

A collection of discarded plastic bottles and a metal can, symbolizing recycling. The image shows several clear plastic bottles, a blue plastic bottle, and a blue metal can with a pull-tab lid. The background is a light blue gradient with a white curved line separating the top image from the text below.

Plastic Market Development Payment Workshop

May 16, 2013



Agenda

- Intent of PMDP program
- Discuss criteria of Certified Entity (Reclaimer)
- Discuss criteria of a Product Manufacturer (Manufacturer)
- Define a “Plastic Product”
- Payment history
- Discuss PMD payment options for 2014 onward
- Questions



Purpose of workshop

CalRecycle is seeking industry input to further understand and clarify the current dynamics of plastic beverage container material recovery, end use markets, feedstock production, new products manufactured, identity of current product manufacturers, and how to expend PMDP funds equitably per statute.



What was the intent and goal of PMDP?

Intent and spirit of legislation:

- Incentive paid to manufacturers for new products created
- Encourages increased use of California generated recycled container materials
- Keep jobs in California
- Closes the loop



Clarify definitions for participation in the PMDP program

- What is the criteria of a “Certified Entity?” (Reclaimer)
- What is the criteria of a “Product Manufacturer?” (Manufacturer)



What is a “Plastic Product?”

- Sheeting?
- Pellets?
- Shelf-ready packaging?



Table 1 – PMD Payment History

Calendar Year	PET	HDPE	PP	TOTAL	Payment	Average PMD Rate/Ton
2007	10,325.2	5,688.6		16,013.8	\$ 4,804,140	\$150
2008	11,671.9	5,408.1	72.5	17,152.5	\$ 5,000,000	\$146
2009	14,473.4	5,459.5	79.3	20,012.2	\$ 3,806,509	\$95
2010	20,178.8	7,639.4	53.4	27,871.6	\$ 8,361,480	\$150
2011	41,278.2	6,598.5	17.8	47,894.5	\$ 10,000,000	\$104
2012	70,740.5	7,021.0	16.7	77,778.2	\$ 20,600,000	\$132
Total	168,668.0	37,815.1	239.7	206,722.8	\$52,572,129	

Notes:

2008 - PMD fund expended by 3rd quarter - no payment in 4th quarter

2009 - 85% proportional reduction in effect, from July-October

2010 - AB 3056 increased PMDP funding from \$5M to \$10M

2012 - AB 1149 increased PMDP funding w/ additional \$10.6M for CY12-13



Table 2 – Number of PMDP Participants by Year

Calendar Year	Certified Entity	Manufacturer
2007	5	20
2008	5	28
2009	5	25
2010	5	26
2011	8	28
2012	8	31
Notes:		

Since 2007, participation in PMDP program has grown by 56%.



Table 3 - 1st Quarter 2013 Payment Rate (Estimated)

Quarter	PMD Payment	Per Ton	Tons
1st	\$8,550,270	\$150	25,800.9
2nd	\$1,449,730		
3rd			
4th			



Payment Options for 2014 Onward

Option 1 – \$150/ton to both Certified Entity and Product Manufacturer until money runs out

Option 2 – Prorate PMD rate to insure payment year round (\$2.5M per quarter)

Option 3 - \$150/ton to Product Manufacturer only



Questions?

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