



## Staff Report

### May 9, 2023

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**TO:** Honorable Mayor and Members of the Town Council  
**FROM:** Merrill Buck, Town Engineer  
**RE:** Presentation by Pioneer Community Energy to consider an alternative to purchasing compost as another way to satisfy the Town's SB 1383 recovered organic waste procurement target

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#### **Recommendation**

Receive an information-only, power-point presentation from Pioneer Community Energy to consider an opportunity that will allow the Town to satisfy some of its required Senate Bill 1383 recovered organic waste procurement target by utilizing transferable procurement credits obtained from using SB 1383 eligible biomass to generate electricity.

#### **Issue Statement and Discussion**

On September 19, 2016, California approved Senate Bill No. 1383, Short-Lived Climate Pollutant Reduction Strategy, also known as SB 1383. Among other things, this bill requires jurisdictions to annually procure 160 pounds of recovered organic waste products, per person, to meet the jurisdiction's annual procurement target. For the Town of Loomis, this results in a target of 545 tons.

The Town's approach to meeting the procurement requirements has been to purchase and stockpile compost for public giveaway. As another approach, SB 1383 allows, under a contract with a biomass power plant producer, for a portion of the facility's biomass electricity to be counted toward the Town's procurement target, up to the amount of electricity that the Town consumes from its municipal operations. Pioneer Community Energy (Pioneer Energy) has offered to assist its member jurisdictions with meeting the SB 1383 procurement requirements using this approach. To achieve this, Pioneer will act in an advisory role to facilitate and negotiate on behalf of its member jurisdictions, the price and agreement terms with Greenview Power, a biomass power plant owner/operator that has been in direct communication with CalRecycle to ensure the proposed model meets the SB 1383 requirements.

Greenview Power owns and operates a 45 MW facility known as Desert View Power (DVP) located in Riverside County. The plant has been consistently providing renewable energy to Southern California since 1992. Each year DVP burns between 360,000 and 390,000 tons of woody biomass material diverted from regional, SB 1383-eligible landfills, which it then converts into electricity. The procurement credits for using SB 1383 diverted materials can be sold in the form of "attributes" which the Town can buy to satisfy its SB 1383 procurement requirements.

Recent legislation has allowed for SB 1383 procurement targets to be phased in over the next three years. In 2023, the Town is only required to achieve 30% of its annual 545-ton procurement target. In 2024, it must achieve 65% of the target. And in 2025 and thereafter, it must achieve 100% of its target. For 2023, the 30% target, or 164 tons, will be achieved by purchasing compost.

In 2024, when the procurement requirement increases to 65% of the target, or 365 tons, up to 336 tons of biomass produced energy credits (representing the amount of electricity the Town consumes from its municipal operations) could be purchased from Desert View Power, with the remainder being purchased as compost. In 2025, and beyond, the full procurement target of 545 tons is required. 336 tons of energy credits could continue to be purchased from Desert View Power, leaving 209 tons to be purchased as compost, which roughly balances with what the Town has been able to give away.

In conclusion, purchasing some of the Town's required SB 1383 recovered organic waste procurement through biomass energy credits would take the pressure off the Town from having to purchase only compost, which by 2025 will grow to 545 tons; an annual amount which is more than double what the Town has been giving away.

### **CEQA Requirements**

An agreement with Desert View Power, if entered into, would be categorically exempt in accordance with Section 15307, as an action taken by a regulatory agency, as authorized by California law, to assure maintenance or protection of natural resources; and in accordance with Section 15308 as an action taken by a regulatory agency to assure maintenance or protection of the environment.

### **Financial and/or Policy Implications**

Starting in 2024, a maximum of 336 tons of biomass produced energy credits are available for the Town to purchase at a proposed cost of \$32.50 per ton. This equates to an annual cost of \$10,910. The Town is paying approximately \$45 per ton of recovered organic waste product to achieve SB 1383 compliance through compost procurement. Purchasing biomass produced energy credits would therefore result in cost savings to the Town of \$12.50 per ton, over the cost of buying compost.

Following the presentation, Council may ask questions, and consider making a motion requesting staff to return to Council with a proposed agreement.