



June 7, 2024

## NOTICE

**To:** All Interested Parties

**Subject:** 3<sup>rd</sup> Quarter 2024 Processing Payment Adjustments

Section 14575 of the Public Resources Code (PRC) requires the Department of Resources Recycling and Recovery (CalRecycle) to establish a processing payment for any beverage container type that has a scrap value less than the cost of recycling. This notice announces there will be no adjustment to the processing payment for glass, #1 PET, nor #2 HDPE. Table 1 provides details on the inputs used for calculating the adjustments of processing payment for glass, #1 PET, and #2 HDPE.

Pursuant to PRC Section 14575, the calculations of the processing payments are based on the difference between the scrap values offered to recyclers and the sum of the actual costs of recycling for certified recycling centers, excluding centers receiving handling fees, plus a reasonable financial return. [Senate Bill 353 \(Dodd, Chapter 868, Statutes of 2023\)](#) amended the process of how the quarterly adjustment to the processing payment is determined. CalRecycle may make an adjustment to the processing payment not more than once every three months using the preceding 3-month or 12-month average scrap value, whichever is lower. The scrap values used to calculate the processing payments beginning the 3<sup>rd</sup> Quarter of 2024 are based on the average scrap values paid to recyclers for the 3-month average period between January 1, 2024 and March 31, 2024 and for the 12-month average period between April 1, 2023 and March 31, 2024.

The scrap values for glass, #1 PET, and #2 HDPE for the 3-month average period between January 1, 2024 and March 31, 2024 and for the 12-month average period between April 1, 2023 and March 31, 2024 are not lower than the scrap value that was used to determine the current processing payment, effective as of April 1, 2024. If adjusted, the processing payments for glass, #1 PET, and #2 HDPE would decrease. As such, CalRecycle has determined not to adjust the processing payments for glass, # 1 PET, and #2 HDPE. Processing payments for bimetal and plastics #3 - #7 are also not being adjusted as the scrap values for these container material types are highly volatile and based on small volumes.

Table 1 displays the data used to determine the processing payment adjustments. Table 2 displays the difference of the estimated payments if glass, #1 PET, and #2 were adjusted.

Updated information regarding the program, including all processing payment rates (Attachment 2), is available on CalRecycle's Beverage Container Recycling Program home page at <http://www.calrecycle.ca.gov/BevContainer/Notices/>.

For further information on the determination of processing payments, please contact Amy Yhnell, Statistical Information Section, at (916) 324-5036.

If you have any questions concerning processing payment reporting requirements or completion of the Shipping Report, please contact the Recycler Training and Review Section at (916) 323-3008.

Sincerely, /

Signature on File

Zoe Heller  
Director

Attachments (2)

## Attachment 1

**Table 1 – Estimated Processing Payments**

	<b>Glass</b>	<b>#1 PET</b>	<b>#2 HDPE</b>
Scrap Value Basis for Current Processing Payment	-\$1.39	\$144.31	\$171.76
3-Month Avg (January 2024 - March 2024)	\$1.19	\$175.60	\$192.28
12-Month Avg (April 2023 - March 2024)	\$0.75	\$151.23	\$216.54
<b>Lowest Scrap Value</b>	<b>\$0.75</b>	<b>\$151.23</b>	<b>\$192.28</b>
Percent Change	153.96%	4.80%	11.95%
Current Processing Payment/Ton (Effective 4/1/24)	\$212.47	\$552.02	\$833.98
Estimated Adjusted Processing Payment/Ton (Effective 7/1/24)	\$210.33	\$545.10	\$813.46
Current Processing Payment/Pound Redeemed (Effective 4/1/24)	\$0.10623	\$0.27601	\$0.41699
<b>Adjusted Processing Payment per Pound</b>	<b>\$0.10516</b>	<b>\$0.27255</b>	<b>\$0.40673</b>
Percent Change to Processing Payment/Pound Redeemed	-1.01%	-1.25%	-2.46%

**Table 2 – Estimated Processing Payments for Remaining Two Quarters**

	<b>Glass</b>	<b>#1 PET</b>	<b>#2 HDPE</b>
Estimated Current PP Payout	\$93,284,688	\$108,939,543	\$5,052,236
Estimated Adjusted PP Payout	\$92,355,283	\$107,596,978	\$4,927,933
<b>Difference (For Year)</b>	<b>(\$929,405)</b>	<b>(\$1,342,565)</b>	<b>(\$124,303)</b>
<b>Difference (For Remaining 2 Quarters)</b>	<b>(\$464,702)</b>	<b>(\$671,282)</b>	<b>(\$62,152)</b>