

REQUEST FOR ACTION

To: **Krystal Acierto**
Acting Director

From: **Cara Morgan**
Deputy Director, Materials Management and Local Assistance
Division

Request Date: April 2, 2024

Decision Subject: Covered Electronic Waste Recovery and Recycling Payment Rates

Action By: April 16, 2024

Summary of Request:

The Electronic Waste Recycling Act (Act) of 2003 (Public Resources Code (PRC), Section 42460, et seq.) established a financing mechanism to develop an infrastructure to provide convenient recycling opportunities and reduce the inappropriate disposal of certain electronic products discarded in California.

Pursuant to PRC sections 42477 and 42478, CalRecycle has the responsibility to evaluate the Standard Statewide Covered Electronic Waste (CEW) Recovery and Recycling payment rates every year and adjust them if warranted to reflect the average net costs of providing the CEW recovery and recycling services intended by the Act. CalRecycle must act now to determine whether any payment rate adjustments are necessary in order to meet the statutory deadline of July 1, 2024.

Recommendation:

The CalRecycle CEW Recycling Program recommends adjustments in the standardized statewide recovery rate for all CEW and the recycling portion of the combined recovery and recycling CRT CEW payment rate. The following proposals are based on the 2023 calculated weighted average net costs per pound to recover and recycle CEW in California, the estimated reasonable rate of profit or return on investment, as well as additional factors that affect the markets such as increased labor costs. Staff recommends the following:

- The Standard Statewide Recovery Payment Rate, as delineated in 14 California Code of Regulations (CCR), Section 18660.33(b), should be increased from \$0.35 per pound to \$0.40 per pound for all CEW.
- The Standard Statewide Combined Recovery and Recycling Payment Rate, as delineated in 14 CCR, Section 18660.34(b)(1), should be increased from \$0.98 per pound to \$1.13 per pound for cathode-ray tube (CRT) CEW.

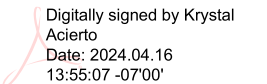
- The Standard Statewide Combined Recovery and Recycling Payment Rate, as delineated in 14 CCR, Section 18660.34(b)(2), should be increased from \$1.10 per pound to \$1.15 per pound for non-CRT CEW.
- These payment rate changes be made immediately effective July 1, 2024, as applicable to the CEW transfer and/or claim conditions contained in existing associated regulations.
- The rate increases and effective date be achieved through the applicable edits and amendments to Title 14 of the CCR, as outlined in Attachment 3 to this document.

Upon approval of this request, staff will work with the Legal Office to make the necessary filings with the Office of Administrative Law to enact the recommended rate increases.

Director Action:

On the basis of the information and analysis in this Request for Action, I hereby approve the staff recommendation that the Standard Statewide Recovery Payment Rate delineated in 14 CCR, Section 18660.33 and the Standard Statewide Combined Recovery and Recycling Payment Rates delineated in 14 CCR, Sections 18660.34(b)(1) and (2) be increased as specified herein, and, in doing so, fulfill CalRecycle’s obligations pursuant to PRC sections 42477 and 42478.

Krystal
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Krystal Acierto
Acting Director

Date Signed

Attachments:

1. Background on CEW Payment Rate Considerations 2024
2. Detail and Context of 2023 Net Cost Report Analysis
3. Proposed Revised Regulatory Language 14 CCR Chapter 8.2