Rulemaking Advisory Committee Meeting #3
Plastic Pollution and Recycling Modernization Act

Nov. 9, 2022
Zoom Webinar
# Agenda

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<th>Time</th>
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<tr>
<td>9 a.m.</td>
<td>Welcome, overview of today’s meeting</td>
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<tr>
<td>9:10 a.m.</td>
<td>Introductions</td>
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<td>9:20 a.m.</td>
<td>Follow-up information from September RAC meeting</td>
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<td>9:30 a.m.</td>
<td>Rule Concept: Local Government Compensation - Transportation Reimbursement</td>
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<td>10:20 a.m.</td>
<td>BREAK</td>
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<td>10:30 a.m.</td>
<td>Rule Concept: Recycling Materials Acceptance Lists Part One</td>
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<td>12 p.m.</td>
<td>LUNCH BREAK</td>
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<td>12:30 p.m.</td>
<td>Public Input Period*</td>
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<td>1 p.m.</td>
<td>Materials Acceptance Lists continued*</td>
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<td>2 p.m.</td>
<td>Meeting adjourns*</td>
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*Times may be adjusted*
Webinar Tips

- Join audio either by phone or computer, not both.
- For panelist discussion and comments, use the raise hand button to get in the queue; if by phone press *9.
- This meeting is being recorded.
- For Zoom technical issues email roxy.nayar@deq.oregon.gov or text 503-593-3306.
Meeting ground rules

• Listen and treat everyone with respect
• Allow one person to speak at a time – raise hand
• Be prepared and set time aside for the meetings
• Provide a balance of speaking time
• Bring concerns and ideas up for discussion early in the process
• Comment constructively
• Move around and take care of yourself as needed
Introductions- DEQ Staff

Cheryl Grabham, Program Manager, Materials Management Product Stewardship Team

David Allaway, Senior Policy Analyst

Justin Gast, Natural Resource Specialist

Roxann Nayar, Recycling Program Analyst
Input and Engagement

• RAC input is welcome throughout the process
• DEQ will clarify and provide information when possible
• Input received within 10 days of RAC meetings will help staff prepare in advance of following meeting
• Comments and questions received will be considered during rule development
• Thank you for offering solutions
• Formal comment period will be in May-June 2023
Rulemaking 1 Timeline

We are here

- RAC mtg #1: Nov. 9, 2022
- RAC mtg #2
- RAC mtg #3
- RAC mtg #4: Jan. 11, 2023
- RAC mtg #5: March 10, 2023
- Public comment: May-June 2023
- EQC Meeting: Sept. 2023
Statute, rule, and program plans

- Statute establishes requirements (set by Legislature)
- Administrative rules are more specific (adopted by Environmental Quality Commission)
- Program plans include operational details (approved by DEQ)
Follow-up from last RAC meeting

• Needs Assessment
• Designating Local Service Providers
• Responsible End Markets
Follow-up: Service Expansion

What will be the commitment process for local governments for service expansion?

There will be a multi-phase process:
- completing the needs assessment
- negotiations between the PRO and local governments,
- entering into agreement(s)
Follow-up: Service Expansion

Should there be a cap on service expansion expenses?

There will be no unexpected expansion costs.
- Only services identified during the needs assessment will be eligible for compensation.
- The PROs will be able to plan based on the needs assessment results.
Follow-up: Service Providers

When will Local Governments be able to designate service providers to be eligible for funding from PROs?

The designation process will be developed late 2024, or early 2025.
Follow-up: Responsible End Markets

1. Can you provide more information about the third-party certification process?

2. Will the cost/benefit assessment for “practicable” be available for review?
Follow-up: Responsible End Markets

Can you provide more information about the third-party certification process?

Will the cost/benefit assessment for “practicable” be available for review?

This topic will be researched and may not be completed until the second rulemaking.

Yes, in 2023, once the analysis is complete.
Local Government Compensation

ELIGIBLE EXPENSES

Transportation Reimbursement

Contamination Reduction

Service Expansion
Rule Concept: Transportation Costs Reimbursement

State of Oregon Department of Environmental Quality

1. Rule Concept: Transportation Costs Reimbursement

Plastic Pollution and Recycling Modernization Act (SB 182, 2021)
Rulemaking Advisory Committee Meeting 3 of 3, Portland 1
Oct. 24, 2022

Background

This memo provides background information for the Rulemaking Advisory Committee (RAC) on the topic of transportation costs reimbursement. The Plastic Pollution and Recycling Modernization Act ("Act") requires a Producer Responsibility Organization (PRO) to find in advance or reimburse a local government or the local government’s service provider for the cost of transporting covered products from a recycling depot or recycling related facility to a designated recycling processing facility or responsible end market.

Eligible transportation costs include shipping, consolidating, loading, and transporting covered products. For ORE 475A (PRO), the Environmental Quality Commission ("Commission") is required by rule to establish methods for determining funding or reimbursement amounts, and eligible costs for transporting covered products.

Concepts for discussion at Nov. 9, 2022 RAC meeting

1. Rule concept for discussion: Reimbursement for transporting covered products

2. Distance

- Per ORE 475A (PRO), local governments or their service providers are eligible for reimbursement of costs associated with transporting covered products from a recycling depot or recycling related facility to a designated recycling processing facility or responsible end market with capacity to accept the material. For the purposes of these proposed rules, "capacity" includes a willingness to accept the material.

The distance of 50 miles is measured as the shortest driving distance and applies to materials as follows:

a) If the material is fully commingled, the distance measured is to the nearest commingled recycling processing facility;

b) If the material is collected separately or is not fully commingled and requires further sorting or processing before being received by a responsible end market, then the distance is measured to the nearest processing or sorting facility that will process the material and send it to a responsible end market.
Rule Concept: Transportation Costs Reimbursement

**Distance**

- 50 miles is measured as the shortest driving distance. If material is:
  - Fully commingled, distance measured is to the nearest commingled material recovery facility.
  - Collected separately or is not fully commingled and requires further sorting or processing before being received by a responsible end market (e.g., glass), then distance is measured to the nearest processing or sorting facility that will prepare the material and send it to a responsible end market (e.g., Glass to Glass).
  - Collected separately in a condition that it can be received directly by a responsible end market without additional processing, then the distance is measured to a responsible end market.
Rule Concept: Transportation Costs Reimbursement

Determining Portion of Load

• For initial program start-up period, data from DEQ’s 2023 Waste Composition Study will be used to determine eligible costs for fully commingled material.

• Starting in 2027, and at least once every five years, producer responsibility organization shall fund a study to update information on the portion of collected commingled material that is covered product and is eligible for transportation reimbursement.
Rule Concept: Transportation Costs Reimbursement

Portion of Load

• If a local government or the PRO believes the local commingled recycling stream has a substantially different proportion of eligible covered products compared to the statewide average, either party, at their own expense, may conduct a study to determine the percentage of covered product in the local collected commingled recycling.

• If the load is mixed with non-covered materials, the funded amount shall be reduced by the percentage of material shipped that is not a covered product.
Rule Concept: Transportation Costs Reimbursement

Processing

Commingled Materials To Be Handled By Multiple MRFs

Separated Material To Be Handled By Processor

Responsible end market
Rule Concept: Transportation Costs Reimbursement

Eligible costs

• Transporting materials from a depot or reload facility 50 miles or greater to a commingled recycling processing facility or responsible end market.

• Receiving, consolidating, and loading covered materials includes:
  o Purchasing and maintaining equipment
  o Signage
  o Other similar costs of running and maintaining the recycling depot or recycling reload facility not already covered

• Administrative costs include, but are not limited to:
  o Staffing
  o Hiring and managing staff
Rule Concept: Transportation Costs Reimbursement

Method of Calculating Costs

• PRO, the local government or local government’s service provider and DEQ shall reach an agreement on the method of calculating transportation costs. Methods may include, but not be limited to:
  o Rate schedules or zonal maps specific to:
    o Locations and materials, with periodic adjustments for fuel prices or other variable factors

• Reimbursement of actual third-party transportation costs
• (Available option) Transportation handled directly by the PRO

• The PRO shall propose available methods in its program plan.
Rule Concept: Transportation Costs Reimbursement

Dispute Resolution
• If a dispute is to unfortunately arise, the resolution will be conducted in the manner outlined in the PRO’s approved program plan, per ORS 459A.875(2)(e).

For Discussion: Minimum Weight
• Should there be specifications on the minimum weight of materials per truckload to allow efficient, cost-effective transport?
  o What are those specifications might be?
  o How might payment amounts vary if loads are underweight?
Discussion
Break
Materials Acceptance Lists: Background Papers
Materials Acceptance Lists: Rule Concept (Part One)

Rule Concept: Recycling Material Acceptance Lists, Part One

DEQ
Plastic Pollution and Recycling Modernization Act (SB 582, 2021) Rulemaking Advisory Committee Meeting 3 of 5, Rulemaking 1
Oct. 27, 2022

Background

The current rulemaking will establish Oregon’s first statewide recycling material acceptance lists. This memo provides initial draft rule concepts regarding the placement of many materials on two separate material acceptance lists:

1. The Local Government Recycling Acceptance List, containing materials that regulated local governments providing recycling service under the Opportunity to Recycle Act must provide recycling opportunities for (potentially at on-route collection, depots, or both), and
2. The PRO Recycling Acceptance List, containing materials that producer responsibility organizations commonly known as PROs must provide additional collection and recycling opportunities for, such as at depots.

Establishing and changing material acceptance lists

The Plastic Pollution and Recycling Modernization Act provides for several methods for establishment of and adjustments to acceptance lists. All of these mechanisms allow for adaptability and changes to collection services over time.

- Rulemaking: Both local government and PRO recycling acceptance lists can be changed by rule.
- PRO choice: PROs may collect additional materials at depots or support additional recycling opportunities.
- Local government choice: Local governments may collect additional materials, such as batteries or textiles, through their local collection programs, so long as materials not on the Uniform Statewide Collection List (a subset of the Local Government Recycling Acceptance List) are not added to commingled collections.
- PRO Program plan: ORS 459A.914(4)(b) creates an “on-ramp” for adding materials to the Uniform Statewide Collection List (USCL). A PRO may propose, via its program plan or plan amendment, a change to the USCL. That proposal is subject to all the standards for review of a program plan or plan amendment, including public comment and review by the Oregon Recycling System Advisory Council. DEQ may accept or reject the proposal; acceptance results in the material being added to the USCL.
Level of Detail

Simple
Public Communications (2025 and beyond)

Rule Concept (today)

Technical
Rule Language (2023)
Proposed Local Government Recycling Acceptance List (partial)

Uniform Statewide Collection List:

- Corrugated cardboard (uncoated and recycle-compatible coated; clean pizza boxes OK)
- All kraft paper (paper bags, mailers)
- Paperboard packaging (e.g., cereal, cracker and medicine boxes)
- Molded pulp packaging (e.g., egg cartons, but not food serviceware)
- Polycoated cartons (e.g., milk cartons), aseptic cartons, and polycoated paper cups
- Tissue paper used as packaging (not facial or sanitary tissue)
- Non-metalized gift wrap
- High-grade office paper (e.g., white and colored ledger)
- Newspaper/newsprint
- Magazines, catalogs and similar glossy paper
- Telephone directories
- Other printing and writing paper (e.g., envelopes, “junk mail”, cards)
- Paperback books
- Aluminum food and beverage cans

- Steel cans, including empty/dry paint cans
- Scrap metal less than 10 pounds in weight and 18 inches in length; excluding sharp items and “tanglers” (e.g., bicycle chains, wire)
- Plastic bottles and jugs, 6 ounces and larger, made of clear PET (#1), natural or colored HDPE (#2) or LDPE (#4), or clear or colored polypropylene (#5) (caps OK if screwed on)
- Plastic tubs (e.g., cottage cheese), 6 ounces or larger, made of PET (#1), HDPE (#2), LDPE (#4), or polypropylene (#5)
- Any plastic buckets, pails, storage containers and other bulky HDPE (#2) or polypropylene (#5) plastic packaging that fit loosely in the provided on-route collection container
- Clear plastic cups, made of PET (#1) or polypropylene (#5), but no other plastic food serviceware

At depots only:

- All scrap metal (including scrap metal on the USCL)
- Motor oil
Discussion
Lunch Break
Public Input Period

Please message Roxann Nayar in the chat if you would like to provide input
Proposed PRO Recycling Acceptance List (partial)

- Steel and aluminum aerosol packaging
- Aluminum foil and pressed foil products
- Shredded paper
- Polyethylene film
- Plastic buckets and other bulky HDPE (#2) or polypropylene (#5) packaging
Discussion
Materials Still Under Evaluation

- Glass packaging
- Plastic nursery packaging
- Block white expanded polystyrene
- PET thermoform packaging (not food serviceware)
Materials Still Under Evaluation (continued)

- Polyethylene and polypropylene lids (e.g., cottage cheese) and HDPE 4/6-pack “handles”
- Paper “cans” with metal ends
- Large metal appliances
- Single-use propane canisters
Discussion
RAC Meeting Schedule

Jan. 11, 2023
Topic: Materials Acceptance Lists (part II)

March 10, 2023
Topics: Equity & Fiscal Impact Statements
More information

Rulemaking webpage
oregon.gov/deq/rulemaking/Pages/Recycling2023.aspx

Email input to recycling.2023@deq.oregon.gov