

Plastic Quality Incentive Payment Program Instructions

Objectives

The Department of Resources Recycling and Recovery (CalRecycle), Division of Recycling (Division) has prepared this bulletin to assist eligible certified entities in qualifying and properly reporting for the plastic quality incentive payments (QIP) authorized under Public Resources Code (PRC), Section 14549.1.

PET Quality Incentive Payment Program

The passage of SB 170 (Chapter 240, Skinner, Budget Act of 2021) authorized the expenditure of \$10,000,000 to provide quality incentive payments (QIP) to certified entities to increase the sorting and separation of contaminants from loads of PET plastic beverage containers, as defined in Section 14515.5 of the Public Resources Code.

Beginning July 1, 2021, and until June 30, 2022, CalRecycle may make quality incentive payments (QIP) for PET plastic beverage containers pursuant to the payment process described in paragraph (2) of subdivision (c) of Section 14549.1 of the Public Resources Code and CalRecycle's regulations only for beverage container loads that contain a maximum of 2 percent of PET thermoform containers and other contaminants, as determined by CalRecycle.

CalRecycle may make only one quality incentive payment (QIP) for each empty PET beverage container collected. CalRecycle may pay the QIP to eligible entities biannually.

Further eligibility and reporting requirements for the plastic QIP program can be found in the Public Resources Code, Division 12.1, Chapter 3, Section 14549.1, and in the California Code of Regulations (CCR), Title 14, Division 2, Chapter 5, Section 2850.

Contacts

Quality Incentive Payment Program

Department of Resources Recycling and Recovery
Division of Recycling
Statistical Information Section
801 K Street, MS 17-24
Sacramento, CA 95814
Phone: (916) 323-5778
MarketInformation@CalRecycle.ca.gov

Plastic Quality Incentive Specifications

CalRecycle may pay up to one hundred and eighty dollars (\$180) per ton for empty PET plastic beverage containers that are resin sorted and 98% free of thermoform containers and other contaminants. Only loads that contain a maximum of 2 percent of PET thermoform containers and other contaminants as determined by CalRecycle are eligible for QIP. (PRC Section 14549.1(c)(2))

In addition, the resin sorted and cleaned empty plastic beverage containers must meet the “Commercial Guideline Baled Recycled Plastic Standard,” as specified in the most current “Scrap Specifications Circular” published by the [Institute of Scrap Recycling Industries \(ISRI\)](#). (14 CCR Section 2850(a)(2))

Authorization to Submit Claims (Application Form Attached)

To determine whether a certified participant is eligible to claim quality incentive payments (QIP), CalRecycle has developed a request for authorization application form that all interested participants must complete and submit to the department for review and approval. Only certified participants with approved methodologies are eligible to claim QIP. (14 CCR Section 2850(c))

Reporting Instructions for Empty PET Plastic Beverage Containers, *Retroactive claims from July 1, 2021, until December 31, 2021*

Plastic Quality Incentive Payment Claim Form (Claim Form Attached)

Claims for PET empty beverage containers that are processed to QIP specifications subsequent to completion of the Shipping Report, claimants must use the Plastic Quality Incentive Payment Claim Form (claim form). Approved participants must submit a claim form to CalRecycle for each calendar month for which the QIP is being claimed. Applicants that wish to claim PET QIP on Shipping Reports for July 1, 2021 through December 31, 2021 must complete and submit a claim form for each calendar month. (14 CCR Section 2850(c))

Example

During the month of July 2021, a certified entity received several loads of contaminated commingled PET plastic food and beverage containers from a curbside recycling program. The PET beverage containers were sorted and cleaned to QIP specifications and the certified entity then completed the Shipping Reports for the loads.

To claim QIP, the certified entity would total the redemption weights from the Shipping Reports for all the PET loads received during the month of July 2021 and use the total to complete and submit the claim form for July 2021.

Reporting Instructions for Empty PET Plastic Beverage Containers *Claims effective January 1, 2022, until June 30, 2022*

General

For PET empty beverage containers that are processed to QIP specifications before completion of the Shipping Report, the eligible entity shall be identified on the Shipping Report, and the Shipping Report shall serve as the claim for QIP, no claim form is required. (14 CCR Section 2850(b))

Shipping Reports

If empty beverage containers are processed to QIP specifications by the shipper and the shipper is claiming the QIP, indicate an “S” in the QIP box on the Shipping Report.

If empty beverage containers are processed to QIP specifications by the receiver and the receiver is claiming the QIP, indicate an "R" in the QIP box on the Shipping Report.

If neither the shipper nor the receiver have processed the material to QIP specifications and neither are claiming the QIP at time of shipment, leave the QIP box on the Shipping Report blank. (14 CCR Sections 2425(e)(5) and 2530(f)(10))

SAMPLE SCENARIOS

Scenario 1

A curbside program ships single-stream loads to a certified entity. The certified entity sorts and cleans the PET plastic beverage containers to the appropriate QIP specifications and completes the Shipping Report when the material is shipped. Since the certified entity did the sorting and cleaning prior to the completion of the Shipping Report, an "R" is placed in the QIP box on the Shipping Report.

Scenario 2

A curbside program contracts with an independent materials recovery facility (MRF) to sort its PET QIP eligible material. The material is then shipped to a certified processor. An "S" is placed in the QIP box on the Shipping Report because the materials were sorted and cleaned prior to shipment to the processor.

Application for PET Plastic Cleaning and Sorting Method

Mail to: CalRecycle • Division of Recycling • Statistical Information Section
• 801 K Street • MS 17-24 • Sacramento, CA 95814
Questions? Call: (916) 323-5778

Instruction

The passage of SB 170 (Chapter 240, Skinner, Budget Act of 2021) authorized the expenditure of \$10,000,000 for PET QIP. Effective July 1, 2021, through June 30, 2022, the department may pay up to \$10 million annually to registered curbside programs and certified dropoff or collection programs, only for loads that contain a maximum of 2 percent of PET thermoform containers and other contaminants as determined by CalRecycle. A certified entity wanting to participate in the PET QIP program **MUST** request approval from the Division of Recycling and include a PET plastic cleaning process that produces bales that meets the “Commercial Guideline Baled Recycled Plastic Standard,” as specified in the most current “Scrap Specifications Circular” published by the Institute of Scrap Recycling Industries (ISRI).

Before a certified entity can claim QIP, they must submit an application to CalRecycle requesting authorization to submit claims for QIP. The application should include the process used to sort material, testing process after cleaning, test results, and the entity who purchased the bales. CalRecycle may visit facilities to test bales for verification of the methodology. CalRecycle will then review the application and determine whether the bales meet the 98% standard based on the applicant’s sorting methodology, test results, and on-site verification of QIP standards. If CalRecycle determines bales are sorted to required specifications, the Department will approve the certified entity to claim QIP for the prior six months and the following six months. CalRecycle may request the certified entity to submit bale test results every few months for auditing purposes.

Note: Certified entities that intent to file a QIP claim must first submit an application for approval. The term “claim” means a shipping report going forward or a claim for form for past shipping reports.

All Applicants

Certification ID:

Company Name:

Facility Address:

- **City:**
- **State:**
- **Zip Code:**

Contact Person:

Telephone Number:

Email Address:

1. List the source of QIP eligible material purchased and include the following information (use separate sheet if necessary):
 - Participant Name
 - Certification or Registration Number
2. Does your facility operate a Material Recovery Facility (MRF) Y/N
 IF YES:
 - A. Is cleaning and processing performed at the same MRF where materials are received? Y/N
 - i. Does your MRF have equipment capable of cleaning PET and processing PET to two (2%) or less contamination by weight? Y/N
 - ii. Describe your PET cleaning process and type of equipment at your MRF.
 IF NO:
 - B. If you answered "NO" to A, where is the material shipped for cleaning and processing?
3. Does your facility have more than one location with PET sorting and processing equipment? Y/N
 IF YES, provide address and location(s):
4. Will your facility sample PET bales to determine contamination levels? Y/N
5. Attach a WRITTEN DESCRIPTION of the SAMPLING PROCEDURES that will be used to determine contamination levels.
6. Attach an actual report from a recent PET bale sample.
7. Do you maintain weight tickets or invoices for PET bales sold? Y/N
8. Attach a current sales invoice, including description of bale grade.
9. Has your facility been separating contaminants from PET plastic beverage containers for the entire period for which QIP is claimed?

Declaration and Signatures

I declare under penalty of perjury under the laws of the State of California that the information provided above is true and correct and that I am authorized to sign this report.

Signed at:

City _____ County _____ State _____

Signature _____ Title _____

Printed Name _____ Date Signed _____