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Plastic Container Recovery 2005

Expanding Plastic Beverage Container Recycling

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October 12, 2005

Sacramento



Current state of plastic beverage container recycling

- Water bottles, etc. added to CRV in 2000
- Recycling has not kept pace with sales (until recently)
- 2004: a record 12 billion CRV containers of all types recycled, *but* 20 billion sold
- 2004 recycling rate for PET bottles = 39%; HDPE bottles = 47%; Plastics #3-7 = <10%



Trends in plastic beverage container recycling

- PET capturing more sales market share as aluminum share declines
- Away-from-home consumption continues
- More PET water bottles purchased than any other CRV category except soda in cans
- But PET returns finally outpacing sales –
 - 2004 material returns rate jumped 29% over 2003
 - HDPE likewise improved 13% over 2003



DOC efforts to increase recycling

- CRV increased in 2004 to 4 cents / 8 cents
- Partnerships and outreach to bars & restaurants, gyms, other businesses
- “Social marketing” campaign to improve recycling opportunities in offices, public areas, etc.
- Public access to marketing resources
- *Green Gift Guide* & press releases to raise awareness of recycled-content products



DOC efforts to increase recycling

continued

- Direct annual funding from unredeemed CRV:
 - \$10.5 million City/County block grants
 - \$15 million Curbside Supplemental Payments
 - \$15 million local Conservation Corps grants
 - \$1.5 million Community Outreach grants
 - \$10 million Market Develop. & Expansion grants
 - \$10 million reserved for Loan Guarantees



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Community Outreach Grants

and related efforts

- Goal: raise CRV recycling rates to 80%
- Grants target collection of all CRV containers, including plastic
- Nearly \$2.5 million in last two cycles for 33 grant projects across CA
- Other efforts include outreach to businesses, funding for marine plastic debris study



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Market Development & Expansion Grants

- Goal: raise CRV recycling rates to 80%
- 1st dedicated grants to target industrial market barriers to using beverage container materials
- Strengthens DOC market development role; allows direct assistance & agency partnerships
- Can support projects with greater risk that might not attract other financing



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MD&E Grants –

Activity Focus

- Demand side rather than supply side (though *may* include collection)
- Examples:
 - Reduce feedstock contamination
 - New end-uses for collected materials
 - Conversion of existing products to recycled content
 - R & D to improve technology
 - Reduce barriers to RCP procurement



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MD&E Grant projects -

First 2 cycles (2003-04 and 2004-05)

- 23 awards totaling \$20 million
- Nearly half (\$9.7 million) for 6 projects targeting plastic
- Several others target all CRV materials, including plastic



MD&E Grants – 6 plastics projects to date

- 1) Plastics Recycling Corp. of CA (PRCC) \$5 million
 - Will be first western U.S. facility to produce food-bottle-grade PET recycled feedstock
 - Will include recycling outreach and advocacy program
 - Site to be determined



MD&E Grants – 6 plastics projects to date

2) Talco Plastics - \$885,700

- Washing, grinding & extruding equipment to expand HDPE reclaiming capacity by 33%
- Growing demand for recycled-content bottles, home & garden, and commercial products
- Lower processing costs to better compete with virgin HDPE



MD&E Grants – 6 plastics projects to date

3) Envision Plastics - \$1,344,824

- Installing optical-sorting technology for ground PET and HDPE bottles
- Will produce feedstock of many colors, allowing entry into pigmented bottle markets
- Reduces bottle-makers' costs for expensive colorants and virgin plastic



MD&E Grants – 6 plastics projects to date

- 4) Epic Plastics - \$1,116,176
 - Installing an Automated Resin Identification Sortation (ARIS) system to sort all plastic bottles (resin types #1-#7)
 - Allows purchase of unsorted resin types, lowering collection & MRF costs
 - Will expand manufacture of landscape edging and other outdoor products



MD&E Grants – 6 plastics projects to date

- 5) Goalson Development Corp. - \$500,000
 - Installing automated sorting & washing equipment to upgrade end product
 - Expands CA market for color-sorted, high-quality PET and HDPE flake
 - Expands & stabilizes northern CA reclaiming capacity



MD&E Grants – 6 plastics projects to date

- 6) Global PET, Inc. - \$900,000
 - Installing washing and water treatment system to produce high-quality PET flake
 - Expands market for fiber & strapping applications
 - Expands & stabilizes southern CA reclaiming capacity



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Market Development & Expansion Loan Guarantees

- Goal: raise CRV recycling rates to 80%
- Strengthens DOC market development role; allows direct assistance & agency partnerships
- Provides funding for the Department for loan guarantees for new recycling capacity and re-use or remanufacture of beverage containers into new products.
- Can support projects with greater risk that might not attract other financing



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Market Development & Expansion Loan Guarantees

Recently Announced Loan Guarantees:

- Itec Environmental Group, Inc, \$2,498,000
- eCullet, \$960,000



Final notes

- Current MDE Grant cycle closes in two days!
- Expect final cycle before end of 2006

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