

Oregon Recycling System Advisory Council

Meeting #2

Thursday, 8/18/2022



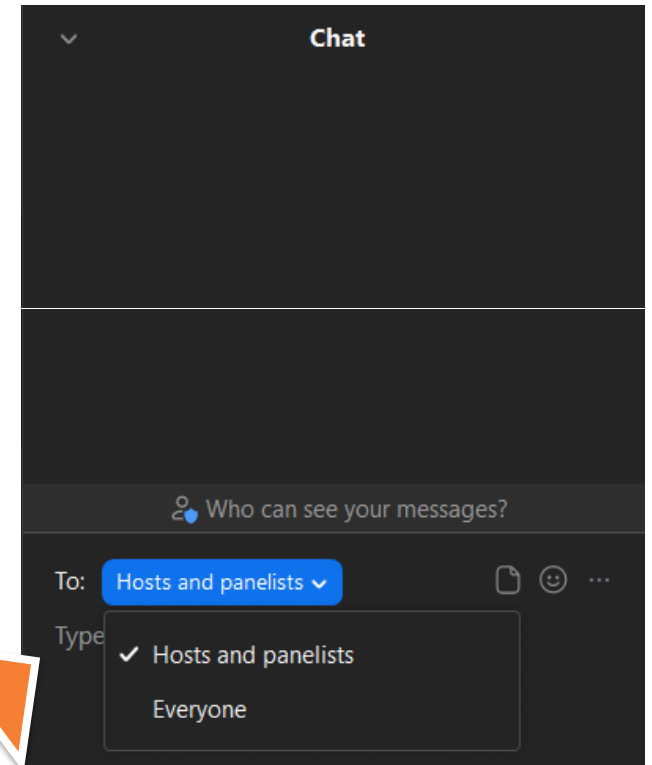
Cheryl Grabham
Materials Management Program Manager
Cheryl.Grabham@deq.oregon.gov

Welcome



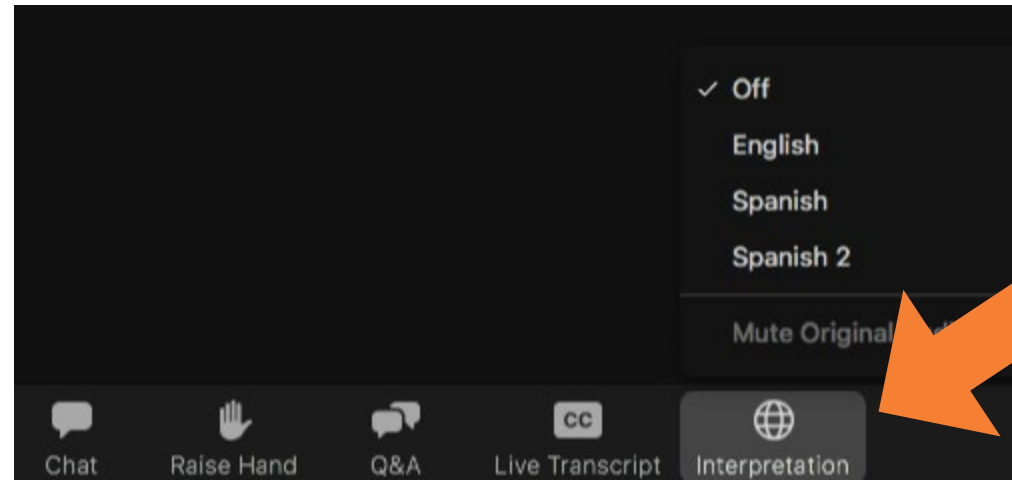
Zoom logistics

- Contact **Alex Bertolucci** in the chat with questions about Zoom or meeting questions.
- All attendees are in listen-only mode. Use the Q&A to ask questions and chat to contact the host.
- Today's session is recorded.
- Be aware of who you are or are not chatting to.



Interpretation

- Look for the interpretation (globe) icon at the bottom of your screen and select the language you want to hear



Agenda

- Review Recycling Council and Rules Advisory Committee roles
- Finalize council rules, Vice-Chair update
- Status update from DEQ
- July rule advisory committee update and discussion (5 min pre-read time)
 - Overview of July RAC
 - Responsible end markets
 - PRO obligations
- 10 min break
 - Local government compensation
 - Recycling acceptance lists update and discussion
 - Q&A/discussion
- Review draft legislative report
- Public input
- Next steps





How the public can get involved

- Sign up for email updates at RecyclingAct.Oregon.gov
 - Receive notices about Council meetings, rulemaking, and more.
 - Hear about opportunities to provide formal public comments.
- Provide public input during today's meeting
 - Send a chat message to Alex Bertolucci

Council Rules

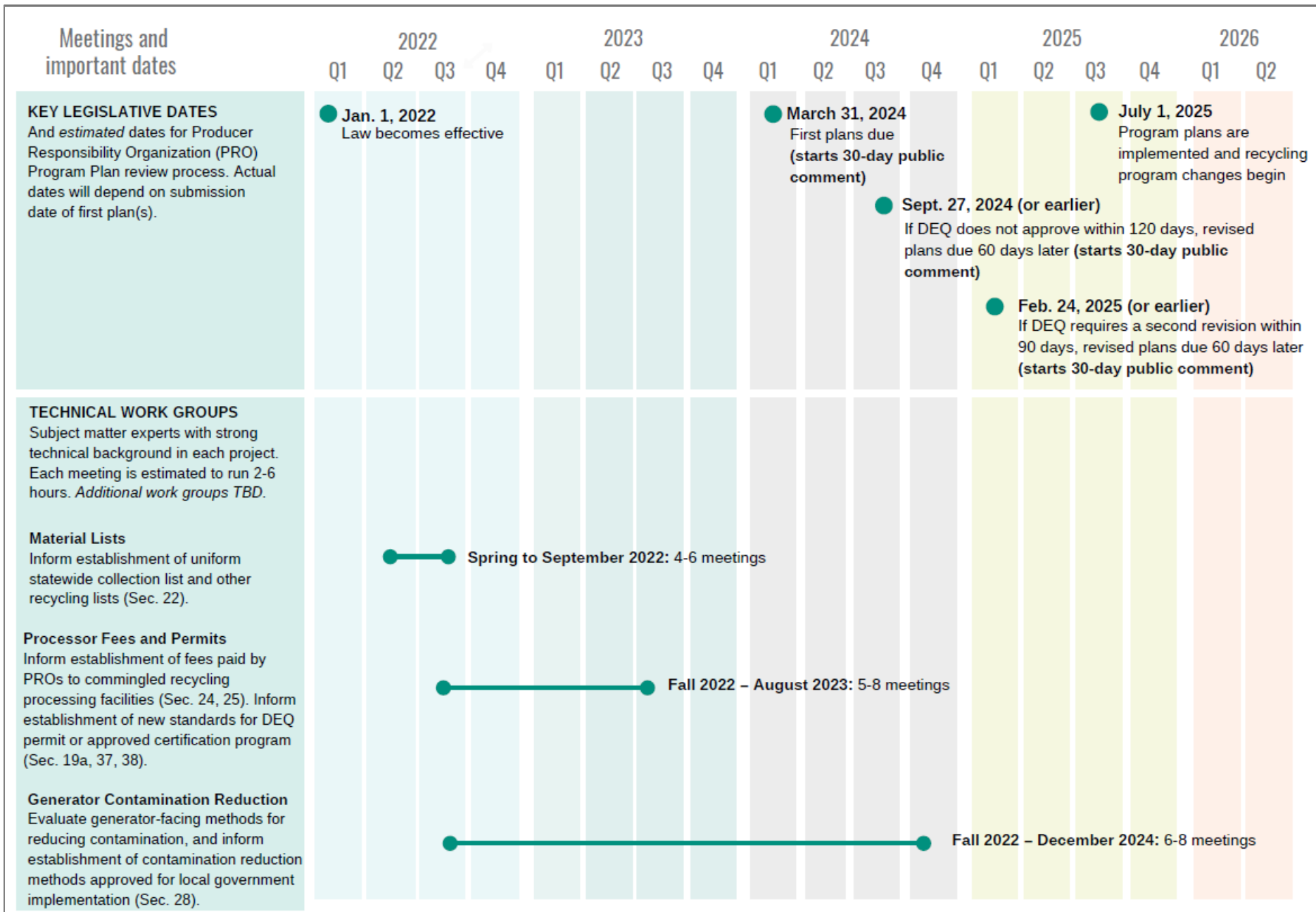


Vice-Chair update

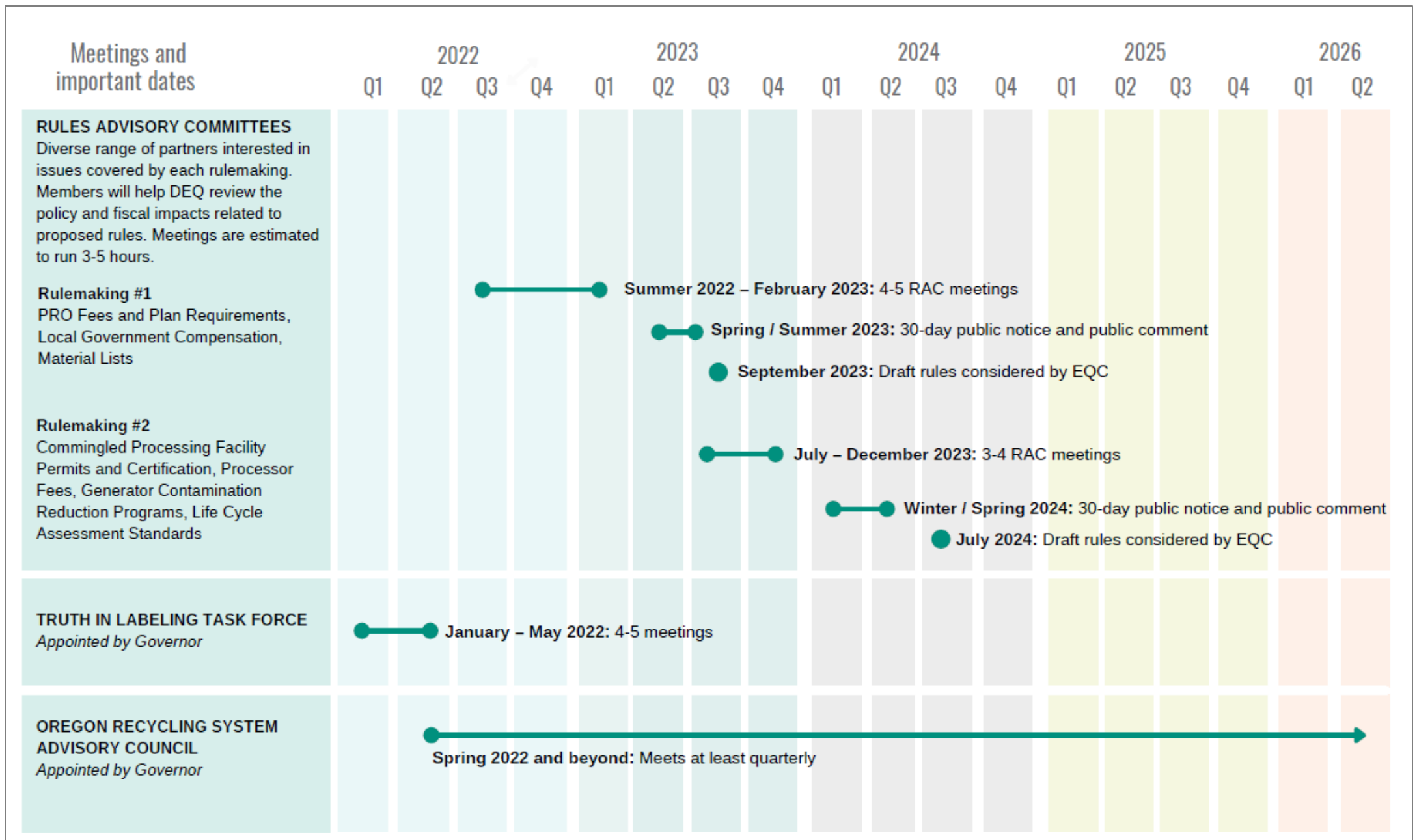


Status updates





This is an estimated timeline and dates are subject to change. This chart is for projects starting in 2022-2024. Projects with later start dates (e.g., litter and marine debris assessment) are not yet scoped and therefore not included in the chart.



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RMA hiring update

Position title	Target start date	Position overview
Program Plan Lead	HIRED Nicole Portley	<ul style="list-style-type: none"> • Develop program guidelines for producer responsibility organizations • Write rules related to program plan requirements and other RMA implementation • Review PRO program plan, amendments, and annual reports • Support legislative efforts related to extended producer responsibility
Recycling Program Analyst – limited duration	HIRED Roxann Nayar	<ul style="list-style-type: none"> • Lead rulemaking process for rules related to program plan requirements, local government compensation, and statewide recycling acceptance lists • Engage with Rules Advisory Committee • Develop information for local government compensation
Recycling Program Implementation Lead	September 2022	<ul style="list-style-type: none"> • Coordinate an implementation team • Oversee multiple interrelated projects (e.g. statewide recycling collection lists, goals and measurements, recycling education pilots and best practices) • Review and approve educational resources created by producers • Lead other program research and analysis
Recycling Program Specialist	October 2022	<ul style="list-style-type: none"> • Convene and manage DEQ’s collaboration with a new Oregon Recycling System Advisory Council • Establish fees and manage third-party contractors • Develop legislative reports
Recycling Program Specialist	October 2022	<ul style="list-style-type: none"> • Coordinate with local governments and other regional stakeholders • Manage project to study equity in the recycling system • Design required procedures and forms that regulated entities will use • Develop requirements and programs related to local governments and multifamily properties

Next up

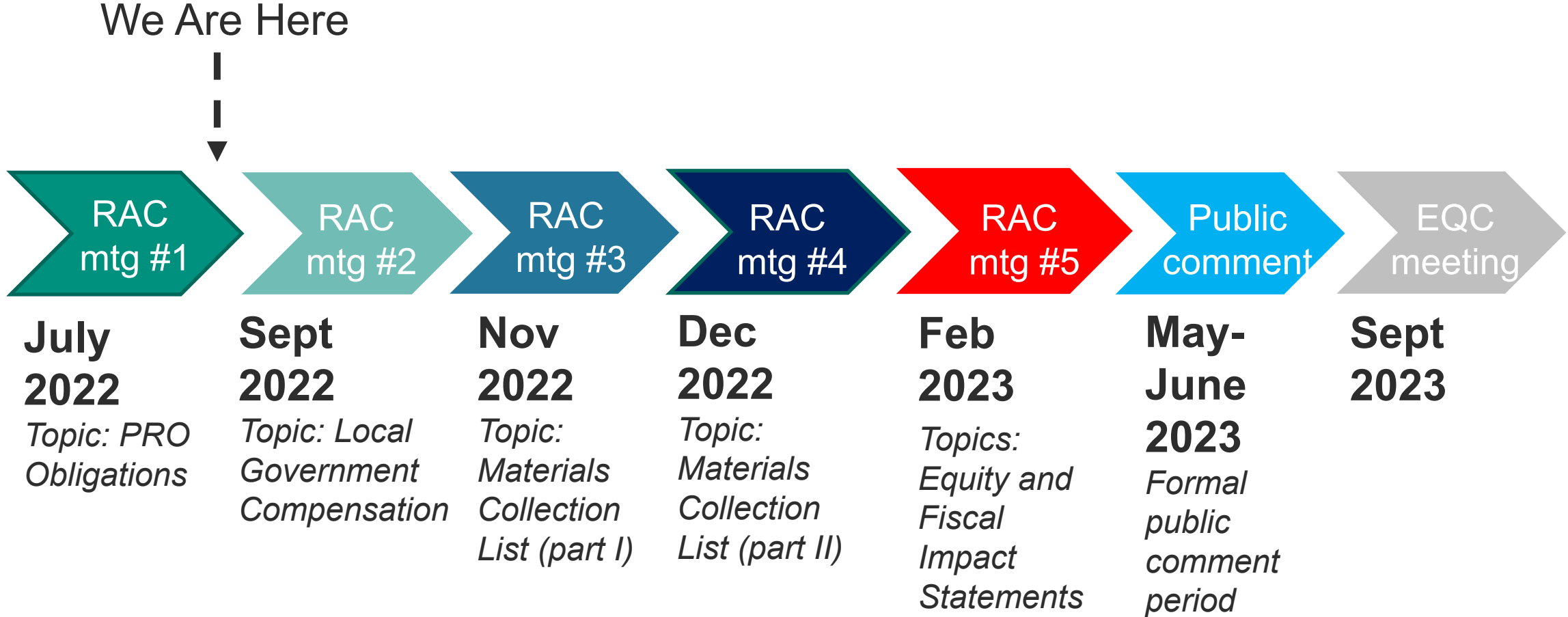
- Overview of July rule advisory committee
- Responsible end markets
- PRO obligations

10 min break

- Local government compensation
- Recycling acceptance lists
- Q&A/discussion



Rulemaking 1 timeline

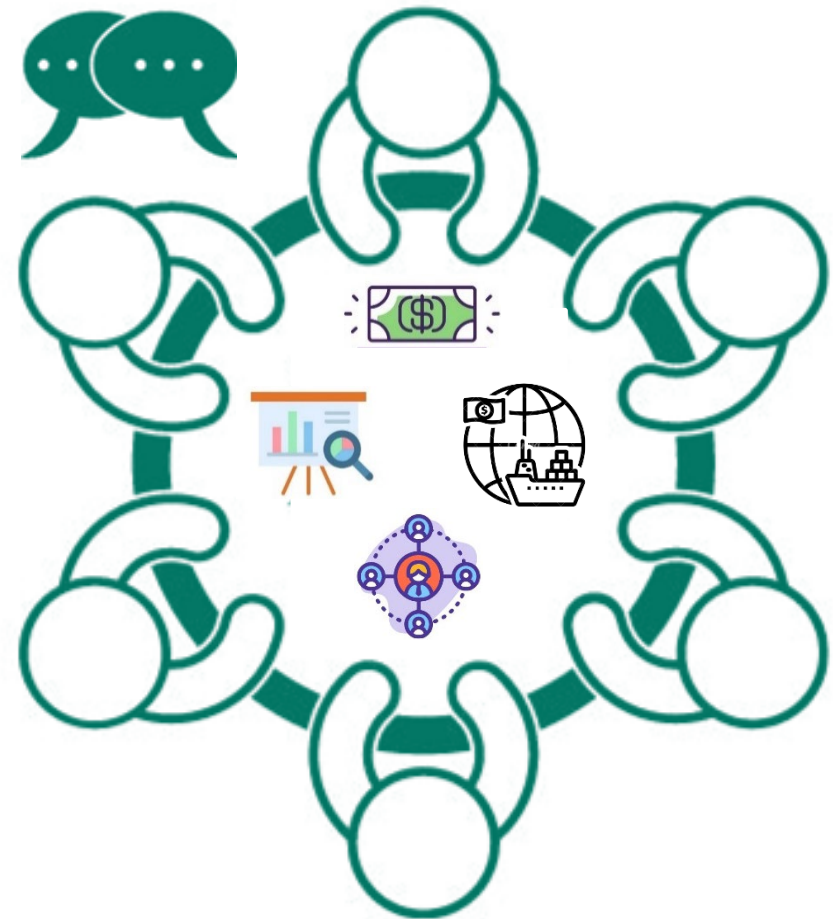


July RAC Overview

Focal topic: PRO obligations

Five rule concept sub-topics:

1. Fees
2. Calculating market share
3. PRO coordination
4. Other PRO obligation concepts
5. Responsible end markets



Responsible end markets



Per Statute (ORS 459A.863(29)):

“a materials market in which the recycling or recovery of materials or the disposal of contaminants is conducted in a way that benefits the environment and minimizes risks to public health and worker health and safety.”

Defining “end market”



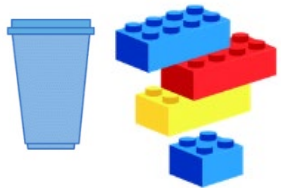
- Glass: user of the recyclate to make a new product



- Metal: producer of the recyclate, e.g. of ingots, sheet, coil etc. by smelting



- Paper: facilities that re-pulp recycled material



- Plastic for food and beverage packaging and children's toys: user of the recyclate to make a new product



- Plastic for all other applications: last handler of the recyclate before sold to a producer.

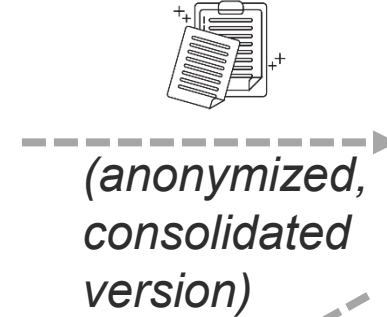
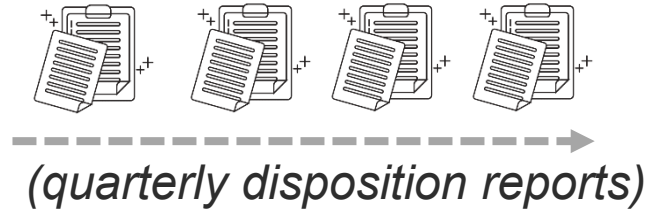
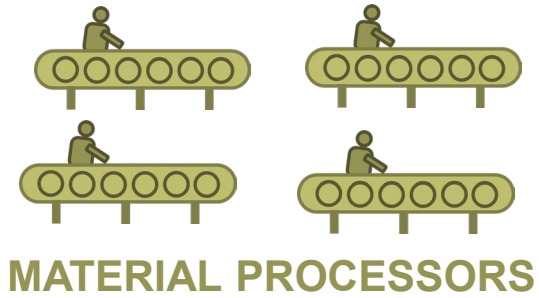
Standard for “Responsible”



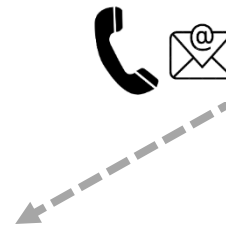
- Compliant
- Transparent
- Environmentally-sound
- Achieves adequate yields



Reporting



PRODUCER RESPONSIBILITY ORGANIZATIONS



(PROs add their disposition Info)



(pursues practicable solution)

(documents solutions)

PRO ANNUAL REPORT



ADVISORY COUNCIL



Auditing and Practicability



- PROs must audit their supply chains
 - Random GPS bale auditing. DEQ spot checks.
 - Auditing of end market facilities
- PRO obligation is “to the extent practicable”
 - Examples of practicable solutions defined in rule
 - Protocol for cost-based practicability arguments



Responsible End Markets: RAC questions



- Explicit inclusion of labor law in compliance element of “responsible?”
- Set a numeric threshold for practicability cost-benefit analysis?
- Outline example implementation pathways in rule?
- Guidance on enforcement?



PRO fees



Fees included in Rulemaking I:

- One-time fee for plan review
 - Proposed fee amount: \$150,000
- Annual fee for administration
 - Proposed fee amount: \$4 million per year in 2025-2028, and \$3 million per year thereafter



Who pays:

- PROs

Market Share



ORS 459A.869(9) requires the Environmental Quality Commission to establish by rule “methods for calculating market share”.

ORS 459A.863(13) defines “market share” to mean “a producer’s percentage of all covered products sold in or into this state during a specified time period, as calculated in accordance with methods established by the commission by rule.”

Market Share



In Statute, market share is used to:

- set a 10% minimum threshold to operate as a PRO
- identify the 25 “large producers”

-----> **PRO Market Share**

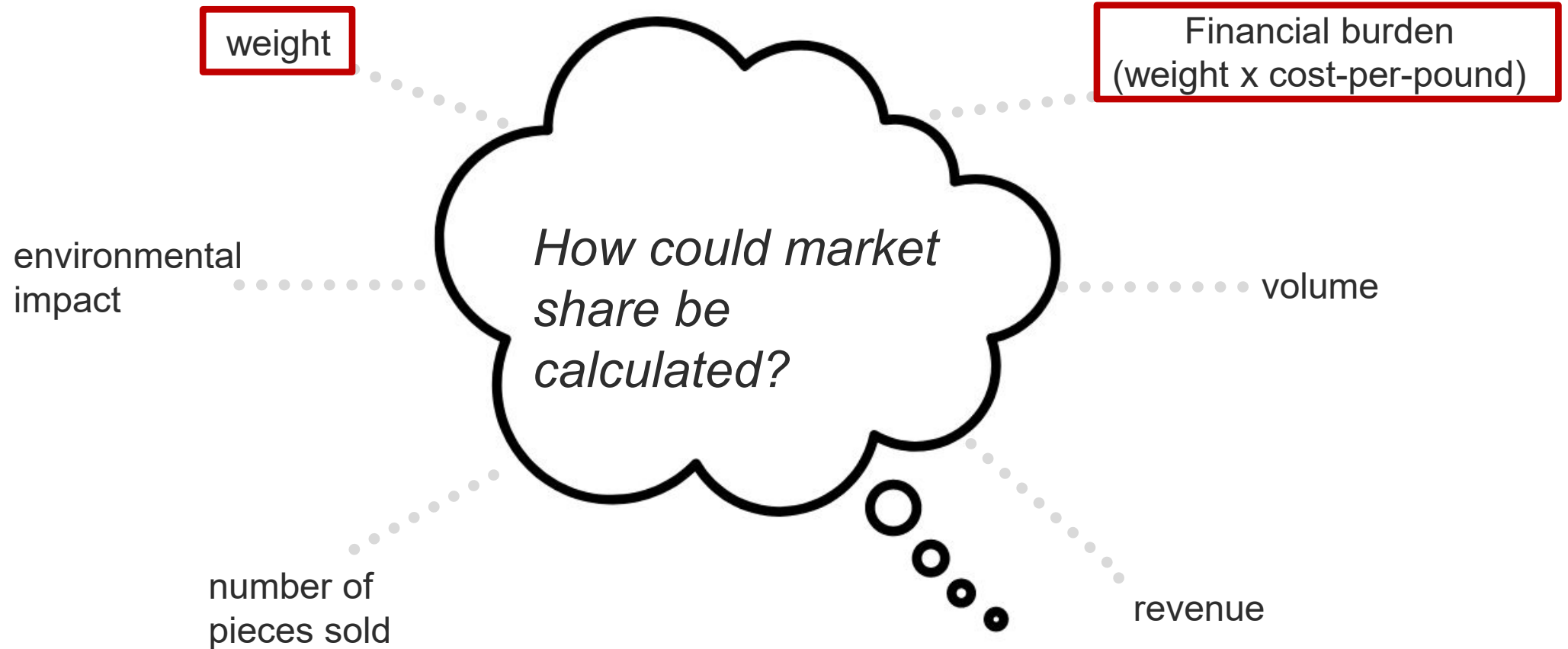
-----> **Producer Market Share**

PRO Market Share is also relevant to:

- division of fees and other shared obligations among multiple PROs

-----> Materials should not subsidize other materials

Market Share



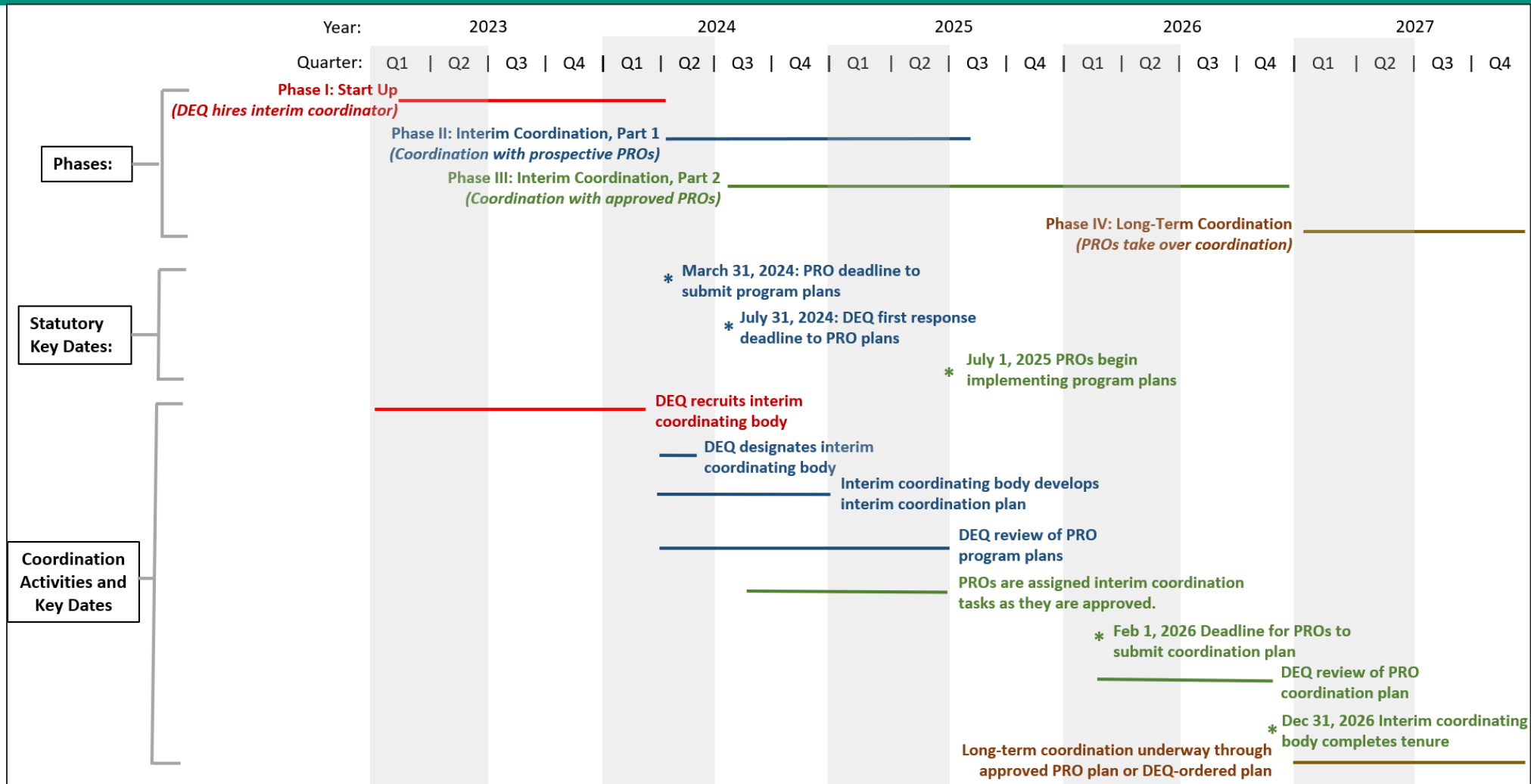
Market Share Next Steps



- Deeper Pros-Cons Analysis
 - Weight = most simple approach
 - Financial burden = better matches legislative intent
 - Which is fairest?
- How does the market share accounting interact with the accounting within a PRO?
- Choice of a unit factor for financial burden.



PRO Coordination



Break



Local Government Engagement

September 2022

Local governments will be receiving a mailer from DEQ

October 2022

DEQ will be presenting information about the RMA

Winter 2023

A contractor hired by DEQ will be conducting the first Needs Assessment survey

Fall 2023

Results from the Needs Assessment will be analyzed and subsequently shared with the PROs

DEQ will be engaging with local governments across the state to create awareness about the new opportunities and requirements of the Recycling Modernization Act.

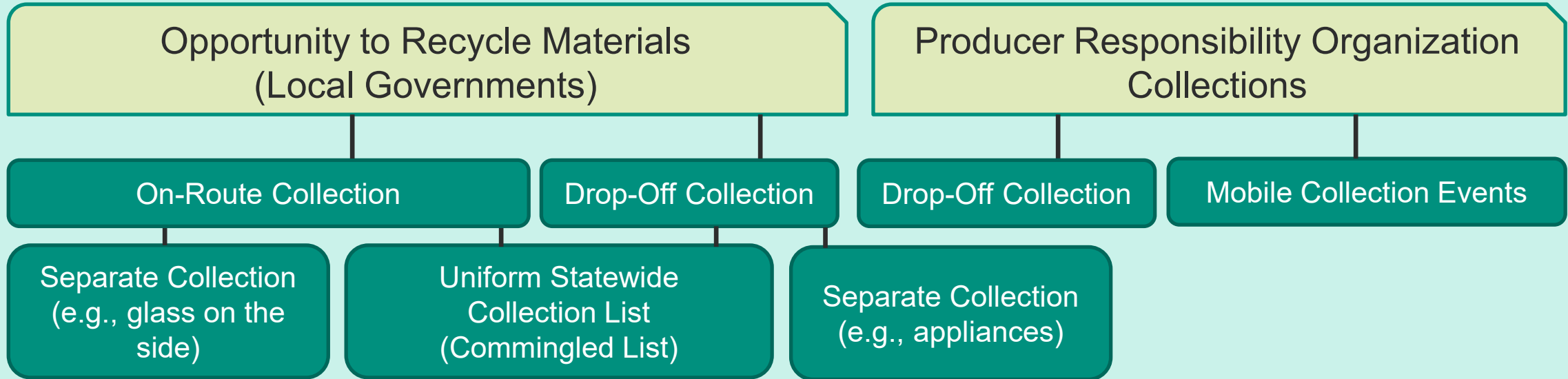
Local Government Compensation



Recycling Acceptance Lists: Background



Initial Rulemaking (2022 – 2023)



Other Processes

PROs

- Could propose (via Program Plan) adding materials to Uniform Statewide Collection List (subject to DEQ Plan approval)
- Could add other recycling to meet plastic recycling goal(s)

Other Private Recycling

Subsequent EQC Rulemakings

Evaluation criteria – ORS 459A.914(3)

- (a) The stability, maturity, accessibility and viability of responsible end markets;
- (b) Environmental health and safety considerations;
- (c) The anticipated yield loss for the material during the recycling process;
- (d) The material's compatibility with existing recycling infrastructure;
- (e) The amount of the material available;
- (f) The practicalities of sorting and storing the material;
- (g) Contamination;
- (h) The ability for waste generators to easily identify and properly prepare the material;
- (i) Economic factors;
- (j) Environmental factors from a life cycle perspective; and
- (k) The policy expressed in ORS 459.015 (2)(a) to (c).

Initial Recommendations: paper

Material	Opportunity to Recycle Obligation		PRO collection	No mandate
	Depot	On-route		
Corrugated cardboard: uncoated and recycle-compatible coated. Includes pizza boxes	✓ (USCL)	✓ (USCL)		
Waxed corrugated cardboard				✓
All kraft paper (brown paper bags, paper mailers)	✓ (USCL)	✓ (USCL)		
High-grade office paper	✓ (USCL)	✓ (USCL)		
Newspaper/newsprint	✓ (USCL)	✓ (USCL)		
Shredded paper			✓	
Others TBD				

Initial Recommendations: metal

Material	Opportunity to Recycle Obligation		PRO collection	No mandate
	Depot	On-route		
Aluminum food and beverage cans	✓ (USCL)	✓ (USCL)		
Steel cans, including empty and dry steel paint cans	✓ (USCL)	✓ (USCL)		
Scrap metal (size and weight limits under development)	✓ (USCL)	✓ (USCL)		
Aluminum foil and pressed foil products			✓	
Others TBD				

Initial Recommendations: plastic

Material	Opportunity to Recycle Obligation		PRO collection	No mandate
	Depot	On-route		
Clear PET bottles \geq 6 ounces in volume	✓ (USCL)	✓ (USCL)		
Pigmented/opaque PET				✓
Natural and colored HDPE bottles (and jugs) \geq 6 ounces in volume	✓ (USCL)	✓ (USCL)		
PP bottles \geq 6 ounces in volume	✓ (USCL)	✓ (USCL)		
Small plastic containers < 6 oz. in volume				✓
Polyethylene film and wrap			✓	
PP film, wrap and woven bags				✓
Others TBD				

Initial Recommendations: plastic (cont.) and others

Material	Opportunity to Recycle Obligation		PRO collection	No mandate
	Depot	On-route		
EPS and other “peanuts” (flowable loose fill)				✓
EPS products (e.g., coolers, insulation)				✓
All other EPS food serviceware and packaging, <i>excluding block/rigid white foam</i>				✓
PE and PP block and sheet foams				✓
Multimaterial flexible packaging/films				✓
Others TBD				

Recycling Acceptance Lists: Discussion

1. Relationship between recycling acceptance lists, covered products, and local government or PRO obligations?
2. DEQ's initial recommendations?
3. Other materials you would prioritize for future discussion?
4. (Future meeting:) Convenience standards, collection targets and performance standards for PRO collections?

More about this rulemaking

Learn more about each topic and stay involved by attending RAC and technical work group meetings and reviewing information on DEQ's website

[RecyclingAct.oregon.gov](https://recyclingact.oregon.gov)

The post-meeting email will include a poll to rank future discussion topics.

Draft legislative report



**Submit edits to
Alex.Bertolucci@DEQ.Oregon.gov
by 8/26/2022**

Public input



Other upcoming meetings

August 23, 2022

Technical Work Group

September 20, 2022

Technical Work Group

September 28, 2022

RAC Topic: Local Government Compensation

November 9 and December 14, 2022

RAC Topic: Recycling Acceptance Lists

Next steps/homework

October & December 2022

Recycling Council meetings

Homework

- Send ideas on how the Council can stay in touch between meetings.
- Keep an eye out for follow up emails
- ~~Submit edits for legislative report by 8/26/2022~~