

# Organics Diversion Best Practices from Leading Jurisdictions

Jurisdictions throughout the developed world have successfully moved forward with initiatives to harness both the economic and environmental opportunities associated with organics diversion and the generation of biogas and renewable natural gas. This includes jurisdictions in North America (e.g., British Columbia, Quebec, Nova Scotia, California, Massachusetts and Vermont) and Europe (e.g., Austria, Germany, France, and Scotland).

While every jurisdiction has its own unique considerations, there are a number of best practices that should be applied as Ontario continues to pursue both its economic and environmental opportunities:

- **Allow for Robust Data Capture and Reporting**

Most leading jurisdictions have robust waste management data gathering requirements and reporting systems. They are also increasingly utilizing digital systems that ease the administrative burden for both the submitter and the regulator. This data is crucial for the regulator in relation to oversight, enforcement, policy development and evaluation. It is also important for businesses, local governments and other organizations to make informed business decisions and for the public to understand the value proposition.

- **Establish Multiple Supporting Mechanisms to Drive Outcomes**

Supporting mechanisms are pivotal to ensure both the economic and environmental outcomes are achieved. This includes two main categories:

> **Push mechanisms** that discourage activities that lead to undesired outcomes. Disposal bans, restrictions and levies are often successful when implemented either independently or in combination.

## EXAMPLE: Scotland

Scotland has successfully set progressive targets for the reduction and diversion of organic waste from disposal over the past decade. They have employed disposal levies that were first introduced in 1996 and have been steadily increased to well over \$100. They have also moved forward with progressive diversion requirements on major organic waste generators with a complete ban on biodegradable municipal waste by the end of 2020. Biogas facilities in Scotland already produce enough gas to supply the equivalent of 85,000 homes.<sup>1</sup>

> **Pull mechanisms** encourage outcomes that are desired. Commonly utilized pull mechanisms include incentives related to energy generation (e.g., fuel, heat, electricity) or construction of processing or collection infrastructure (e.g., grants and funding); quality standards for recycled products (e.g., fertilizer and other soil amendments); and government procurement practices. They also include efforts to ensure greater access to collection in a manner that preserves the quality of the materials such as mandatory source separation requirements.

## EXAMPLE: California

California has employed a suite of pull mechanisms to help incent the capture and reutilization of biogas. This includes: a *Low Carbon Fuel Standard* that requires the carbon intensity of gasoline, diesel and substitute fuels to be reduced 10% by 2020; a *State Renewable Portfolio Standard* that requires utilities to increase the ratio of renewable energy by 33% by 2020; *Federal Renewable Fuel Standard* for liquid fuels that allows renewable natural gas to qualify as renewable fuel; infrastructure grants, low interest loans, sales tax exemptions and tax credit zones. They are also removing weight limitations for natural gas vehicles and improving the conditions for the development, deployment and utilization of renewable natural gas. A report from California's Legislative Analyst's Office shows that organics diversion activities have one of the best cost-per-tonne greenhouse gas reductions.<sup>2</sup>

October 2018

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## Overview of Mechanisms Used in Leading Jurisdictions

	Nova Scotia	Quebec	California	Massachusetts	Vermont	Scotland
<b>Disposal Levy</b>		✓	✓		✓	✓
<b>Organics Disposal Ban</b>	✓	Proposed for 2022		✓	✓	✓
<b>Source Separation Requirements</b>	At the municipal level		✓	✓	✓	✓
<b>Infrastructure Programs</b>		✓	✓	✓	✓	✓
<b>Energy Programs</b>	✓	✓	✓	✓	✓	✓

- **Simplify Compliance Systems**

Leading jurisdictions avoid complexity in the mechanisms they utilize. Numerous exemptions, compliance requirements that are difficult to assess or difficult to efficiently assess mean that oversight can't be properly provided.

- **Ensure Proper Oversight and Enforcement**

Adequate resources must be allocated to ensure proper oversight and enforcement of the system, particularly in the initial stages. Without these resources, abiding companies are disadvantaged and it is difficult for investment decisions to be made related to infrastructure.

- **Allow for Ongoing Stakeholder Engagement**

The development of the necessary infrastructure and assurance of proper oversight is dependent on ongoing and clear communication from the government on its objectives with the waste management industry, local governments and other sectors that would be directly and substantially impacted. Early and often dialogue is a key contributor to long term success.

<sup>1</sup> Scottish Government. The future of energy in Scotland: Scottish energy strategy, 2017.

Available at <https://beta.gov.scot/publications/scottish-energy-strategy-future-energy-scotland-9781788515276/pages/5/>.

<sup>2</sup> California Legislative Analyst's Office. Administration's Cap-and-Trade Report Provides New Information, Raises Issues for Consideration, 2016.

Available at <http://www.lao.ca.gov/handouts/resources/2016/Cap-and-Trade-Report-Provides-New-Information-042016.pdf>.