

# Oregon Recycling System Advisory Council

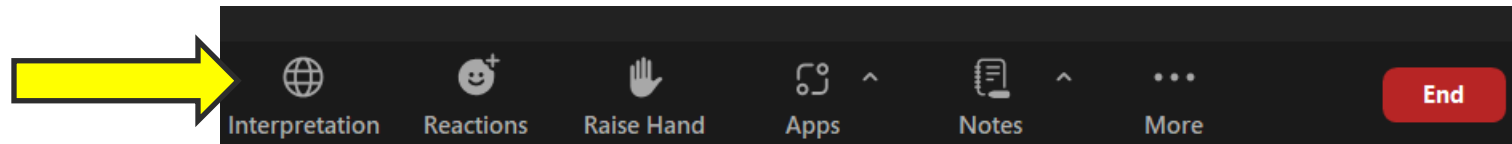
Oct. 8, 2024

9 to 11 a.m.

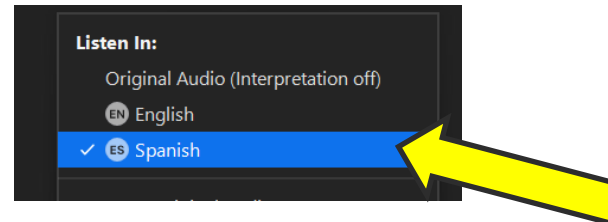
*Zoom meeting*

# Language Access: Spanish

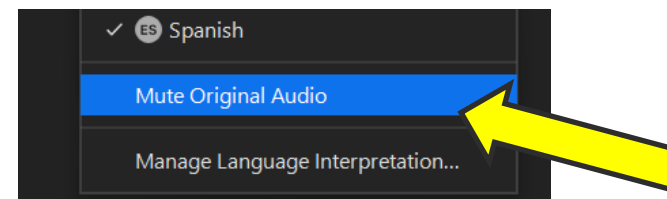
- 1 Haga clic en el icono de interpretación (globo) situado en la parte inferior de la pantalla.



- 2 Selecciona: Español



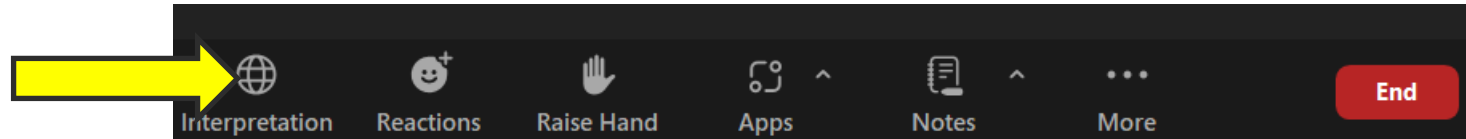
- 3 Después, silencia el audio original



# Language Access: English

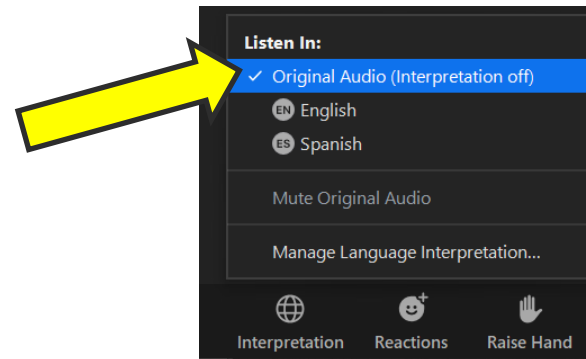
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Click on the interpretation (globe) icon at the bottom of your screen



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Select: Original audio (Interpretation off)



# Zoom logistics

Today's session is being recorded

Non-Council members are in listen-only mode, and chat is turned off

Sign-ups for public input will occur at the start of that item (11:15 a.m.)

## Technical difficulties?

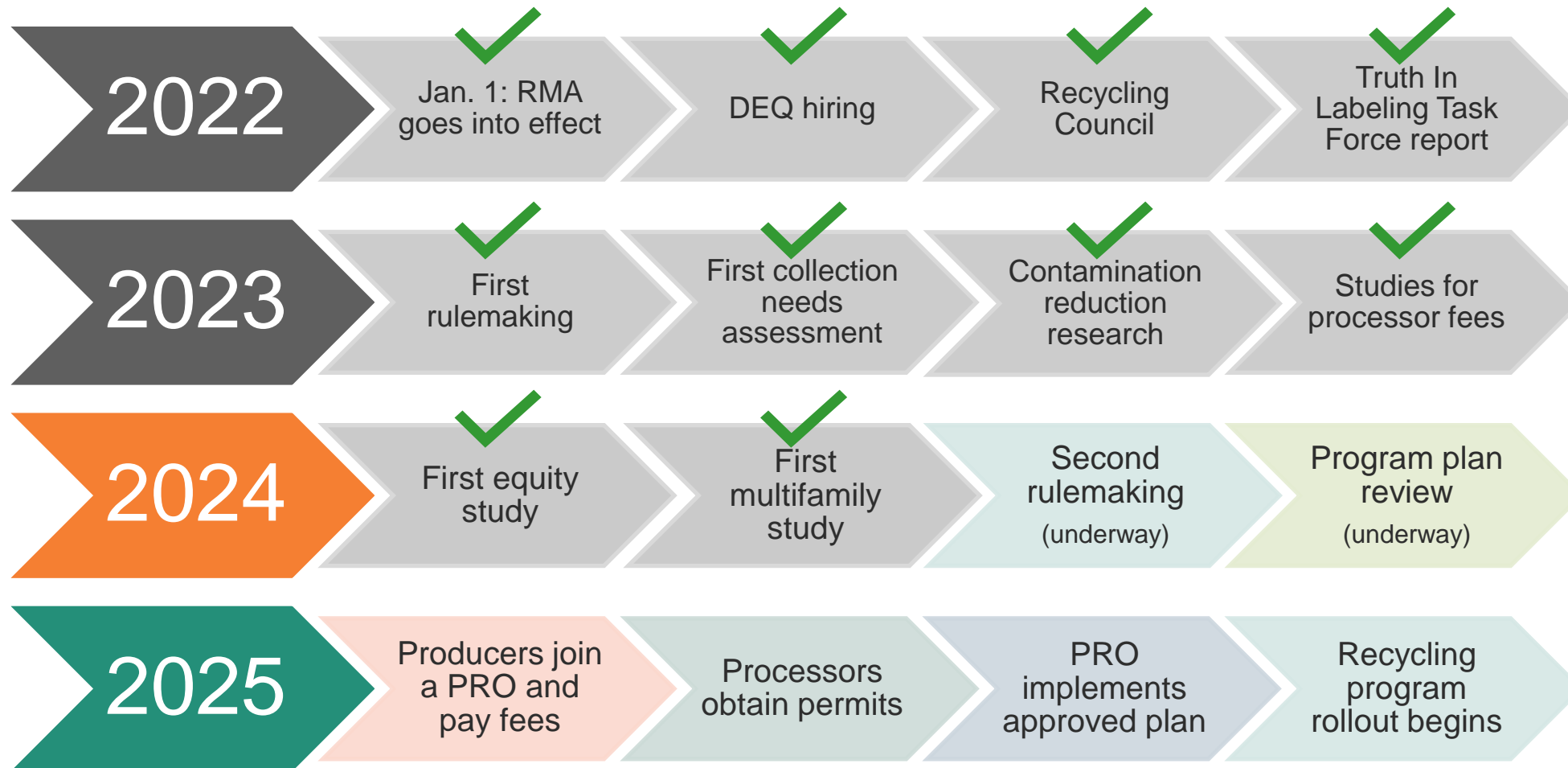
Contact Stephanie Caldera via email [Stephanie.Caldera@deq.Oregon.gov](mailto:Stephanie.Caldera@deq.Oregon.gov) or text 971-279-9517.

*All times approximate and subject to change //  
Todas las horas son aproximadas y están  
sujetas a cambios*

# Agenda // Orden del día

Time	Topic	Tema
9 a.m.	Welcome and meeting open	Bienvenida y apertura de la reunión
9:05 a.m.	Informational updates: RMA projects and events	Actualizaciones informativas: Proyectos y eventos de la RMA
9:10 a.m.	Discussion: PRO Plan Draft 2 review process	Debate: Proceso de revisión del Plan PRO Borrador 2
9:25 a.m.	Informational presentation: ORSOP updates and consultation process	Presentación informativa: Actualizaciones del ORSOP y proceso de consulta
9:30 a.m.	Public input session	Sesión de aportaciones públicas
9:45 a.m.	Informational presentation and discussion: PRO Plan Draft 2	Presentación informativa y debate: Plan PRO Borrador 2
10:40 a.m.	Roundtable: Council member updates	Mesa redonda: Noticias de los miembros del Consejo
10:50 a.m.	Meeting close, next steps and upcoming agenda topics review	Clausura de la reunión, próximos pasos y revisión de los próximos puntos del orden del día
11 a.m.	Adjourn	Se levanta la sesión

# RMA Implementation is Nearly Complete



# PRO Plan Review: Focus areas

## Draft 1

1. Responsible End Markets
2. Financing
3. Education: *Conditionally approved*
4. Equity
5. Materials strategy/On Ramp
6. System Expansion
7. PRO Collection Points

## Draft 2

1. **Verification standard, bale auditing, variance proposals**
2. **Ecomodulation**
3. **Equity**
4. **Plastics Goal and On-Ramp**

## Draft 3

- TBD
- Fee schedule, Bonus B plan, others TBD**
- TBD
- TBD
- System Expansion**
- PRO Collection Points**

# PRO Plan Review: Draft 2 review process proposal

- ✓ September 27: CAA submitted Draft 2 of the PRO Plan to DEQ
- ✓ October 8: Today's Council meeting and overview of Draft 2 highlights from CAA
- October 22: Special Council meeting to discuss Draft 2 review, develop draft recommendations
- Week of October 28: Draft recommendations circulated for Council review/modifications (by email)
- By November 4: Vote on proposed final recommendations completed (by email), draft recommendations submitted to DEQ







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# Update on Oregon Recycling System Optimization Project (ORSOP)

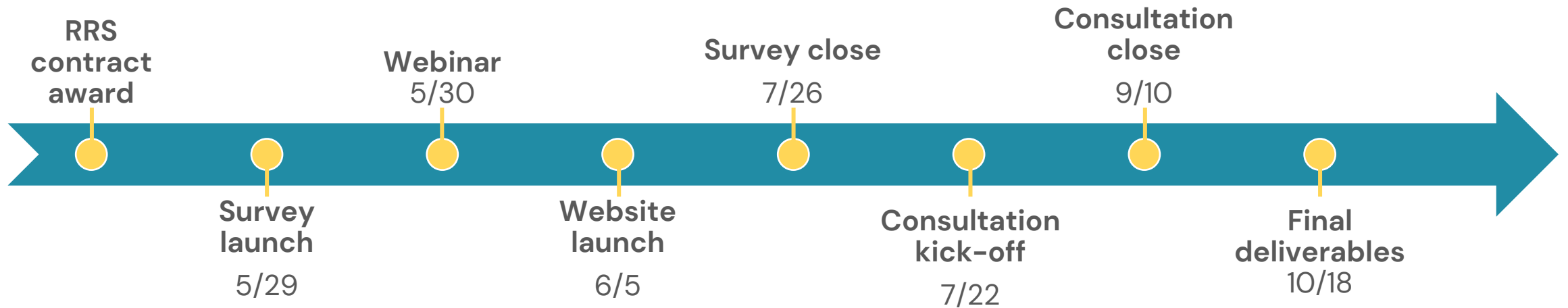
Oregon Recycling System Advisory Council

October 8, 2024

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# ORSOP Timeline



Over 20 emails sent by RRS, CAA, DEQ, ORRA, LOC and AOC to local governments and service providers to drive survey participation.

# ORSOP Completion

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	2023 Needs Assessment	ORSOP survey
Jurisdictions	241	191
Wasteshed consultations	---	35

The Oregon System Optimization Process identified system gaps that need to be closed to enable local governments to transition to collecting the materials on the Uniform Statewide Collection List.

# System expansion funding examples

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## Eligible Costs

New trucks for expanded service

New container and/or roll carts for expanded service

On-board contamination monitoring equipment and software

New program promotional literature to support expanded service

The process of hiring and training staff

Staff safety equipment related to the management of USCL materials

# System expansion prioritization

- 1** Local governments that are not, or will not be, able to provide the opportunity to recycle
- 2** Existing recycling depots to provide for the collection of any materials that were formerly collected on-route, as needed, to ensure the continuation of recycling opportunities without disruption to services
- 3** Existing recycling depots to provide for the collection of any materials that are/were not collected on-route
- 4** Local governments with populations less than 4,000, according to the PSU Population Research Center's most recent Population Estimate Report, or other estimates approved by the Department
- 5** Local governments of any size that are looking to add new on-route or recycling depot service
- 6** All other local governments that are looking to expand existing on-route collection, recycling depots or both, in order of ascending population

# Next Steps in the ORSOP Process

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- Deliverables expected from RRS October 18
- Have received preliminary sites that would like to explore collection of PRO materials.
- Will have the anticipated schedule of investments for the December program plan
- Developing the transportation reimbursement model
- Launching the contract development process, which will include input from haulers and local governments.
- Hiring team member who will oversee contracting engagement with Oregon stakeholders.
- Contract negotiations with first tier of communities to receive investment will begin by December.

Thank You



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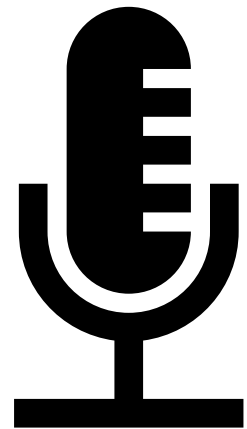
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# Public input

- To sign up: Use the “raise hand” function (usually in your Reactions panel)
  - If you cannot use the “raise hand” function, please send a chat to Stephanie Caldera (“Host”) to sign up
- When called on to start, please state your name and organization, if applicable
- Please limit input to three minutes or less
- Written material can be emailed to Stephanie Caldera:  
[Stephanie.Caldera@deq.Oregon.gov](mailto:Stephanie.Caldera@deq.Oregon.gov)
- This is not formal public comment on any proposed rulemaking







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# Oregon Program Plan, Draft Two

Oregon Recycling System Advisory Council

October 8, 2024

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## **Presentation Agenda**

1. Overview
2. Equity
3. Materials
4. Responsible End Markets
5. Revised/Expanded Fees

# Overview of what changed

# Overview

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- The revised version of CAA's proposed program plan was submitted to DEQ Sept. 27
- This version of the plan focused on updating four sections:
  - Equity section
  - Materials section
  - REMs section
  - Fees section

Draft 2 also included changes to the overarching goals of the plan:

- Added more in-depth description of how CAA is **approaching the goal-setting process**
- **Modified Goal 1:** impact reductions determined using a life cycle evaluation approach
- Added details to the **“Outcomes/Indications of Success”** and **“Key Metrics”** for each goal

# Oregon Program Plan: Equity

## Specific revisions to the program plan:

- Adjusting the goal concerning equity (previously mentioned)
- Ensuring CAA substantively interacts with organizations named in the plan and that they have affirmed their support in being named in the plan
- Exploring a means for the public to report suspected REM non-conformances to the CAA team
- Firming up processes for including groups in the development and dissemination of education and outreach materials

# Oregon Program Plan: Materials



# On-ramping considerations

**PET Thermoforms:** Focus on end markets, sortation, economic factors.



**Blue and green PET:** Removal of "light"/"dark" descriptors of transparent blue and green.



**Spiral Wound Containers:** Clear inclusion within local end market bale specifications.



**Trial Materials:** Engaging with producer groups on cups and other materials.

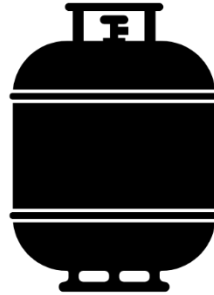


# Material-Specific Considerations

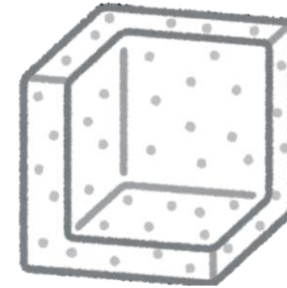
## Aerosols



## Pressurized Cylinders



## Block White EPS



A per ton cost lower than the societal benefit benchmark (\$2,290 per ton) is cost effective and potentially practicable.

A per ton cost higher than the per ton societal benefit value is not practicable.

# Plastics Recycling Rate Goal

How the plan gets Oregon to 25% plastic recycling rate by 2028



Expanded recycling opportunities to communities via the USCL and Depots.



Transportation reimbursement removes an existing and significant barrier to plastics recycling in more rural parts of Oregon.



Expanded and consistent education and outreach about what can be recycled.



On-ramping of additional plastic materials to USCL.

# Main Revisions to REMs Section of the Program Plan

# Revision to REMs : Verification Standard details

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CAA has addressed all DEQ requests and has worked with Green Blue Recycled Materials Standard (RMS) to provide more details on:

- A list of verification criteria
- A process to measure non-compliance and allow for corrective actions
- A request to end market to provide documentation with their self-attestation forms (e.g., operating permits).

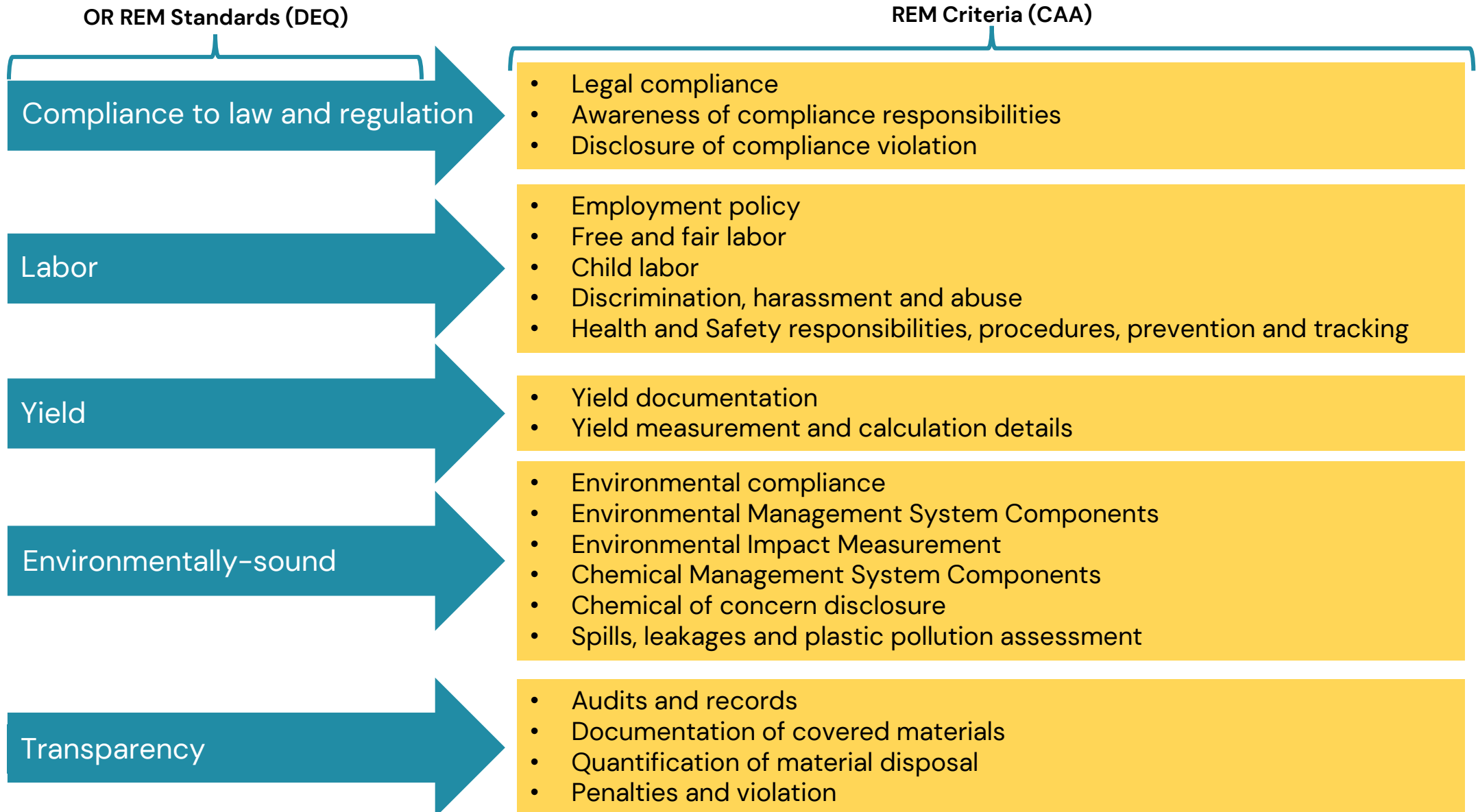
# The 3-steps verification process

Verification action	When	Who	Purpose
Initial screening	Immediately for each unverified end market	CAA and MRFs (collaboration)	Obtain self-attestation form Pre-approve markets
Data review	Quarterly	CAA or third-party certification bodies (contracted by CAA)	Detect any reporting anomalies Calculate recycling yield
Audit	On-site audit every 5 years. Desktop audit annually (verifying documents)	Third-party certification bodies (contracted by CAA)	Verify compliance against REM standards using the developed criteria

Audit results provided by certification bodies will include:

- Whether the end market entity has passed or failed the criteria and can be deemed responsible
- Information of corrective actions to be undertaken by end market entities after non-compliance discovery.

# Criteria developed for REM Verification



# Revision to REMs: Random bale tracking

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- CAA is working with a legal team to determine the liability risk of random bale tracking with these devices.



# Revision to REMs: CAA update on requested variance

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- Initially, CAA has requested three variances for REM Verification
  - For end market entities already verified by another PRO
  - For end market entities having certification that are covering part or all of the REM requirements
  - For landfills in North America
- Following consultation and feedback with interested parties, CAA is adding the following variance (exemption) in its Program Plan:
  - For paper mills yield verification, since the industry is already reaching the 60% threshold according to evidence provided by AF&PA, TAPPI and Moore & Associates.
  - For plastic converters. CAA is requesting REM verification end at the plastic converter
    - Plastic reclaimers have expressed a strong concern to DEQ about extending verification for food-contact and children's toy products and the implication in terms of information sharing (i.e., sharing their customer list).

# Revision to REMs: Minor changes

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- Provided examples of end markets outside North America such as Asian markets for paper commodities and EPS.
- Added language around current discussions on methods to share data with CRPFs on the proposed Material Flow Management System.
- Further clarity on what information will be shared to DEQ from the audit reports.
- Changed “may” to “will” when CAA reps and Certification body auditor will be on site.
- Added random tracking of mixed plastic bales on top of mixed paper and cartons.

# Oregon Program Plan: Revised Fees



# Year 1 Oregon Fee Rate Estimates

The three main data points are needed to accurately calculate producer fees.

## System Costs

The costs of operating the RMA, including

- System expansion
- Education & outreach materials
- PRO staffing
- Contamination reduction funding

## Number of Producers

- More than 1,300+ producers have already registered with CAA in Oregon.
- CAA is diligently reaching out to producers.
- Robust producer registration reduces free riders in the system.

## Supply Data

The total amount of covered materials producers sell into Oregon.

The total amount of materials in each reporting category (e.g. flexible plastic, glass, wood, paper, etc.)

# Year 1 Interim Base Fees – with Illustrative Fee Scenarios

# Base Fee Rates Published for Eight Material Classes (March Program Plan)

Program Plan 2 page 143

## Preliminary Base Fee Rates (Material Class Level)

Program Year 2025	Base Case		High Case	
Material Class	Fee Rate	Revenue Budget \$	Fee Rate	Revenue Budget \$
Printing and Writing Paper	2.0 ¢/lb	\$6,800,000	3.0 ¢/lb	\$7,100,000
Paper/Fiber	6.0 ¢/lb	\$35,100,000	11.0 ¢/lb	\$45,000,000
Plastic – Rigid	24.0 ¢/lb	\$48,900,000	43.0 ¢/lb	\$61,300,000
Plastic – Flexible	38.0 ¢/lb	\$121,500,000	71.0 ¢/lb	\$158,900,000
Plastic – Other	20.0 ¢/lb	\$2,000,000	38.0 ¢/lb	\$2,600,000
Glass and Ceramics	14.0 ¢/lb	\$9,200,000	24.0 ¢/lb	\$11,000,000
Metal	8.0 ¢/lb	\$2,900,000	13.0 ¢/lb	\$3,300,000
Wood and Other Organic Materials	4.0 ¢/lb	\$1,700,000	6.0 ¢/lb	\$1,700,000
	<b>15.0 ¢/lb</b>	<b>\$226,000,000</b>	<b>26.0 ¢/lb</b>	<b>\$291,000,000</b>

- These simplified fee rate ranges were published in the initial program plan.
- A detailed fee schedule (for 60 material categories) was **not published** given the uncertainty with supply numbers and costs.

# Three Scenarios of Interim Fee Rate Estimates (September Program Plan)

- RMA fees requirement is satisfied in each scenario (not-accepted materials have higher fees than accepted materials)
- Material-specific cost indices were updated to reflect adjusted material compositions and density values
- Commodity values were updated

Scenarios	Low	Medium	High
Average Fee Rate	15 ¢/lb	21 ¢/lb	26 ¢/lb
<b>Material Categories</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
Printing and Writing Paper	4.0 ¢/lb	5.0 ¢/lb	7.0 ¢/lb
Paper/Fiber - Accepted	12.0 ¢/lb	17.0 ¢/lb	21.0 ¢/lb
Paper/Fiber - Non-Accepted	13.0 ¢/lb	18.0 ¢/lb	22.0 ¢/lb
Paper/Fiber - Corrugated Cardboard (Tertiary/transport) non-consumer	4.0 ¢/lb	5.0 ¢/lb	6.0 ¢/lb
Rigid Plastics - Accepted	36.0 ¢/lb	51.0 ¢/lb	63.0 ¢/lb
Rigid Plastics - Non-Accepted	70.0 ¢/lb	98.0 ¢/lb	121.0 ¢/lb
Rigid Plastics - Expanded PS	140.0 ¢/lb	195.0 ¢/lb	242.0 ¢/lb
Flexible Plastics - Accepted (PE film)	53.0 ¢/lb	75.0 ¢/lb	92.0 ¢/lb
Flexible Plastics - Non-Accepted	82.0 ¢/lb	115.0 ¢/lb	142.0 ¢/lb
Flexible Plastics - HDPE (#2)/LDPE (#4) (Pallet Wrap) non-consumer	16.0 ¢/lb	23.0 ¢/lb	28.0 ¢/lb
Plastic - Other	117.0 ¢/lb	163.0 ¢/lb	202.0 ¢/lb
Metal - Accepted	16.0 ¢/lb	22.0 ¢/lb	27.0 ¢/lb
Metal - Non-Accepted	17.0 ¢/lb	24.0 ¢/lb	29.0 ¢/lb
Glass	13.0 ¢/lb	18.0 ¢/lb	22.0 ¢/lb
Ceramics	92.0 ¢/lb	128.0 ¢/lb	158.0 ¢/lb
Wood and Other Organic Materials	20.0 ¢/lb	28.0 ¢/lb	35.0 ¢/lb
<b>Accepted Materials</b>	12.4 ¢/lb	17.4 ¢/lb	21.6 ¢/lb
<b>Not Accepted Materials</b>	43.1 ¢/lb	60.3 ¢/lb	74.6 ¢/lb

These estimated base fee rates are published in the September program plan to provide fee guidance to Oregon producers for 2025 budgeting.



# Eco-modulation framework



# LCA Bonus – High Level Principles

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- Phase in implementation and introduce caps to limit financial exposure to the program.
- For Bonus A, the level of incentives should correlate with the level of supply.
- For Bonus B, the level of incentives should correlate with the level of supply and environmental impact reduction.
- The level of incentives must not exceed the producer's base fees for a material category.
- All producers are paying their fair share of fees and will be eligible to receive bonuses proportional to their level of impact.

# Funding the LCA Bonuses

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- Funding for the bonuses will initially come from a 'surcharge' on material base fees that are paid proportionately by all producers. These additional fees are material-specific and will be used to fund bonuses awarded to producers in that corresponding material category.
- The intent is to avoid cross-subsidization of bonus money between material categories.
- CAA needs to design the bonus program to comply with rule requirements while achieving fairness for producers in Oregon.

Thank You



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# Next steps

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## Upcoming Council meetings and topics

- **October 22, 10 a.m. to noon:** Council special meeting, PRO plan Draft 2 review
- **November 5, 11 a.m. to 12:30 p.m.:** CAA meeting with Education Subcommittee
- **December 13, 8:30 to 11:30 a.m.:** Regular Council meeting, Chair and Vice-chair votes; annual scheduling; CAA presents campaign concept for USCL education/outreach materials

Written feedback to [Stephanie Caldera](#) by **Friday, October 18**

# Thank you!

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