



December 8, 2023

To: Plastic Market Development Payment Participants

**Plastic Market Development (PMD) Payment Structure**

The Department of Resources Recycling and Recovery (CalRecycle), pursuant to Public Resources Code (PRC) §14549.2 and California Code of Regulations §2880, issues a PMD payment to eligible participants. Senate Bill (SB) 101 (Chapter 12, Budget Act of 2023) appropriated \$47 million for PMD payments through June 30, 2027.

Beginning January 1, 2024, CalRecycle will issue payments to reclaimers and manufacturers using a three-tier payment structure. The payment restructuring will incentivize participants who produce PET #1 or use PET #1 for new beverage containers. CalRecycle will utilize \$40.0 million of the \$47.0 million appropriation for the new payment structures. The \$40.0 million balance was determined by deducting \$5.0 million for the third quarter (July 1, 2023 – September 30, 2023) and fourth quarter (October 1, 2023 – December 31, 2023) payments of 2023 and a \$2.0 million reserve.

Additional documentation may be necessary to validate the claims for payment from CalRecycle. Instructions will be updated and posted on the website by February 1, 2024.

Manufacturer PMD per ton payments (Table 1) are based on the use of PET #1 to produce new containers. To receive the maximum per ton payment, manufacturers must use PET #1 to produce beverage containers that exceed the plastic minimum content standard specified in PRC 14547 (Assembly Bill 793).

**Table 1 - Manufacturer Payments**

	Payment per Ton	Set-a-Side per Tier
Tier 1 - PET #1 beverage containers that exceed the minimum content requirement	\$150	\$13,200,000
Tier 2 - PET #1 beverage containers	\$75	\$7,200,000
Tier 3 - PET #1 products	\$50	\$3,600,000
		\$24,000,000

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The reclaimer PMD per ton payments (Table 2) are structured to encourage reclaimers to make PET #1 readily available to manufacturers for use in the production of new containers.

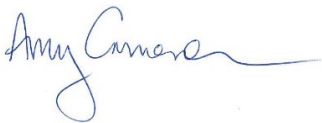
**Table 2 - Reclaimer Payments**

	<b>Payment per Ton</b>	<b>Set-a-side per Tier</b>
Tier 1 - PET #1 A Grade	\$75	\$10,000,000
Tier 2 - PET #1	\$50	\$4,000,000
Tier 3 – Other	\$25	\$2,000,000
		\$16,000,000

Claims will continue to be accepted quarterly. PMD payments will be made until the tier set-a-side as noted on each table has been expended. CalRecycle will update the availability of funds after quarterly payments have been processed.

If you have any questions regarding the payment structures, please contact the Statistical Information Section at [MarketInformation@CalRecycle.ca.gov](mailto:MarketInformation@CalRecycle.ca.gov) or (916) 323-5778.

Sincerely,



Amy Cameron