



CalRecycle Beverage Container Recycling Program

SB 458 Pilot Projects Workshop

December 13, 2017, 10:00 AM

Coastal Hearing Room, 1001 I Street, Sacramento

WORKSHOP PURPOSE

- Receive input from interested parties
 - Are there issues or problems of which we should be aware?
- Review the provisions of SB 458
 - We do not yet have specifics on the interpretation and implementation of the law



BACKGROUND

Governor Brown signed Senate Bill 458 ([Wiener, Chapter 648, Statutes of 2017](#)) into law on October 10, 2017.

This legislation authorizes CalRecycle to approve pilot projects proposed by jurisdictions to provide convenient beverage container redemption opportunities in underserved areas.



SB 458 OBJECTIVES

CalRecycle, jurisdictions, landlords, dealers, recyclers, and other stakeholders work together to address current issues:

- Recycling center closures
- Nuisance issues
- Dealer responsibilities
- Maintain convenient redemption opportunities



SB 458 OBJECTIVES

The stated intent of the law is to:

- Create new, convenient recycling opportunities to improve consumer redemption of eligible beverage containers and increase recycling rates in jurisdictions served by pilot projects.

CALRECYCLE PROCESS

1. Solicit feedback from this workshop
2. Develop proposed regulations
3. Conduct outreach to possible applicants
4. Host workshop to discuss proposed regulations
5. Adopt emergency regulations
6. Accept pilot applications
7. Approve up to 5 pilot projects

Important dates:

Final date for pilot project approvals – January 1, 2020

Statute sunsets – January 1, 2022



OVERVIEW OF THE LAW

- The department may approve up to 5 Pilot Projects - 14571.9(a)
- The Pilot Projects will be submitted by Jurisdictions - 14571.9(a)(1)
- Additional Pilot Projects - 14571.9(a)(3)
- Emergency Rulemaking - 14571.9(k)



COMMENTS AND FEEDBACK

TOPICS

- I. Jurisdictions
- II. Pilot Projects
- III. Pilot Project Recyclers
- IV. Application Process
- V. Redemption Methods Possible in Pilot Projects
- VI. Approved Pilot Projects
- VII. Dealers
- VIII. Other Comments



I. JURISDICTIONS

Eligibility

A pilot project shall be in a jurisdiction that, as of the effective date of this section*, meets at least one of the following conditions:

(A) Had at least six unserved convenience zones.

(B) Had 75 percent of the convenience zones in the jurisdiction unserved.

(C) Is located in a rural region.

* October 10, 2017



JURISDICTIONS

Rural region

As defined in regulations: CCR 2000(a)(41.1) “Rural Region” means a non-urban area identified by the Division on an annual basis using Farmers Home Administration criteria. Such criteria for area include, but are not limited to, places, open country, cities, towns, or census designated places with populations less than 10,000. Areas with populations between 10,000 and 50,000 may be designated as rural unless identified as part of, or associated with, urban areas, as determined by the department on a case by case basis.

II. PILOT PROJECTS

Eligibility

14571.9(d)(1) The requirements for a pilot project shall include, but not be limited to, all of the following:

(1) A pilot project shall serve one of the following:

(A) At least three unserved convenience zones.

(B) One or more convenience zones impacting a total of at least 30 dealers in unserved convenience zones.

(C) A rural region.

II. PILOT PROJECTS

Requirements

(3) A pilot project shall not establish a location for redeeming a beverage container for its refund value that is outside of a convenience zone.

(4) A convenience zone in the pilot project shall be served by only one pilot project recycler.

SB 458 Eligibility Scenarios

Jurisdiction Eligibility

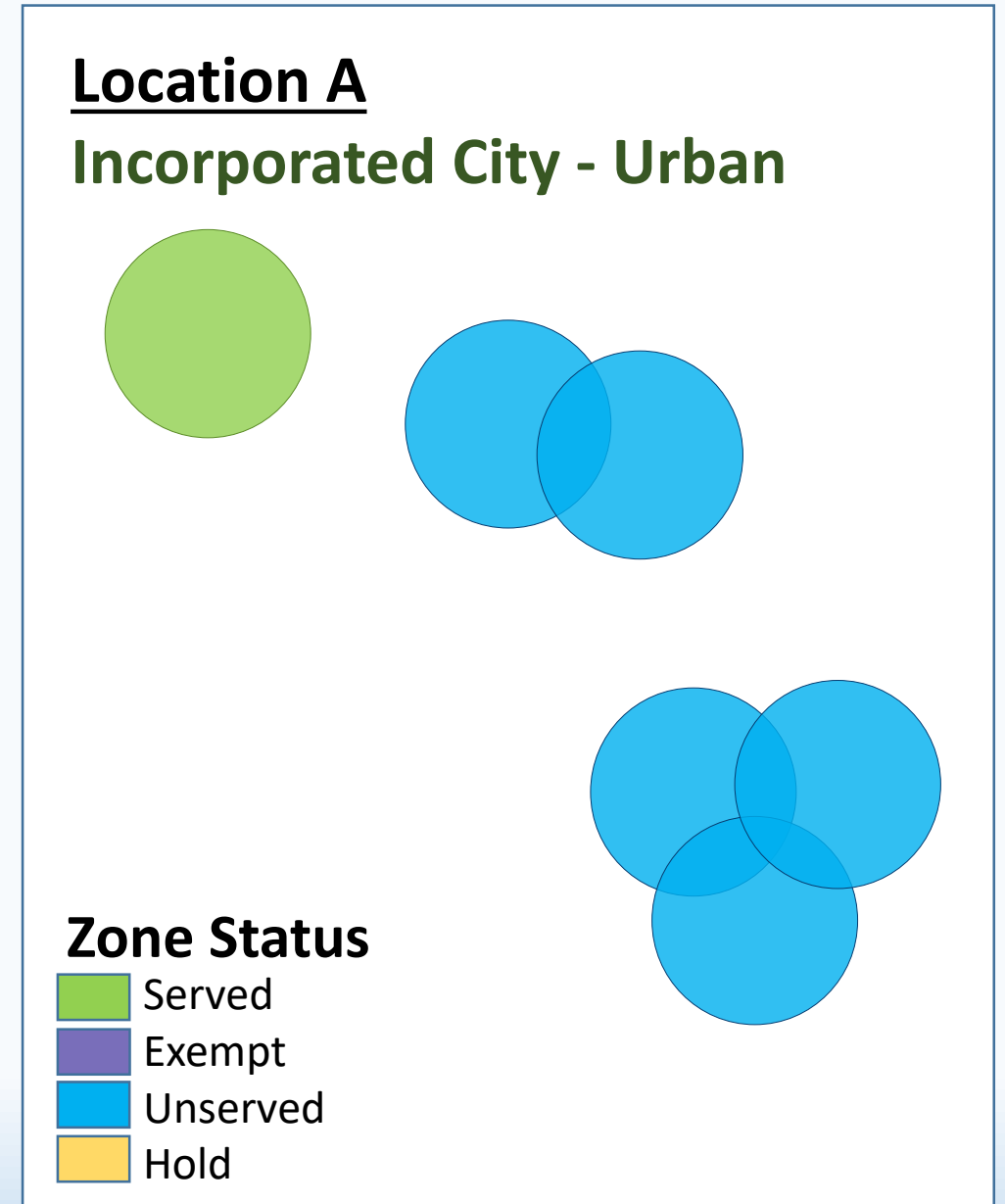
Jurisdiction meets **at least one** of the following.
(As of October 10, 2017.)

- At least 6 unserved zones
- 75% of zones are unserved ✓
- Located in a rural region

Pilot Project Eligibility

Pilot serves **at least one** of the following.

- At least 3 unserved zones ✓
- 1 or more zones impacting at least 30 unserved dealers
- A rural region



SB 458 Eligibility Scenarios

Jurisdiction Eligibility

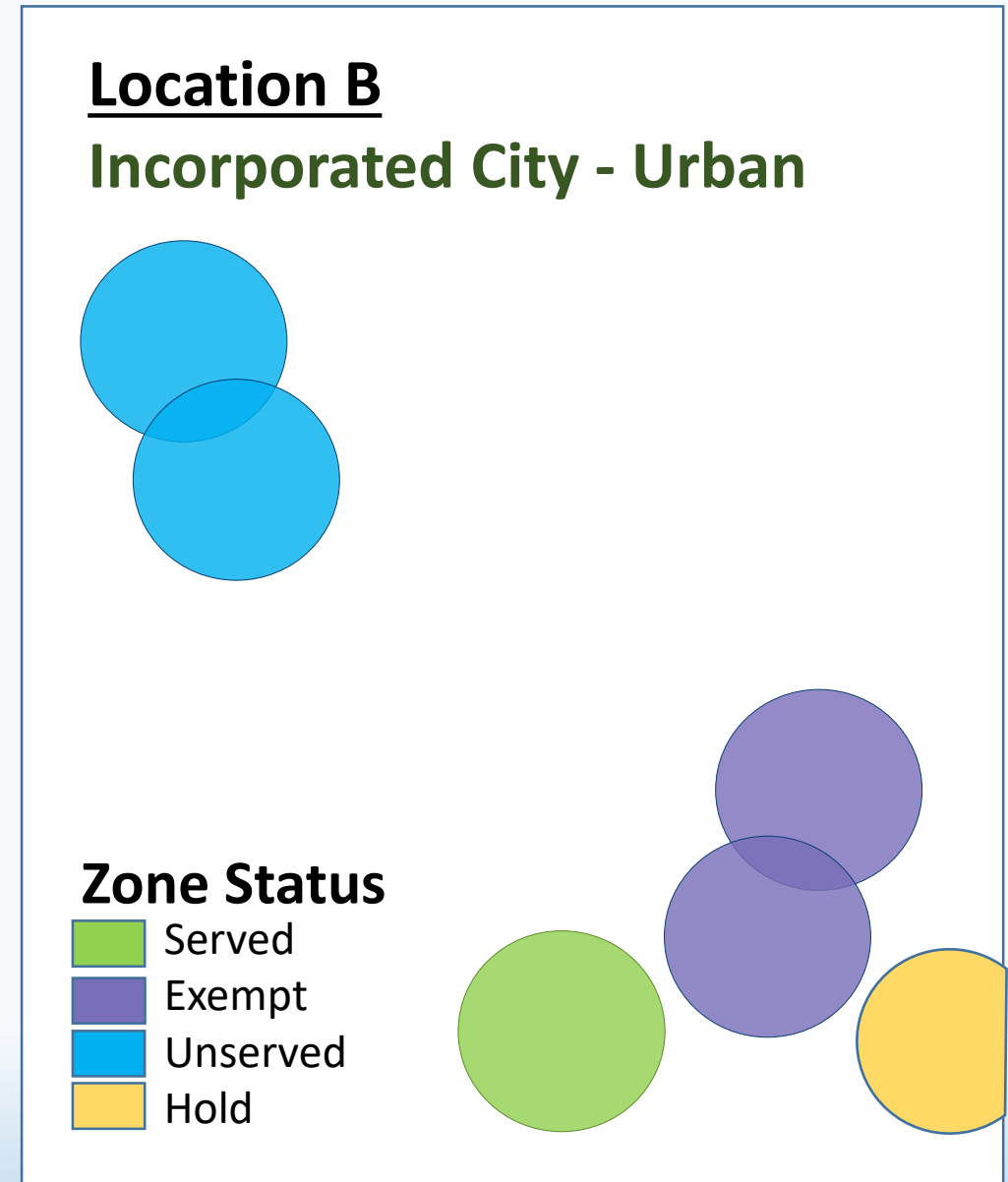
Jurisdiction meets **at least one** of the following.
(As of October 10, 2017.)

- At least 6 unserved zones ✘
- 75% of zones are unserved ✘
- Located in a rural region ✘

Pilot Project Eligibility

Pilot serves **at least one** of the following.

- At least 3 unserved zones ✘
- 1 or more zones impacting at least 30 ✘
unserved dealers
- A rural region ✘



SB 458 Eligibility Scenarios

Jurisdiction Eligibility

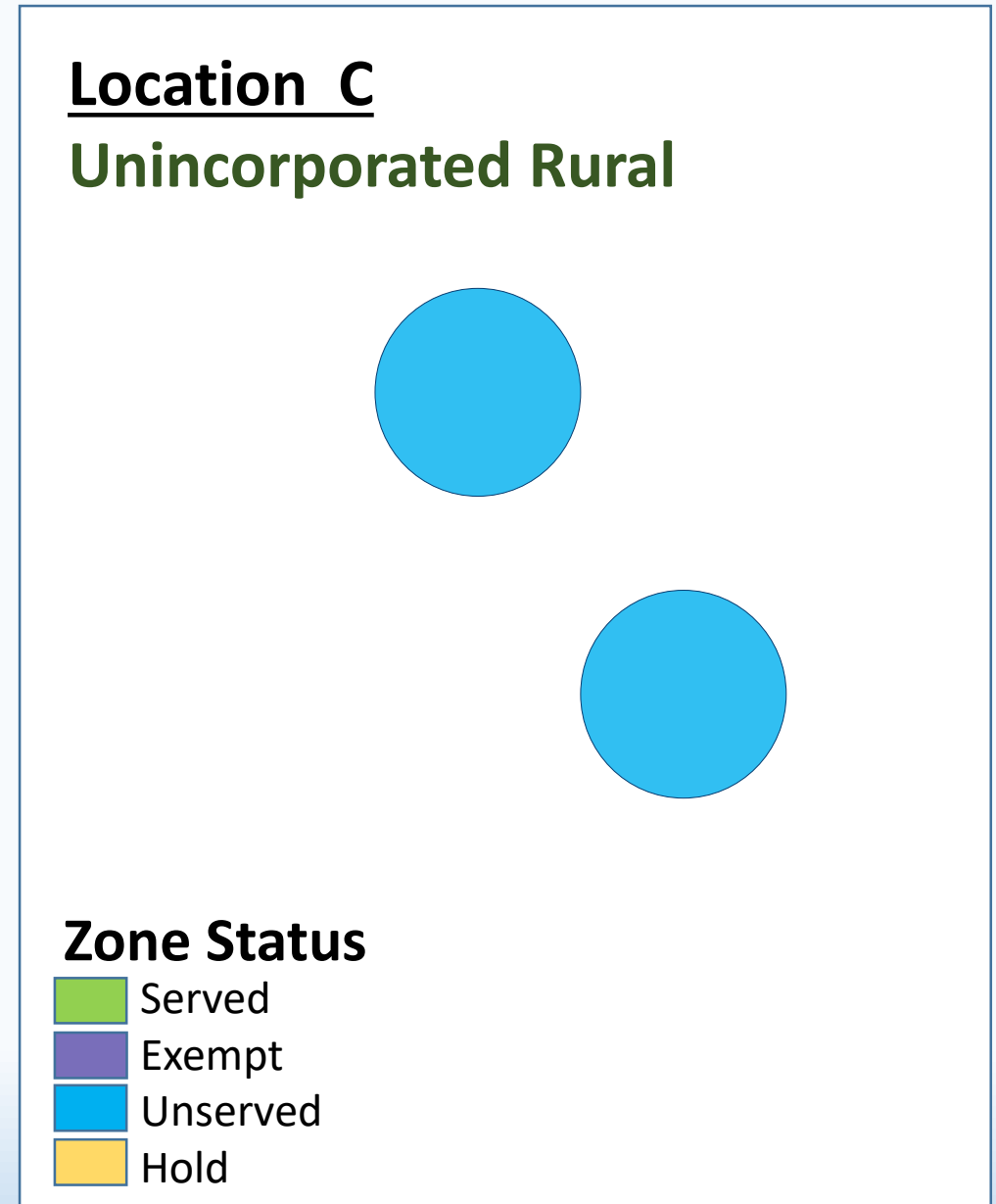
Jurisdiction meets **at least one** of the following.
(As of October 10, 2017.)

- At least 6 unserved zones
- 75% of zones are unserved ✓
- Located in a rural region ✓

Pilot Project Eligibility

Pilot serves **at least one** of the following.

- At least 3 unserved zones
- 1 or more zones impacting at least 30 unserved dealers
- A rural region ✓



III. PILOT PROJECT RECYCLERS

Requirements

14571.9(a)(2) Must meet all existing requirements for recycling centers, unless otherwise specified.

(d)(5) ...a pilot project recycler that meets all of the following requirements:

(A) Cumulatively open for a minimum of 30 hours per week.

(B) A minimum of 1 day per week for at least eight hours.

(C) Open at least 5 hours per week during periods other than from Monday through Friday from 9 a.m. to 5 p.m.

(D) Shall accept and pay the refund value for all eligible beverage container types.

III. PILOT PROJECT RECYCLERS

Requirements continued

14571.9(d)(5)(E) Notify the department ... before any change of the location where redeemed empty beverage containers are *stored*.

(F) Only redeem from consumers.

(G) Keep separate transaction records for each location / Each location served by the mobile unit.

(6) No processor shall issue an authorization to cancel pursuant to subdivision (b) of Section 2110 of Title 14 of the California Code of Regulations to a pilot project recycler.

(7) Additional requirements as deemed necessary by the department.

PILOT PROJECT RECYCLERS

Payments

14571.9(j) A pilot project recycler that has been certified by the department on a probationary basis pursuant to an approved pilot project shall be eligible to apply for handling fees pursuant to Section 14585 and to receive from certified processors the amounts specified in subdivision (a) of Section 14573.5 for refund values, administrative costs, and processing payments. For purposes of handling fee eligibility, a pilot project recycler may be located anywhere within a convenience zone.

IV. APPLICATION PROCESS

Proposal application requirements

14571.9(f) A jurisdiction that opts to be served by a pilot project shall submit its pilot project proposal to the department for approval. The proposal shall include all of the following elements:

- (1) A map of the pilot project area, including intended locations for pilot project recyclers.
- (2) A list of proposed operators of pilot project recyclers.
- (3) Contact information for the jurisdiction.
- (4) Planned dates of operation.
- (5) A description of how the pilot project will meet the requirements of this section.
- (6) Additional elements as determined by the department.

APPLICATION PROCESS

Approval Considerations

14571.9(h) In approving pilot projects, the department shall consider all of the following factors:

- (1) The number of unserved convenience zones that will be served by the pilot project.
- (2) The total number of hours per week the pilot project recycler will operate.
- (3) The total number of locations that will be served under the pilot project.

APPLICATION PROCESS

Approval Considerations continued

- (4) Whether the jurisdiction has actively prevented the siting or operation of a certified recycling center at a supermarket site.
- (5) The geographic distribution of jurisdictions proposing a pilot project.
- (6) Potential impacts to existing certified recycling centers.
- (7) Additional factors deemed relevant by the department.

Comments on factors that may be considered in the approval of a pilot project?

APPLICATION PROCESS

Certification Process

14571.9(g) The department may issue probationary certificates ... valid, for a period of not more than three years or until the end of the pilot project, whichever comes first.

Application review timelines shall apply to pilot projects:

- (1) 30 calendar days if the proposal is either complete or incomplete.
- (2) 30 calendar days that the application is approved with probationary status or denied.

V. REDEMPTION METHODS POSSIBLE IN PILOT PROJECTS

14571.9(e) A pilot project established pursuant to this section may provide stationary dropoff locations or mobile collection programs.

- Other methods are possible.
- Are you considering other methods?
- Please share your ideas



VI. WHAT HAPPENS AFTER APPROVAL

CalRecycle has authority to revoke approval - 14571.9(i)(1)

Other operational details may be adjusted



VII. DEALERS

Pilot Projects serve Convenience Zones

14571.9(b) Notwithstanding Sections 14570, 14571, and 14571.6, a convenience zone that falls within the area of a pilot project approved by the department under this section shall be deemed served while the pilot project is operational.

Pilot Projects must be operational

14571.9(b)(2) If a pilot project ceases operation or the pilot project's certification has been revoked by the department, a dealer in the convenience zone served by the pilot project shall comply with Sections 14570, 14571, and 14571.6. The department shall inform all dealers within a convenience zone of any change in status of a pilot project serving that convenience zone within 10 days.

VIII. OTHER COMMENTS



For more information go to our website at:

<http://www.calrecycle.ca.gov/BevContainer/Recyclers/Pilot2018/>

To send additional comments go to:

DORWorkshops@calrecycle.ca.gov

To receive updates on SB 458, sign up for on our Beverage Container Recycling Program general information listserv:

<http://www.calrecycle.ca.gov/Listservs/Subscribe.aspx?ListID=132>