



Consideration of Addendum #2 to the California Carpet Stewardship Plan

October 20, 2015

CARE: Key Elements of Addendum #2

Purpose: Offer grant and/or loan funding on capital investment, procurement, technology or product testing, research and development consistent with Program goals

Timeline: Start immediately; grant term begins early 2016

Process: Competitive, transparent, priority on CA-based applicants

Funds: Up to \$3M/yr grants (\$2-3 Cycle 1); up to \$1M/yr loans, \$300K legal/admin support

Project requirements: Use or manage postconsumer CA carpet, increase collection, recycling, diversion, Tier 2 manufacturing

CARE: Key Elements of Addendum #2

California Council on Carpet Recycling (CCCR):

Forthcoming

Eligible applicants: Cycle 1 is for CARE members, thereafter determined for each solicitation with CCCR

Application elements/scoring criteria: Customized for each solicitation

Reporting: Quarterly reporting, annual report

Oversight by CalRecycle: Allows CR Director to suspend program

Options and Recommendation

1. Approve *Addendum #2*
2. Partial conditional approval of *Addendum #2, Cycle 1 Pilot*
3. Partial conditional approval of *Addendum #2, Grant Program*
4. Disapprove *Addendum #2*
5. Take No Action, CARE to include this proposal as part of *Addendum #3*

Conditions for Option #2

Key Finding 1: no assurance grants/loans are awarded to CA facilities, use CA generated carpet, and benefit CA

Conditions:

- At least 50% of the funds are used in California.
- Grantees must process CA postconsumer carpet during and for at least five years after the award and maintain verifiable documentation.
- There is no conflict of interest among grantees and those individuals determining scoring criteria, scoring applications, and deciding on awards.
- CARE must submit quarterly reports to CalRecycle on the implementation status of grants

Conditions for Option #2

Key Finding 2: Funds could be spent to pay for disposal, contrary to the waste management hierarchy.

Conditions:

- Funds will be used for capital expenses and/or product testing;
- Funds cannot be used for disposal costs, either at a landfill or for thermal technologies.

Conditions for Option #2

Key Finding 3: California Council on Carpet Recycling will not be in place in time to provide adequate stakeholder input for Cycle 1

Conditions:

- CARE conducts a webinar/workshop to solicit stakeholder feedback on the solicitation before it is issued
- There is no conflict of interest between grantees and those individuals determining scoring criteria, scoring applications, and deciding on awards

CalRecycle List of Recommendations

- End of RFA document, Examples:
 - Grants paid in installments after demonstrating completion of activities specified in agreements
 - Grantee provide matching funds
 - Consider pilots for state agencies
 - Meaningful roles and responsibilities for California Council on Carpet Recycling

Moving forward

- Situation is urgent
- Option 2 allows CARE to move forward, yet addresses key concerns
- CCCR potentially can assist CARE in preparing more polished Plans
- CARE submitting Addendum #3 on or before November 30, 2015

Reminder

- Current Plan expires in 2016
- Need new Plan approved by Dec 31, 2016
 - Develop schedule prior to end of 2015
 - Allow 6+ months for approval process



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Kathy Frevert, Kathy.Frevert@calrecycle.ca.gov, 916-341-6476