



# Informal Workshop on Used Oil Regulations

May 27, 2014 Coastal Hearing Room



# California's Used Oil Program

- ❖ DTSC
  - ❖ Handling, Transportation, and Processing
- ❖ CalRecycle
  - ❖ Fees, Incentives, OPP, Grants, Research, Support

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# SB 546

- ❖ Block Grants to Payment Program
- ❖ Fee Changes
- ❖ Incentive Changes
  - ❖ DIY request
  - ❖ Rerefining Incentive
- ❖ Discretionary Spending Flexibility
- ❖ Certified and Registered Recyclers/Processors

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# Regulatory Process

- ❖ Informal Workshop(s)
  - ❖ Scoping for Regulations
  
- ❖ Formal Rulemaking
  - ❖ Stricter timelines, procedures

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# Update/Streamline Procedures

- ❖ SB 546
- ❖ E-mail/Internet
- ❖ Certified Center Operator Requirements
- ❖ Operators of multiple collection sites

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# Clarify Existing Procedures

- ❖ Refunds
- ❖ Appeals
- ❖ Incentive payments for curbside programs and industrial generators

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# Improve Tracking/Auditing

- ❖ Tracking initial fee payers
- ❖ Modified Manifest Receipts
- ❖ Used Oil Logs

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# Non-Substantive Changes

- ❖ Replace “the Board” with “CalRecycle”
- ❖ Remove Q and A formatting
- ❖ Remove all references to public utilities
- ❖ Remove all references to Block Grants

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# Article 1 – Definitions

## ❖ Add definition for rerefined oil

“Rerefined oil” means a lubricant base stock or oil base that has been derived from used oil and meets all the following criteria: (1) Processed using a series of mechanical or chemical methods, or both, including at a minimum, but not limited to, vacuum distillation, followed by solvent refining or hydrotreating. (2) Capable of meeting the Physical and Compositional Properties, in addition to the Contaminants and Toxicological Properties, as defined under the American Society for Testing and Materials (ASTM) D6074-99 standard. (3) Processed into a material that has a performance quality level suitable for use in a finished lubricant.

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# Article 2 – Recordkeeping

❖ No Changes Proposed

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## Article 3 – Oil Manufacturers

- ❖ Finished lubricant must contain at least 70% rerefined base lubricant to qualify for reduced fee.
- ❖ 70% of the base oil portion of the finished lubricant must be rerefined
- ❖ Manufacturer must identify the source of their rerefined base oil

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# Article 3 – Oil Manufacturers

- ❖ Record-keeping
  - ❖ Maintain documentation supporting rerefined claims
    - ❖ Manufacturer must identify the source of their rerefined base oil
- ❖ Maintain documents supporting lubricant and industrial oil sales

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## Article 3 – Oil Manufacturers

- ❖ Include a 10% penalty for late payments
- ❖ Clarify process for requesting a refund of lubricating oil fee payment
  - ❖ Proof that the fee was paid, who initially paid the fee to CalRecycle, volume of oil
  - ❖ Create an appeal process

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## **New Article (3.1?) – Oil Sellers**

- ❖ Require sellers of lubricating oils to provide to their customers the name of the individual that initially paid the lubricating oil fee to CalRecycle as well as the quarter in which the fee was paid
  - ❖ 100 gallons or more
  - ❖ Enhanced tracking and fiscal responsibility

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# Article 4 – Used Oil Haulers

- ❖ Modified Manifest Receipts
  - ❖ Haulers must estimate quantities of lubricating and industrial oil collected from each generator for every shipment that contains some portion of lubricating oil



# Article 4 – Used Oil Haulers

- ❖ Quarterly reports
  - ❖ Provide an estimate of the volumes of lubricating and industrial oil transported to each destination facility

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# Article 5 – Used Oil Recycling Facilities

- ❖ Out-of-State Facility Registration
  - ❖ Facility contact information
  - ❖ Local enforcement agency contact information
  - ❖ Certify that it meets the requirements of PRC §48662(b)
  - ❖ Perjury Statement and Signature  
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# Article 5 – Used Oil Recycling Facilities

- ❖ Rerefining Facility Certification
  - ❖ Facility contact information
  - ❖ Local enforcement agency contact information
  - ❖ Certify that it meets the requirements of PRC §48662(c)
  - ❖ Perjury Statement and Signature  
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## **Article 6 – Collection Center Certification and Operation Standards**

- ❖ Application for certification
  - ❖ Add contact information for site and operator
  - ❖ Remove operating hours listing requirement
  - ❖ Replace samples of advertising with statement affirming that advertising requirements will be met

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## **Article 6 – Collection Center Certification and Operation Standards**

- ❖ Update certification expiration to 4 years from approval
- ❖ Repeal requirement for signage to include space for operating hours

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## **Article 6 – Collection Center Certification and Operation Standards**

- ❖ Incentive payment must be paid to public upon request
- ❖ Prohibit certain restrictions from being placed on coupons given in lieu of cash



## Article 6 – Collection Center Certification and Operation Standards

- ❖ DIY log or On-site log must be maintained if a site is collecting oil from the public and generating oil on-site
  - ❖ DIY log – Name and address, date, quantity of oil
  - ❖ On-site log – Date, volume, and how oil was generated

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## **Article 6 – Collection Center Certification and Operation Standards**

- ❖ Allow online advertisement, social media and other forms of internet posting as advertising mechanisms

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## **Article 6 – Collection Center Certification and Operation Standards**

- ❖ Cancelling a center’s certification
  - ❖ Written notification of cancellation will be sent 30 days in advance, unless the center complies with operator requirements

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## **Article 6.1 – Registration Requirements for Industrial Generators, Curbside, and Electric Utilities**

- ❖ Application for registration
  - ❖ Must provide contact information for site and operator

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# Article 7 – Incentive Payments

## ❖ Clarifications

- ❖ Out-of State Facilities must be registered
- ❖ Industrial Generators can receive incentive only on oil from their own vehicles
- ❖ Curbside programs can receive incentive only on oil from the curbside program



# Article 7 – Incentive Payments

## ❖ Claim Form

- ❖ Require email address
- ❖ Out-of-State facilities must be registered
- ❖ Require that manifest receipts include volumes of lubricating oil vs industrial oil
  - ❖ Non-differentiated oil will be assumed to be industrial and ineligible for incentive payment

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# Article 7 – Incentive Payments

## ❖ Records

- ❖ Logs – DIY or On-Site

## ❖ Claim Rejection Process

- ❖ Repeal 30-day notification process

- ❖ Modify appeal process to remove Board hearing requirement

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# Article 7 – Incentive Payments

## ❖ Claim Processing Timeline

- ❖ 90 days for claims that have more than 50 sites registered with CalRecycle



## Article 7 – Incentive Payments

- ❖ Rerefined oil incentive (new section)
  - ❖ Lubricating oil only
  - ❖ Paid on rerefined oil produced, not used oil feedstock
  - ❖ Claim documentation
    - ❖ Copies of manifests and/or manifest receipts
    - ❖ Water content
  - ❖ Define Maximum Allowable Yield Rate

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# Article 8/8.1 – Block Grants

❖ Articles to be removed

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# Next Steps

- ❖ Comments due by June 10, 2014
- ❖ Tentative: Informal Workshop in late July
- ❖ Formal Rulemaking to begin in late Fall/early Winter

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# Contact

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