

Quality Incentive Payment Program Instructions

Revised June 2023

Objectives

The Department of Resources Recycling and Recovery (Department), Division of Recycling (Division) has prepared this bulletin to assist eligible curbside programs and dropoff or collection programs in improving the quality and marketability of their empty beverage containers collected for recycling in California. Furthermore, this bulletin was created to assist eligible certified entities in qualifying and properly reporting for the Quality Incentive Payment (QIP) Program authorized under Public Resources Code (PRC), § 14549.1.

Quality Incentive Payment Program

The passage of SB 1013 ([Atkins, Chapter 610, Statutes of 2022](#)) amended PRC § 14549.1 to improve the quality and marketability of empty glass beverage containers collected for recycling by curbside recycling programs or dropoff or collection programs and used for manufacturing of glass beverage containers in this state.

Subject to the availability of funds, the Department may pay up to \$15 million annually to registered curbside programs, or certified dropoff or collection programs, or other certified entities that sort and clean glass beverage containers to QIP specifications, as determined by the Department. Additionally, the glass claimed for QIP must be used for manufacturing of glass beverage containers in this state. The Department may make only one QIP for each empty beverage container collected. The Department shall pay the QIP to eligible entities biannually.

This bulletin will discuss the quality specifications and reporting requirements for glass beverage containers.

Further eligibility and reporting requirements for the QIP Program can be found in the California Code of Regulations, Title 14, Division 2, Chapter 5, Subchapter 11.5, Article 1, § [2850](#).

Contacts

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Glass Quality Incentive Payment Specifications

The Department may pay up to sixty dollars (\$60) per ton, as determined by the Department, for empty glass beverage containers that are color-sorted, substantially free of contamination, and meet “Container Glass Cullet Specifications,” as specified in the most recent Scrap Specifications Circular published by the Institute of Scrap Recycling Industries ([ISRI](#)).

Recommendations for obtaining and maintaining the highest quality material:

[Single Stream Recycling Best Practices Manual](#)

[Single Stream Recycling Best Practices Implementation Guide](#)

Reporting Instructions for empty Glass Beverage Containers

General

For empty glass beverage containers that are processed to QIP specifications before completion of the Shipping Report Form, the eligible entity shall be identified on the Shipping Report, and the Shipping Report shall serve as the claim for QIP.

If the empty beverage containers are processed to QIP specifications after the completion of the Shipping Report, the Quality Incentive Payment Claim Form (CalRecycle 757 (DOR 56)) shall serve as the claim for QIP.

To ensure that QIP claimed glass is used for manufacturing of glass beverage containers in this state, copies of the following documentation will be allowed: invoices, receipts, purchase orders, or signed confirmation of glass beverage containers shipping to a glass beverage container manufacturer in California. The Certification ID must be indicated on this document for the facility claiming QIP. The document(s) must be submitted for the full six-month claim period by the first day of the second month following the reporting period. In other words, for the January through June period, the document(s) will be due by August 1st and for the July through December period, the document(s) will be due February 1st.

Shipping Reports

If the certified participant has received or will receive documentation that the end user will be using the material for the manufacturing of glass beverage containers in this state and:

- 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.
 - A copy of the document, for the six-month reporting period, that the glass will be used for the manufacturing of glass beverage containers in this state must be sent to the Department.

- 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.
 - A copy of the document, for the six-month reporting period, that the glass will be used for the manufacturing of glass beverage containers in this state must be sent to the Department.
- 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.

SAMPLE SCENARIOS

Scenario 1

A curbside program ships single stream loads to a certified processor or recycling center. The processor/recycling center processes the glass beverage containers to the appropriate QIP specifications and completes the Shipping Report when the material is shipped. The processor/recycling center ships the material to a beneficiating processor and receives documentation that the glass will be used for the manufacturing of glass beverage containers in this state. Because the processor/recycling center did the sorting prior to the completion of the Shipping, an “R” is placed in the QIP box on the Shipping Report. At the end of the six-month reporting period, a copy of the document that the glass will be used for the manufacturing of glass beverage containers in this state must be sent to the Department.

Scenario 2

A curbside program contracts with an independent MRF to sort its QIP eligible glass. The glass is then shipped to a certified processor. The curbside program receives documentation from the certified processor that the glass will be used for the manufacturing of glass beverage containers in this state. An “S” is placed in the QIP box on the Shipping Report because the material was sorted and cleaned prior to shipment to the processor. At the end of the six-month reporting period, a copy of the document confirming that the glass will be used for the manufacturing of glass beverage containers in this state must be sent to the Department.

Quality Incentive Payment Claim Form (CalRecycle 757 (DOR 56))

For empty glass beverage containers that are processed to QIP specifications subsequent to completion of the Shipping Report, an eligible participant must obtain a Department approved methodology; this methodology must attribute the eligible empty glass beverage containers to the types of programs from which they were received.

A certified participant proposing a methodology to submit a CalRecycle 757 (DOR 56) must include a detailed description of how the entity will determine the QIP payment for only curbside and dropoff or collection programs from other beverage containers collected from other certified and non-certified entities. Additionally, it must indicate how it will reduce any residuals from the total received weight.

Upon receipt of the approved methodology for the glass empty beverage containers, a certified entity shall submit a CalRecycle 757 (DOR 56) for empty glass beverage containers to the Department for each calendar month in which the QIP is being

claimed. Per California Code of Regulations Section 2850(d)(1) the CalRecycle 757 (DOR56) must be submitted by the first day of the second month following the reporting month. For example, January's reporting month must be submitted by March 1.

Additionally, a copy of the document confirming that the glass will be used for the manufacturing of glass beverage containers in this state must be sent to the Department with the final CalRecycle 757 (DOR 56) for the six-month reporting period.

The Department shall calculate on an annual basis Statewide Average QIP Rates for glass that exclude empty beverage containers collected by certified participants that are not curbside and dropoff or collection programs (for example, recycling centers). The Statewide Average QIP Rates reflect an estimate of CRV material collected from curbside and dropoff or collection programs in a load of commingled material collected from all recyclers and are used for purchases without Shipping Reports (for example, processor to processor transactions).

Statewide Commingled Rates determined by the Department annually are used for direct purchases of material from curbside and dropoff or collection programs when not reported through a Shipping Report.

SAMPLE SCENARIOS

Scenario 1

A dropoff or collection program ships contaminated commingled glass food and beverage containers to a certified processor or recycling center. The processor/recycling center completes a Shipping Report upon receipt of the load and later cleans the glass beverage containers to QIP specifications. The processor/recycler then ships the material to a beneficiating processor that will send the material to an end user using the material in the manufacturing of beverage containers in this state. The QIP box on the Shipping Report is left blank. The processor/recycler would complete and submit a CalRecycle 757 (DOR 56) to the Department after the material is sorted and cleaned to QIP specifications. Attached to the final CalRecycle 757 (DOR56) claim form, a copy of the document confirming that material will be used for the manufacturing of glass beverage containers in this state must be sent to the Department.

Scenario 2

A curbside program ships mixed empty beverage containers to processor #1, which is dual certified as a recycling center and a processing center. Processor #1 completes a Shipping Report, then ships the mixed empty beverage containers to processor #2. Processor #2 processes the containers to QIP specifications and ships to an end user that will be used in the manufacturing of beverage containers in this state. The QIP column on the Shipping Report for the QIP box should be blank. Processor #2 must submit a CalRecycle (DOR-56) to the Division to claim the QIP because the material was processed after the completion of the Shipping Report. Attached to the final CalRecycle 757 (DOR56) claim form, a copy of the document confirming that material will be used for the manufacturing of glass beverage containers in this state must be sent to the Department.

CalRecycle 757 (DOR 56) Reporting Methodology (Attached)

To assist certified participants in developing a DOR 56 reporting methodology, the Department has developed a CalRecycle 757 (DOR 56) Model Reporting Methodology (Model) that may be used. Certified participants choosing to use the Department's sample Model may do so by placing the Model on their letterhead and submitting it to the Department for approval.

If you need example reporting tools to maintain documentation for the Model, please contact the Statistical Information Section at (916) 323-5778 or MarketInformation@CalRecycle.ca.gov.

Quality Incentive Payment Claims Methodology Model

(On participant company letterhead)

Date

Participant Name

Certification Number

Insert Participant Name requests approval from the Department of Resources Recycling and Recovery, Division of Recycling, to submit Quality Incentive Payment (QIP) claims for empty glass beverage containers that were processed to QIP specifications received at our Insert facility location.

The following information will be collected and recorded from all certified or registered participants that QIP eligible material is purchased from:

- Participant Name
- Certification or Registration Number
- Total Received Weight in Tons
- Estimated Residue or Waste Percentage

Insert Participant Name will determine, by participant and material type, the QIP eligible material and estimated payment, as follows:

- 1) For material purchased directly from curbside programs and dropoff or collection programs:
 - a) The residue or waste tons total will be determined by multiplying the received weight tons by the residue or waste percentage.
 - b) The adjusted received weight tons will be determined by subtracting the residue or waste tons from the received weight.
 - c) The total QIP weight will be determined by multiplying the adjusted received weight tons by the statewide commingle rate.
 - i) If the material is purchased from a registered Curbside Program, the statewide commingled rate for Curbside Programs will be used.
 - ii) If the material is purchased from a certified Dropoff or Collection Program, the statewide commingled rate for Dropoff or Collection Program will be used.
 - iii) A Community Service Program is a type of dropoff or collection program, if the material is purchased from a Community Service Program, the statewide commingled rate for a Community Service Program will be used.
 - d) For glass, the total QIP weight for each color fraction (flint, amber, green, and mixed color) glass will be determined by multiplying the total QIP weight for glass by a percentage for each color fraction. The percentage of each glass fraction will be estimated based on quarterly sampling to determine the amount (percentage) of color sorted material derived from the outbound material. For example only, based upon the 2023 first quarter sampling: 30% flint, 15% amber, 15% green, and 40% mixed color glass.
 - e) The total estimated QIP payment will be determined by multiplying the total QIP weight by the applicable QIP Statewide Commingled Rate per ton.
- 2) For material purchased directly from certified processors:

- a) A determination of non-qualifying material, if any, will be made and subtracted from the total weight ticket to determine the Total Received Weight in tons.
- b) The residue or waste tons total will be determined by multiplying the received weight tons by the residue or waste percentage.
- c) The adjusted received weight tons will be determined by subtracting the residue or waste tons by the received weight.
- d) The total QIP weight will be determined by multiplying the adjusted received weight tons by the Statewide Average QIP Rate.
- e) For glass only, the total QIP weight for each color fraction (flint, amber, green, and mixed color) glass will be determined by multiplying the total QIP weight for glass by the percentage for each glass color fraction. The percentage of each glass fraction will be estimated based on quarterly sampling to determine the amount (percentage) of color sorted material derived from the outbound material. For example only, based upon the 2023 first quarter sampling: 30% flint, 15% amber, 15% green, and 40% mixed color glass.
- f) The total estimated QIP payment will be determined by multiplying the total the total QIP weight by the applicable Statewide Average QIP Rate per ton.

Insert Participant Name will determine the total QIP eligible material weight and estimated QIP payment, as follows:

1. The total Color Sorted Glass Redemption Weight (Tenths of Tons) will be determined by summing the total QIP eligible color sorted weight for each color fraction (flint, amber, and green).

The attached spreadsheet is submitted for your review for use in determining the total weight and estimated payment for QIP.

Insert Participant Name requests the Department of Resources Recycling and Recovery approve this methodology for submitting Quality Incentive Payment Claim Forms. If you have any questions, I can be reached at Insert Phone Number. Thank you for your consideration in this matter.

Sincerely,

Insert Name
Insert Title

Attachment