

Recycling Modernization Act: Commingled Recycling Processing Facility Technical Workgroup Meeting #8 Summary



Dec. 4, 2023: Noon to 4:00 p.m. (Pacific)

Schedule

Noon	Welcome Justin Gast with DEQ opened the meeting by reviewing the rules over asking questions and urging the public to utilize the public comment portion of the meeting. There was one alternate to the group, Will Ennis with Metro, who subbed in for Sabrina Gogol with Metro. Justin went over the different topics for the meeting, highlighting the Processor Commodity Risk Fee invoicing approach leftover from the last technical workgroup meeting and how recycling reload facilities and limited sort facilities will be handled in the future system.
12:05 p.m.	Project updates Justin mentioned that this will not be the last workgroup meeting, there will be one more in January. He also shared that the rule concepts for the two fees, the Contamination Management Fee and the Processor Commodity Risk Fee, will be presented on at the next Rulemaking Advisory Committee meeting, scheduled for Jan. 31, 2024. As previously brought up, the January meeting will include discussion on how improperly prepared materials will impact capture rates. Next, Arianne Sperry with DEQ provided an update to the generator facing contamination reduction project, sharing her appreciation for all the facilities that have participated in the training and testing sessions relevant to the ORS 459A.959 work. Wendy Pratt with Crowe also shared Crowe’s appreciation for the facilities and their willingness to help Crowe get the information needed to complete the third version of the MRF Fees report. Crowe will present on the draft final report at TWG’s final meeting scheduled for Jan. 22, 2024 (report can be found on the CRPF webpage under “Meeting 9”). Wendy then provided the price and market data updates Crowe made to mixed paper and OCC, based off feedback received from TWG members.
12:20 p.m.	Discussion - PRO funding/facility upgrades Justin talked about what is and is not in statute regarding PRO funding and facility upgrades and offered clarification as to how funding for facility upgrades will be handled. A question was asked about what kind of information will be available in the PRO’s program plans, and if it will contain what facilities it decides to invest in and where the flow of materials is in Oregon. The plans could contain that information, but they could also add information like that later if they choose. David Allaway with DEQ provided more clarification on PRO program plans especially around materials on the USCL and how the

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	fees will work. He also covered how materials may be added to the USCL via the onramping approach (see ORS 459A.914(4)(b)).
12:40 p.m.	<p>Discussion - Reload facilities/Limited sort facilities/CRPFs/PRO funding</p> <p>This discussion was opened with a quick overview of what the issues at hand are that have been raised by facilities around gleaning, how certain facilities will be treated, and which facilities will be eligible for PRO funding.</p> <p>Jeff Murray, a workgroup member, provided a statement regarding processors' concerns over the potential impacts of the gleaning of high-value materials in the future system. He shared how gleaning would impact prices and rates that processors would get for materials, how the Processor Commodity Risk Fee will be affected and how higher costs could still be passed to ratepayers despite the intent of the Processor Commodity Risk Fee.</p> <p>Justin reminded the group of how the law defines a commingled recycling processor facility and what kinds of facilities are not included in that definition. He gave the definitions for both reload facilities and commingled recycling reload facilities, then lastly presented to the group some potential definitions and what kinds of facilities would be considered a limited sort facility. From there the group discussed the following: percentages of material handled in order to qualify as a CRPF, future scenarios where skimming may, or may not, occur and the potential impacts on the system, and the differences between reporting and end market requirements for reload and limited sort facilities versus CRPFs.</p>
2:10 p.m.	Break
2:20 p.m.	<p>Discussion - PCRFB Invoicing approach</p> <p>Justin opened by sharing DEQ's preliminary thoughts on how the PCRFB will be invoiced to facilities, and especially to facilities that send materials to a secondary processing facility. There seemed to be agreement amongst the workgroup members that the two facilities negotiate a price with one another regarding the materials that both facilities are handling. DEQ shared which indexes will be used for updating the monthly average commodity value for materials, and some discussion around how the timing of invoicing and when to consult the indexes were had. There was a suggestion to explore using a rolling 90-day average to help account for any sudden market volatility, and to see the different scenarios modeled out.</p>
3:15 p.m.	<p>Discussion - CMFB invoicing approach, marketing of covered product contamination</p> <p>Justin started with providing the definitions in statute of how a material is a "contaminant" and how those two definitions can oppose one another. After that, four invoicing options were presented to the workgroup members that illustrated different ways of handling covered products that show up as contamination. During this discussion the group ran through different future scenarios and how these different options would play out. There was no general agreement from the workgroup on any one way of invoicing, and during the talks a fifth option was created and presented to the group (all five options can be viewed here). David Allaway with DEQ provided clarification to workgroup members about Specifically Identified Materials (SIM) such as how they are identified and how they impact the system, after some workgroup members expressed confusion around how those particular materials could affect things.</p>

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3:45 p.m.	Public input There was no public input.
3:55 p.m.	Next steps Justin shared that the next meeting in January will be the group's last meeting. At that meeting, Crowe's draft final MRF Fees report will be discussed, the reload/limited sort facilities conversation will be revisited, and any remaining topics that workgroup members feel need to be discussed at that meeting will be considered.
4:00 p.m.	Adjourn

All times shown are estimates and are subject to adjustments to meet the needs of DEQ and workgroup members.

The Workgroup may also be joined by one or more guests for discussions of specific topics.

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