



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: John Stufflebean

SUBJECT: SEE BELOW

DATE: 06-03-08

Approved

Date 6/5/08

**SUBJECT: ASSEMBLY BILL 1195 (TORRICO), RECYCLING: USED OIL:
INCENTIVE PAYMENTS**

RECOMMENDATION

It is recommended that:

1. The City Council support AB 1195 (Torrigo)
2. The Committee provide a one-week turnaround for Mayor and City Council review.

OUTCOME

If the Rules and Open Government Committee and the City Council accept staff's recommendation, the City lobbyist could begin seeking support for AB 1195 (Torrigo).

BACKGROUND

Motor oil is a limited, non-renewable resource which, when re-refined after use, can be indefinitely recycled to produce motor and lubricating oil while conserving virgin crude oil, saving energy, and reducing greenhouse gases. The United States generates a total of 1.3 billion gallons of waste oil each year, of which Californians generate more than 120 million gallons. Currently, only 10% of that used oil is re-refined. Most used oil is shipped out of state and burned for fuel. In addition to the greenhouse gases produced by burning oil, untreated used oil contains harmful pollutants such as PCBs and halogens picked up during use. These pollutants are not removed until it is re-refined and can impact air quality when burned.

By re-refining that oil, the nation would save 2.5 million gallons of oil per day. One gallon of re-refined used motor oil will produce 2.5 quarts of lubricating oil. On the other hand, it takes 42 gallons of crude oil to produce the 2.5 quarts of lubricating oil.

ANALYSIS

A fact sheet and analysis of AB 1195 is attached.

COORDINATION

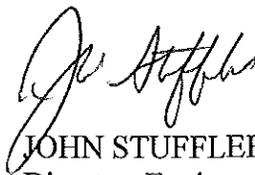
This memorandum was coordinated with the City Attorney's Office, Intergovernmental Relations Director in the City Manager's Office, and the City's Legislative Representative in Sacramento.

POLICY ALIGNMENT

The attached analysis is consistent with the Council-adopted 2008 Legislative Guiding Principles, and the Council-adopted guidelines.

Promote Livability, Sustainable Development, and Environmental Protection

1. Protect the environment through conservation and preservation of natural resources.
4. Promote research, development, production and procurement of environmentally preferable goods, services, and transportation.
7. Support source reduction and increased recycling and composting in order to achieve Zero Waste.



JOHN STUFFLEBEAN
Director, Environmental Services

For questions please contact Ken Davies, Supervising Environmental Services Specialist, at (408) 975-2587.

AB 1195 (TORRICO): RECYCLING: USED OIL: INCENTIVE PAYMENTS

What issue is the bill is trying to resolve?

Current State law allows an incentive to be paid to approved entities for the collection and delivery of used motor oil to used oil recycling facilities. While expanding information and education components on source reduction of used motor oil and expanding collection infrastructure for rural counties, a key provision of this legislation is the prohibition of incentive payments for any used oil burning for energy generation, where that used oil does not meet California purity standards for recycled oil. This would help prevent the pollution associated with burning of used motor oil, which contains harmful pollutants such as PCBs.

How would the passage of this bill affect San José?

Passage of this bill contributes to San José's ongoing efforts to reduce regional and global greenhouse gas emissions and is consistent with the use of re-refined motor oil within our fleet operations. Passage of this bill supports used motor oil recycling and the continued availability of re-refined motor oil for our fleet. Passage of this bill would contribute to the conservation of a finite resource necessary to City operation of its municipal fleet.

What is staff's Proposed Position?

Staff recommends that the City support AB 1195.

Who are the bill's supporters and opponents?

Supporters: The Sierra Club, DeMenno/Kerdoon, California Resource Recovery Association, Ramos Environmental Services, California Independent Oil Marketers Association, Coast Oil Company, FRS Environmental, Inc., Carrs Waste Oil Service, RCA Oil Recovery, Black Star Oil Co., Inc., Jim Knight Drain Oil Co, Inc., Compliance Environmental Services.

The Western States Petroleum Association (WSPA) has adopted a neutral position on the bill.

Opponents: Independent Waste Oil Collectors and Transporters (used oil transporters)
Regional Council of Rural Counties

What is the current status of the measure?

Last Action: May 29: Senate Appropriations Committee Suspense File.