## Oregon's Recycling Modernization Act



May 18, 2022

Q&A Webinar Request for Information – Evaluation of Life Cycle Impacts



## Agenda

- Presentation from DEQ (30 Minutes)
  - Introduction to Materials Management Program
  - The Recycling Modernization Act
  - Rulemaking for Life Cycle Impact Evaluation
  - Request for Information (RFI)
- General Question and Answer (30 Minutes)
- As needed substantive/content discussion (30 Minutes)



### Webinar Basics

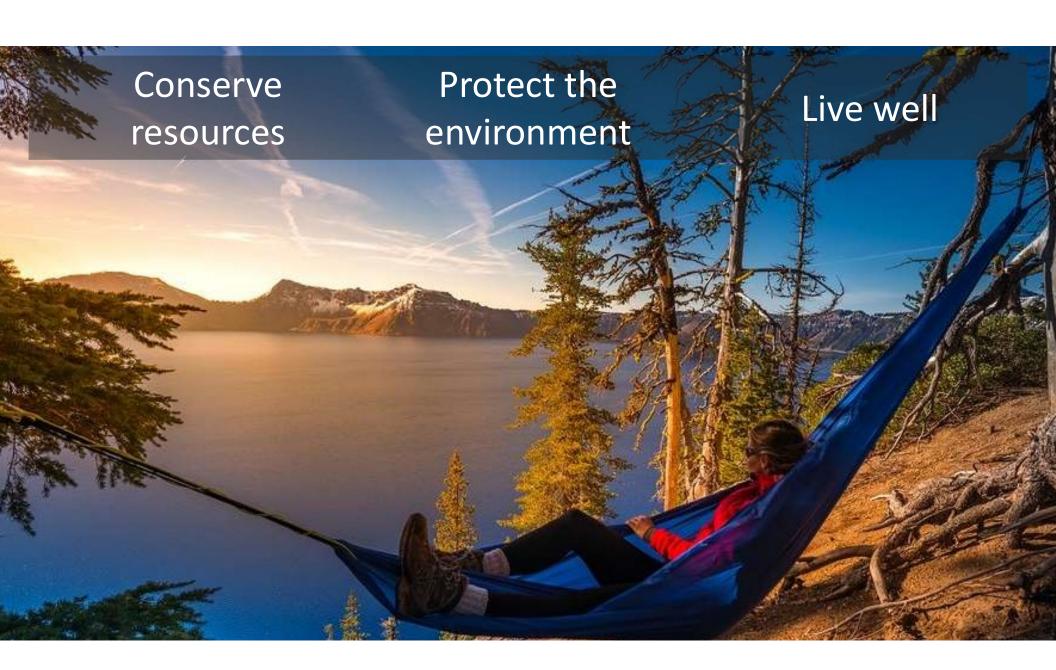
- Questions?
  - Enter them into the "Q&A" control panel, or
  - Raise your hand if you would like to speak and we will unmute you
- Chat will be disabled
- Remain muted unless asking a question



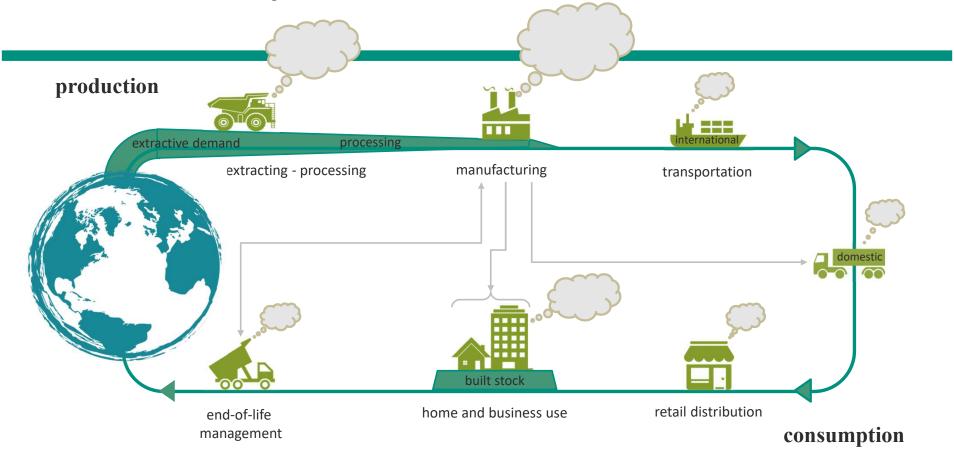
# Introduction to Materials Management







## material life cycle





### materials matter

# Materials Management in Oregon

2050 Vision and Framework for Action

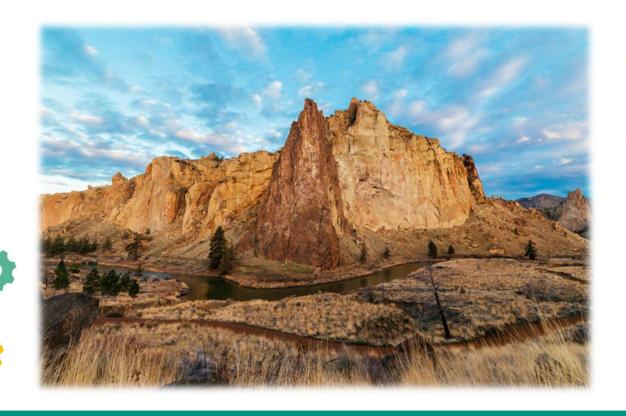


#### Three major shifts:

- 1. From end of life  $\rightarrow$  full life cycle
- From reducing impacts of solid waste → reducing all environmental impacts (air, water, resources, etc.)
- From a primary focus on regulatory tools → a broader suite of tools



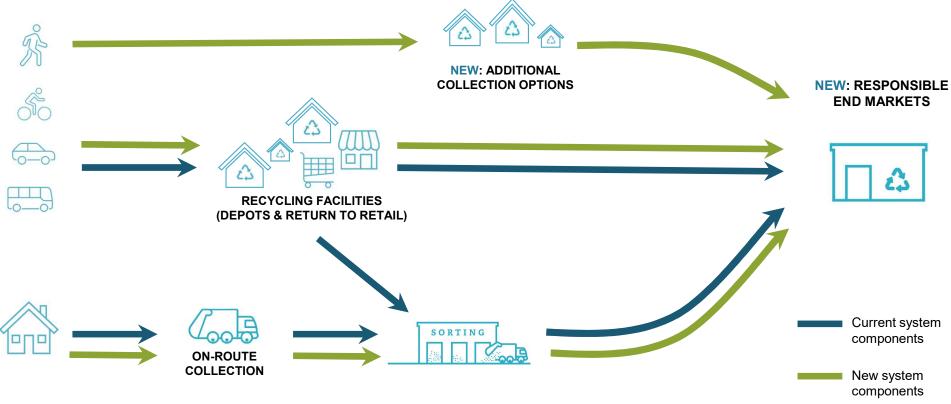
# Recycling Modernization and Plastic Pollution Act







# An Improved Recycling System



# Joint Responsibility



**OVERSIGHT AND INTEGRATION** 

## Key obligations of the PROs

Set up a depot system that Pay fees to / compensate Educate the public meets standards and targets Coordinate with local governments, service other PROs providers, DEQ Develop a plan for implementing statewide Ensure that products do collection program expansions not cross-subsidize one **PRODUCER** and improvements another RESPONSIBILITY **ORGANIZATION** Ensure recyclables Maintain membership go to responsible that accounts for at least Meet statewide plastic Establish graduated 10% of market share end markets recycling goals fee structure for members

# Key obligations of producers



- Join a PRO
- Report amount of covered products
- Pay fees to PRO
- (large producers only) Disclose environmental impacts of 1% of products on a biennial basis



### RMA Major Milestones

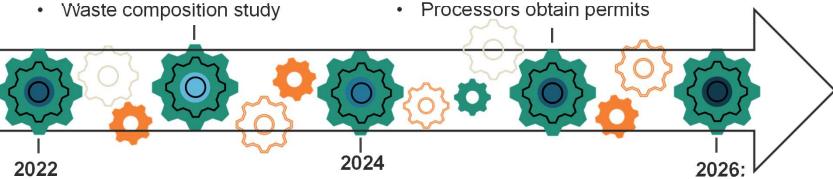
### 2022-2026

#### 2023

- First rulemaking
- First collection needs assessment
- Contamination reduction research
- Studies for processor fees
- Waste composition study

#### July 1, 2025

- Producers join a PRO and pay fees
- PROs implement approved plans
- Local collection program changes begin
- Contamination reduction programming

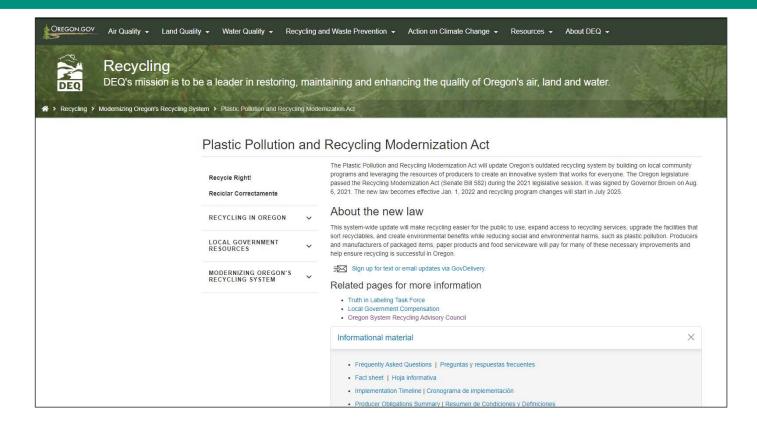


- Law went into effect
- Recycling Council convened
- Truth in Labeling report completed
- Second rulemaking
- First PRO program plans due
- Purchasing assessment due
- First equity study due
- First multifamily needs assessment due

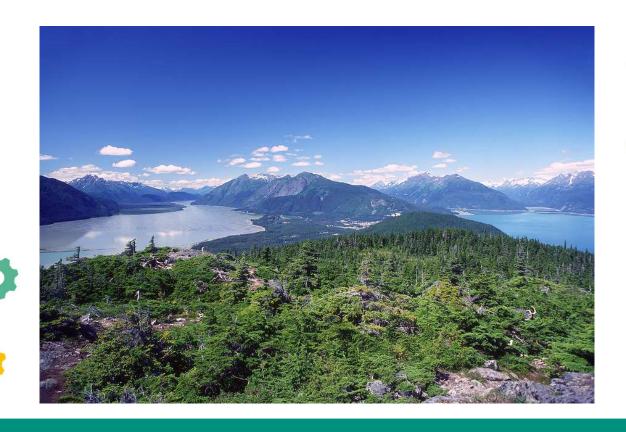
- Multi-tenant recycling requirement effective
- Litter and marine debris needs assessment due
- Compostability study due



# www.RecyclingAct.Oregon.gov



### Rulemaking – Evaluation of Life Cycle Impacts







### **Evaluation of Life Cycle Impacts: Relevant Statute**

459A.944 Life cycle evaluation; rules. The Environmental Quality Commission shall establish by rule standards for the evaluation and disclosure of the environmental impacts of covered products through the life cycle of the products. Rules adopted under this section must:

- (1) Establish procedures and requirements to be used by producers when evaluating the life cycle impacts of covered products to obtain an incentive under ORS 459A.884 or when required to do so under subsection (2) of this section.
  - (2) Require large producers to:
- (a) Once every two years, perform an evaluation of the life cycle impacts of at least one percent of covered products that the large producer sells or distributes in or into this state;
  - (b) Provide the results of the evaluation to the Department of Environmental Quality; and
- (c) Make the evaluation available on the website of the producer responsibility organization of which the large producer is a member. [2021 c.681 §33]



### Relevant Statute (cont.)

ORS 459A.884(4) In addition to the base fees described in subsections (2) and (3) of this section, a producer responsibility organization's membership fee schedule must incentivize producers to continually reduce the environmental and human health impacts of covered products by offering fee adjustments to producers that make or have made changes to the ways in which they produce, use and market covered products. Fee adjustments developed under this subsection must include lower fees for covered products with a lower environmental impact and higher fees for covered products with a higher environmental impact. In establishing the criteria for the graduated fee structure, a producer responsibility organization must consider factors that include, but are not limited to:

- (a) The post-consumer content of the material, if the use of post-consumer content in the covered product is not prohibited by federal law;
  - (b) The product-to-package ratio;
  - (c) The producer's choice of material;
- (d) Life cycle environmental impacts, as demonstrated by an evaluation performed in accordance with ORS 459A.944; and
  - (e) The recycling rate of the material relative to the recycling rate of other covered products.



### Proposed Approach: *Product Category* + Clarifying Rules

# What is a product category rule? (PCR)

#### Some key components:

- Evaluation goal and scope specifications
- Product specific calculation rules
- Data requirements and sources
- Impact categories
- Report format
- Review procedures

2020/0353 (COD)

Proposal for a

#### REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

concerning batteries and waste batteries, repealing Directive 2006/66/EC and amending

Regulation (EU) No 2019/1020

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof and Article 192(1) thereof in relation to Articles 45g to 62 of this Regulation.

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee1,

Having regard to the opinion of the Committee of the Regions2,

Acting in accordance with the ordinary legislative procedure,

Whereas:



### What may require clarification in rule?

#### **Large Producer Disclosure**

- How is 1% of covered product calculated?
- "Large producer" definition
- When will the biennial disclosure requirement first apply?
- Must different products be evaluated every two years?

#### **Eco-Modulated Fee Structure**

 How will life cycle impact evaluations be factored into an eco-modulated fee structure alongside other factors?



### **Examples of eco-modulation algorithms**



### **Examples of eco-modulation algorithms**



#### **DEQ** attributes research



#### **Production and Design**

DEQ's mission is to be a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.



Production and Design

> Packaging > Popular Packaging Attributes

#### Popular Packaging Attributes



When making purchasing choices we often make assumptions about the environmental-friendliness of a product based on the descriptions on the packaging. It is common to see characteristics, or "attributes," describing the material used such as made from recycled or bio-based material, and what we can do with the package after the product is removed (e.g. whether it is recyclable or compostable). Many people assume that these attributes convey reduced environmental impacts relative to other options without that same attribute. But, how well do these descriptors actually predict lower impacts across the entire packaging life cycle? That is what DEQ wanted to understand because a lot of time, energy and money is spent on developing packaging to be fully recyclable or compostable, or to be made from biobased and recycled materials.

Research question: How well do popular packaging attributes correlate with net environmental benefit across the full life cycle of packaging from resource extraction to manufacture, distribution, use, and discard?

Four attributes were examined:

- Recycled content
- biobased
- recyclable
- compostable

In 2017, DEQ's Materials Management engaged Franklin Associates, a division of Eastern Research Group, to do a literature review of



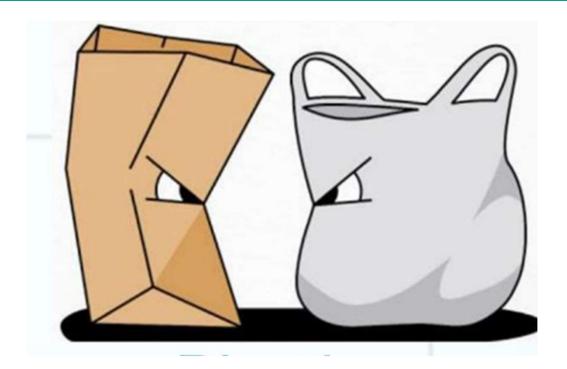
### **Examples of eco-modulation algorithms**

Awareness-Raising	Incentive
Sorting info on or in package	8%
Sorting guidelines through QR code	4%
Triman logo (indicating recyclability)	5%
Media campaigns	4%
Eco-design	Incentive
Reduction in packaging weight	8%
Reduction in packaging volume	8%
Use of refills	8%
Elimination of a packaging unit	8%
Removal of a material from multi-material packaging	8%
Replacement of multiple resins with mono resin	8%
Addition of perforation on plastic sleeves	8%
Removal of carbon black dye	8%
Recyclable plastic	Incentive
Bottles and vials for which there is a recycling channel	12%
Rigid plastic that can join an existing recycling channel	8%
Recycled Content	Incentive
Polyethylene or Polypropylene with at least 50% recycled material 5	50%
Paper product with at least 50% recycled material	10%
	10% Penalty
Disruptor Fee	
Paper product with at least 50% recycled material  Disruptor Fee  Specifically defined disruptive packaging  Opaque PET packaging	Penalty
Disruptor Fee Specifically defined disruptive packaging Opaque PET packaging	Penalty 50%
Disruptor Fee Specifically defined disruptive packaging Opaque PET packaging Packaging without a recycling channel	50% 100%
Disruptor Fee Specifically defined disruptive packaging Opaque PET packaging Packaging without a recycling channel Dyed paper	50% 100% 100%
Disruptor Fee Specifically defined disruptive packaging Opaque PET packaging Packaging without a recycling channel Dyed paper Untraced fiber	Penalty 50% 100% 100% 5%
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Disruptor Fee Specifically defined disruptive packaging Opaque PET packaging Packaging without a recycling channel Oyed paper Untraced fiber Kraft paper UV offset ink Flexographic printing	Penalty 50% 100% 100% 5% 10% 5% 5%
Disruptor Fee Specifically defined disruptive packaging Dipaque PET packaging Packaging without a recycling channel Dyed paper Untraced fiber Kraft paper UV offset ink Flexographic printing nkjet printing	Penalty 50% 100% 100% 5% 10% 5% 5% 5%
Disruptor Fee Specifically defined disruptive packaging	Penalty 50% 100% 100% 5% 10% 5% 5% 5% 5%
Disruptor Fee Specifically defined disruptive packaging Opaque PET packaging Packaging without a recycling channel Opyed paper Untraced fiber Kraft paper UV offset ink Flexographic printing nkjet printing Use of glue	Penalty 50% 100% 100% 5% 10% 5% 5% 5% 5% 5%

### Correlating factors to reduction of environmental impacts

(a) Post-consumer recycled Meaningful correlation but only when comparing within content the same material Meaningful correlation, but ideally optimization rather (b) Product-to-package ratio than minimization is incentivized (c) Producer's choice of material -Meaningful correlation, but need to demonstrate impacts per material (d) Life cycle environmental Meaningful correlation if methods of measurement are impacts comprehensive and standardized Unclear how recycling rate correlates when comparing (e) Recycling rate across materials

### Concerns about life cycle analysis (LCA)



### Another consideration: how long will category rules take?

- Short and sweet (Phase 1)
  - Leverage existing standards and category rules
  - Single set of rules for all covered products
  - Augment beyond existing standards and rules minimally to address priorities
  - Lay a foundation for future expansion

- Bells and whistles (Phase 2)
  - Incorporate new scientific knowledge
  - Address gaps and limitations of existing standards & category rules
  - Integrate emergent impacts and environmental areas of concern as requirements
  - Expands to distinct product category specific rule sets
  - More...?





## Rulemaking

- Advisory Committee advises on rule concepts
- Development of some rule concepts involves additional stakeholder feedback
- Rules adopted by the Environmental Quality Commission through formal process

### Timeline for Phase I

May-June 2023

Request For Information to inform draft category rules

Sept-Oct 2023

Draft category rules published for second Request For Information, second webinar convened.

Draft category rules

**July-August 2023** 

Rule concept / key decision points presented to the Rulemaking Advisory Committee.

November 2023

OJanuary 2024

Updated rule concept presented to the Rulemaking Advisory Committee.

ONovember 2024

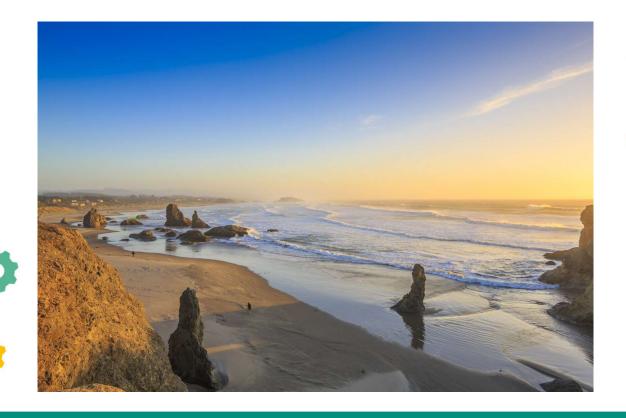
Rules adopted by the Environmental Quality Commission.

Draft rules published for public comment.

June-July 2024



# Request for Information







## RFI - Logistics

- Available Online -<a href="https://www.oregon.gov/deq/recycling/Pages/Life-Cycle-lmpact-Evaluation.aspx">https://www.oregon.gov/deq/recycling/Pages/Life-Cycle-lmpact-Evaluation.aspx</a>
- Responses Due in writing by June 30, 2023
- Responses and/or Questions can be sent to -<u>RethinkRecycling@deq.state.or.us</u>

# RFI – Key Question (#1)

1. General Questions – How much should the results of life cycle impact evaluations generated under these standards influence the eco-modulation of EPR fees paid by producers under the Recycling Modernization Act? How should these results be weighted alongside other criteria for evaluating the environmental impacts of covered products (i.e., should ORS 459A.884(d) be valued less, more, or equally with items (a)-(c) and (e))?

# RFI – Key Question (#5)

5. Evaluation tools -- Should these rules set standards limited to the evaluation tool commonly referred to as Life Cycle Assessment (LCA), or are there other tools that the Department should consider enabling the use of and/or setting standards for? If so, which additional tools should the Department take into consideration, and why?

# RFI – Key Question (6a-6J)

### 6. Methodology (prioritization)

Biogenic Carbon

Scenario Analysis

Disparate product categories

Reuse

System Boundary

# RFI – Key Question (#7)

7. Reporting/Formatting – what format should the results of the evaluation of life cycle impacts be reported in? Digitally? Print? Machine-readable? EPDs? Other? Should the underlying life cycle inventories be published? Are there any issues of confidentiality that should be considered? Should the resultant evaluation of life cycle impacts for covered products be made available through some sort of centralized repository?

# Open Discussion



### More information



RecyclingAct.Oregon.gov

This Rulemaking <a href="https://www.oregon.gov/deq/recycli-ng/Pages/Life-Cycle-Impact-Evaluation.aspx">https://www.oregon.gov/deq/recycli-ng/Pages/Life-Cycle-Impact-Evaluation.aspx</a>



## Thank you

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