades, Darla Garrett, Abbey Roswell, Melvin Thompson*, Linda Norris Waldt, Susan Kornacki, Peter Ettinger, James Palma*, Pam Kasemeyer*, Doug Meyers*, Alan Pultyniewicz, Keith Ohlinger

On the phone: Patrick Serfass*, Laura Cattell Knoll*, Jane Thery*, Julie Paluda*

*Study Group Member

Introduction

Dave Mrgich provided a brief introduction and overview of the meeting agenda. Information and study group resources are available on the webpage.

Gemma Evans pointed out a typo to be corrected in the May meeting minutes. Patrick Serfass added that the recommendation to develop a permitting guidance document for anaerobic digestion is not clearly stated in that section of the draft meeting minutes. The edits have been made and the May 17, 2018 meeting minutes are approved.

Laws and regulations of other states, including Massachusetts, Connecticut; Vermont; California, and Rhode Island, governing the diversion of yard waste, food residuals and other organic materials

Erica Chapman
Office of the Director
Land and Materials Administration
Maryland Department of the Environment

- Erica Chapman specified that the whitepaper has been updated since the previous meeting and that more information is available in the whitepaper than in the presentation.
- California
 - Brenda Platt asked if the recycling rate includes plastic, etc. Erica Chapman pointed out that food and yard waste is increasingly disposed because there is not enough composting and anaerobic digestion facilities to take it.

- Patrick Serfass noted that green waste can be used as alternate daily cover, but it doesn't count as recycling. He asked if this use of green waste has impacted California's recycling rates since the law went into effect? Erica Chapman stated that there is not enough capacity to deal with the increase of green waste. She added that there isn't a full analysis yet because the law was enacted mid-2016, and this report included all 2016 waste generation data.
- Massachusetts
 - Massachusetts generators are mostly composting rather than food donation, in order to avoid food safety concerns of food donation and to allow for centralized waste management.
 - Study demonstrated overall the waste ban has increased organic waste and led to the growth in the organic waste industry.
- Vermont
 - Vermont haulers are having difficulty collecting food residuals and yard waste in rural areas.
 - Gemma Evans asked if the fast trash or bag-drop sites are offered at apartments and condos? No, fast trash or bag-drop sites are drop off centers for residences not serviced by curbside pickup. By law, waste haulers that operate fast trash or bag-drop sites must offer food waste and yard waste services at these sites.
 - Patrick Serfass noted that Vermont stands apart from other states organic waste bans, because it goes all the way down to generators on the residential level (below commercial). The incorporation of food recovery hierarchy language encourages building new recycling infrastructure down to the residential level. Everyone has to find a way to recycle food waste. It addresses need for new infrastructure.
- Rhode Island
 - Patrick Serfass noted that the tipping fee structure in Rhode Island would not work well in other states. He expressed concerns that a food waste recycling requirement would create an environment where composting facilities would be able to raise fees to their customers. He added that in Rhode Island there's an escape clause for generators. If they're afraid they're being charged too much in tipping fees in comparison to landfills, they can get an escape to not have to handle food waste. He noted that it works in Rhode Island because there is a control of pricing in Rhode Island government.
- Doug Meyers asked how proficient are the laws meant to promote new infrastructure for citing new recycling facility space and noted that this will impact capacity.
- Gemma Evans asked if presentations will be available on the website. Dave Mrgich replied yes, the presentation will be available on the website.
- Patrick Serfass asked to add Colorado to the list of states with different tax fees and rates.

**Yard Waste, Food Residuals, and Other Organic Materials Diversion and Infrastructure Study
Applicability of Commerce Programs**

James Palma, AICP

Maryland Department of Commerce

- Economic Development Opportunities Program Fund (Sunny Day) can be used by any agency as long as it meets the guidelines.

- Darla Garrett clarified regarding Maryland Industrial Development Financing (MIDFA) that Commerce only ensures a portion of the commercial loan if something goes wrong. Offering collateral shortfall.

Recommendations Discussion

- Doug Meyers noted that no state has the perfect program and believes that Maryland has the ability to pick the best parts. He wants to look at the whitepaper and put components together. He added that the geographic components are important for grants and funding and requested plotting a grants geographic restriction along with large generators using GIS to show what's available and where. He argued that facilities are planned around the source which might not be located in PFAs and limiting availability of grants, incentives and funding. He added that the location accounts for transportation costs, etc.
- Doug Meyers asked if you can you apply for multiple State incentive programs? James Palma said yes and no. Darla Garrett clarified that you can stack some but not all. She noted that there are restrictions with tax credits and that you can ask for exceptions to PFAs.
- Dave Mrgich asked if the incentive programs are centrally located on the Commerce website so MDE can direct people to that information. James Palma said all resources are available on the web. MDE will place a link to current economic incentives on the Department's Organics Diversion and Composting webpage.
- James Palma added that when siting business location, water and sewer placement is necessary and that makes them likely located in PFAs.
- James Palma noted that there are other agencies with programs that are better suited but are not included in this workgroup.
- Jane Thery noted that on-farm composting is not included in the slides. Erica Chapman stated that Maryland already has composting regulations so she wanted to focus on regulations that Maryland doesn't have, but added that there is some discussion of on-farm composting programs in the whitepaper.
- Erica Chapman noted that California has Recycling Market Developmental Zones which are likely similar to PFAs. She added that California grant and loan programs are included in the whitepaper. She noted that there are provisions to create jobs, match funding, etc. California is not currently accepting new applications because they are back paying. She added that there is a lot of interest in the programs.
- Brenda Platt added that she agrees with Doug Meyers that Maryland has the opportunity to pick and choose the best components. She noted that composting is not a focus in incentives, grants and funding discussions in the whitepaper. Erica Chapman responded that the grants discussed do include funding opportunities composting, source reduction and food recovery.
- Erica Chapman noted that you can't ban food waste if the infrastructure isn't in place to handle the food waste. Brenda Platt added that there is an opportunity to promote incentives, grants and funding for schools, food rescue and farmers on a small scale.
- It was added that Connecticut has three anaerobic digestion facilities that are approved but delayed due to financing. Erica Chapman clarified that the facilities have not secured agreements with power companies to buy biogas.
- Brenda Platt recommended that dedicated economic development incentive programs be developed and distributed to both big and small scale operations. Dave Mrgich believes that is outside of the Study Group's ability but the group can make recommendations for specific incentives.
- Erica Chapman will generate a list of her favorite incentives from other states.

- Brenda Platt asked: are there any programs in other states that we can do in Maryland? Are there any anaerobic digestion, composting, food rescue programs that are receiving any grants James mentioned? James Palma responded that Commerce deals with private for profit companies that are not farms (generally). James Palma suggested looking at all programs holistically and not just commerce. James Palma and Darla Garrett do not know of any composting, food waste, etc. that is being currently funded. There is no real dedicated funding for this kind of activity.
- Andrew Cassilly says the goals are broad: to keep food from being wasted, develop commercial composting, anaerobic digestion, etc. How do we target legislation that will assist in each area? What are the obstacles to get infrastructure in place? MDE requires a semi-annual report for composting (.25 cents per ton tax to report). That's tough on a new business. He suggested identifying obstacles like that and put together legislation to help.
- Erica Chapman noted California's GHG reduction grant: food waste prevention and rescue, organic grant program for composting, anaerobic digestion, GHG reduction loan program (all in whitepaper). She added that funds come from cap and trade, fees, etc. Erica stated that the programs look good, but there are a lot of repercussions and things going on in the background.
- Brenda Platt noted that funding is oriented toward single, specific projects that have the largest reduction of GHGs. She countered that small scale projects need to be included in funding and grants (not like California). She adds that the large scale projects are needed in Maryland but the small scale projects are needed too.
- Patrick Serfass agreed with Dave Mrgich's suggestion to dedicate a meeting to create recommendations from this group. He added seven things to the discussion:
 - Use a phased approach: start with low hanging fruit to more complex. Large generators to small generators.
 - Establish incentive for infrastructure to be built to handle all the material. He added that tax credits are good but grants are better.
 - Develop a clear permitting process. He suggested starting with defining the current permitting process. He then said to move forward with removing inefficient things and improve the process.
 - De-packaging equipment is necessary. If food waste is going to be diverted, there needs to be a way to handle it.
 - Do not mix food waste and green waste during collection.
 - If you do collect them separately, collect them in bags, preferably compostable. Couple organics recycling law with encouraging compostable bags everywhere: grocery stores, restaurants (plastic bags). Keeps cost of compostable bags down.
 - Create a market for compost and digestate. He noted that policy needs to find some way to encourage the purchase of materials. It creates revenue to go back. Encourage compost and digestate use in projects.
- Doug Meyers thinks there should be an early set of recommendations of what we can do with existing state laws and incentives, and then followed by future legislation including power purchasing agreements.
- Andrew Cassilly noted that there is a task force looking at recycling as well and will put out recommendations. He believes they will be similar and we should work to make them verbatim. He adds that if the recommendations are exactly the same it shows their importance. Kaley Laleker added that she expects the product will be a set of regulations and not recommendations. She said there will be overlap with anaerobic digestion.
- Andrew Cassilly notes contamination in the recycling stream could be partly solved by removing organics from the waste stream and this would help the recycling process.

- Kaley Laleker said the timelines between the workgroups don't exactly line up, but maybe Ed Dexter can provide an update to what is happening in the recycling workgroup. She added that they do not have draft regulations yet, but he can provide an update of their discussions like incidental materials coming into the waste stream that they have to deal with.
- Kaley Laleker asked for opinions regarding the structure of the workgroup going forward. She noted that we currently present a lot of background information but as we get closer to recommendations she asked if it would be helpful to have calls or meetings in between where we drill into specific topics that are then brought back to the full group? She added that it may be more efficient to get more details on specific topics.
 - Dave Mrgich added that health and safety is next presentation.
 - Doug Meyers recommended a full group and break out meeting to concentrate on different issues. Kaley Laleker added that we can also do calls.
- Jane They would like to focus on composting and agricultural products including testing, registering and labeling. She recommended promoting Maryland compost as a proud, quality product.
- Gemma Evans added that it would be helpful to have whitepapers, meeting minutes, etc. more in advance of the meeting in order to prepare for the next meeting.

Comments

- Keith Ohlinger added that a local business with extra food, about 100 tons of material per year, was donating food to his farm for animals. He stated that the animals loved it and it was a great material but the employees wouldn't stop putting trash in the baskets like plastic gloves, bags, etc. The trash would harm the animals if they ate it so the extra food is landfilled. He noted that there is no law or financial incentive to encourage the food donation but it didn't work out.
- Zack Brendel noted that farms are looking for more money and to bring money in. He added that a lot of dairy farms are going out of business. He noted that a lot of farms already have area to put in these facilities and some already have equipment, however their uninformed surrounding communities push back.
- Pam Kasemeyer added that the infrastructure development piece will be the hardest to crack. She noted that recommendations need to be strong to get past local barriers.
- James Palma asked if there is a comprehensive list of what we're trying to look at. He asked if we can break it into pieces and the industries they fall under to see what applies.
 - Kaley Laleker noted that the bill laid out several study topics that involve several different stakeholders. She stated that if we want to separate it out, we need to think about what the subgroups will be, identify barriers and develop groups for smaller discussion. She added that a possible group could be markets for finished products.
- Maryland has open market for selling energy. Biogas would be available for energy credits. Possible recommendation would be to keep biogas energy as a Tier 1 resource in the renewable energy portfolio standard.
- Peter Houstle suggested determining how big the market is and finding what the real opportunities are.
- Keith Ohlinger added that some energy company wouldn't buy back energy from self-generating systems.
- Kaley Laleker stated that we'll send out small group suggestion topics to organize breakout sessions.