

SB 54 Rulemaking Workshop

Plastic Pollution Prevention and Packaging Producer Responsibility Act Regulations

**SB 54 (Allen, Chapter 75, Statutes of
2022)**

**Department of Resources Recycling
and Recovery (CalRecycle)**

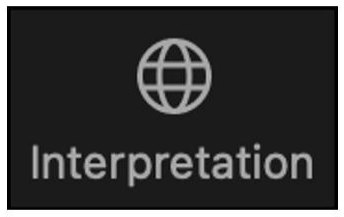
May 27, 2025



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Webcast - <https://video.calepa.ca.gov/#/>
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Agenda

Part I: Overview of Rulemaking Process

Kris Chisholm, Attorney IV, Legal Affairs Office, Regulations Unit

Part II: Discussion of Substantive Proposed Changes to Regulations Compared to the Final Draft Regulations from the First Rulemaking

Karen Kayfetz, Environmental Program Manager II, Product Stewardship Branch (DCE)

Agenda (cont.)

Part III: Updates to the Fiscal and Economic Analyses

Robert Carlson, Environmental Program Manager I, Product Stewardship Compliance
Section 1

Questions

Moderated by:

Karen Kayfetz, Environmental Program Manager II, Product Stewardship Branch (DCE)

Director's Remarks

Department of Resources Recycling and Recovery

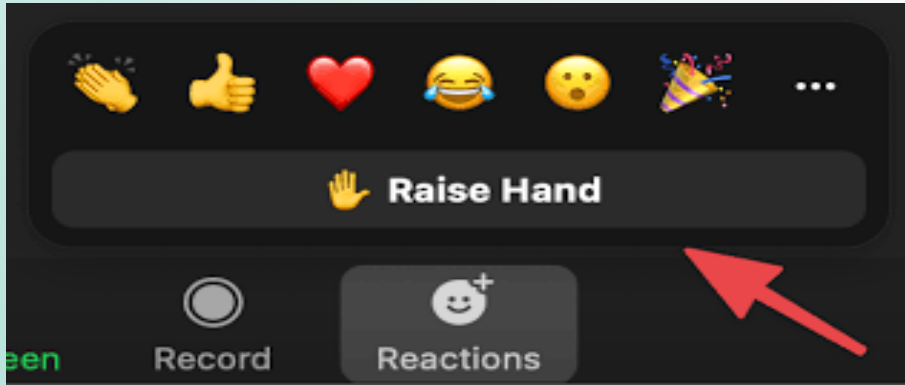
CalRecycle Welcomes Input from Interested Parties

- CalRecycle welcomes questions and feedback
- CalRecycle staff reads every comment
- CalRecycle wants to hear how potential regulations impact industry
- Public comments influence regulations



Submitting Questions and Feedback

- To make a comment in-person, please line up at the podium.
- To make an oral comment via Zoom, please raise your hand and the host will unmute you.



- Submit written feedback or questions after today's presentation:
 - via CalRecycle's public comment portal: [SB 54 Regulations Informal Rulemaking Comment Period](#)
 - via mail (see [public notice](#) for details)

Overview of Rulemaking Process

**Department of Resources Recycling and Recovery,
Legal Affairs Office, Regulations Unit**

Kris Chisholm

Attorney IV

The Rulemaking Process

From Broad Strokes to Detailed Rules



Regulations are rules orders, and standards that implement, interpret, and clarify a law.

Rulemaking Process at CalRecycle

1

Concept Development

- Develop regulatory concepts
- Hold informal workshops
- Stakeholder outreach

2

Informal Rulemaking

- Develop rulemaking documents
- Hold informal workshops
- Stakeholder outreach
- Initial Economic Impact analysis
- Department and Agency approval

3

Formal Rulemaking

- Publication in the Notice Register
- Send notice package to interested stakeholders
- Post on Department webpage
- Begin 45 Day Public Comment period

4

45-Day Public Comment Period

- Opportunity to provide written comments
- Public Hearing
- Review public comments and revise regulations

Rulemaking Process at CalRecycle (cont.)

5

Additional Comment Period(s)

- Propose changes to regulatory language
- Review public comments and revise regulations

6

Final Approvals and Adoption

- DOF approval of Fiscal and Economic Impact Assessments
- Department Adoption of regulation text

7

Submit Final Rulemaking Package to OAL

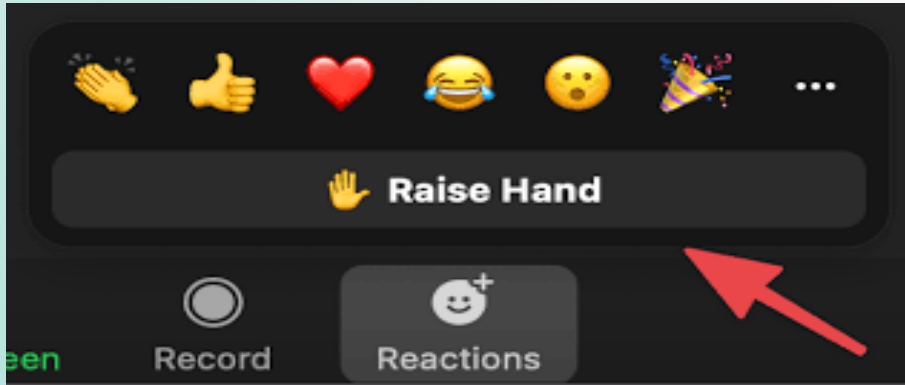
- Must be within one year of the Notice publication date
- OAL 30 working day Review Period

8

Regulations Become Effective

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Discussion of Substantive Proposed Changes to Regulations

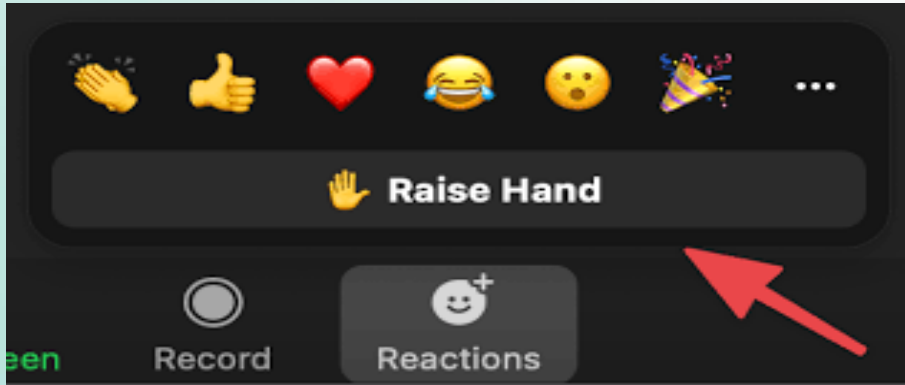
**Department of Resources Recycling and Recovery,
Product Stewardship Branch (DCE)**

Karen Kayfetz

Environmental Program Manager II

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Break

**Please return by:
1:00 PM**

Updates to the Fiscal and Economic Analyses

**Department of Resources Recycling and Recovery,
Product Stewardship Compliance Section 1**

Robert Carlson
Environmental Program Manager I

Overview

- Background and Purpose
- Guiding Principles
- How is the Assessment Performed?
- Who is Involved?
- Major Components of the SB 54 SRIA
- SB 54 Alternatives Analysis
- Major Costs in the SB 54 SRIA
- Sources of Data
- Anticipated Revisions

Background and Purpose

- A Standardized Regulatory Impact Assessment (SRIA) is required for any “major” regulation (i.e. estimated to have an economic impact of \$50 million or more in a 12-month period)
- An economic impact analysis must be performed for all regulations, and a SRIA is specifically for major regulations.
- Minimum requirements for the analysis come from Department of Finance (DOF) regulations and Government Code.

Guiding Principles

- **Evidence-Based:** DOF guidelines prioritize state, federal, or academic data sources whenever possible, for reliable estimates.
- **Assess Impacts:** Assess the potential economic impacts of the proposed regulations on California businesses and individuals.
- **Inform Decision-Making:** Provide government agencies and the public with key information to evaluate the efficiency and effectiveness of the proposed regulations.
- **Transparency:** Ensure affected entities understand potential impacts as regulatory implementation moves forward.

How is the Assessment Performed?

- No one-size-fits-all approach for SRIA – methods are tailored to each regulation.
- Novel estimation methods are developed when standard approaches don't exist.
- Assessment includes direct, indirect, induced costs, macroeconomic impacts, and benefits.
- At least two feasible alternatives to the proposed regulation are compared.

Note: Costs and benefits must be reported separately and may not be offset in the report.

Who is Involved?

- **CalRecycle** – Builds the model and conducts the analysis.
- **Department of Finance** – Ensures the analysis (form 399 and SRIA) meets the required standards, approves the economic impact assessment package.
- **Interested parties / public** – Review SRIA, submit comments during public comment periods, and provide applicable data to CalRecycle to inform the analysis.
- **Office of Administrative Law** – Ensures the administrative records related to the rulemaking process are in order.

Major Components of the SB 54 SRIA

- Direct Impacts Model
 - Estimates are based on how business are expected to comply (however, businesses may choose less expensive ways to comply, which can lower costs for consumers).
- Benefits Calculations
 - Estimates the savings from avoiding harm to human health and the environment.
- Macroeconomic Impacts (REMI)
 - Estimates how the overall economy might change based on spending shifts in different industries, using data from the Direct Impacts Model and Benefits Calculations.
- Alternatives to the Proposed Regulations
 - Considers two other options besides the current regulatory proposal.

Alternatives Analysis for the SB 54 SRIA

- **Alternative 1**
 - Allows for packaging containing up to 20% plastic to be considered "not plastic" and therefore not need to comply with the plastic-specific requirements of the law.
- **Alternative 2**
 - Adds requirement for more frequent reporting by producers (quarterly versus annually)

Major Costs in the SB 54 SRIA

- Source Reduction
 - Reduction of plastic by weight and # of components
- Recyclability goal (material switching)
 - Switching hard-to-recycle covered materials to more readily/easily recyclable options
- Recycling/Composting infrastructure development
 - Collection, sortation, and processing infrastructure

Sources of Data (non-exhaustive list)

- Existing Extended Producer Responsibility (EPR) Annual Reports (2018-2022)
- Waste Characterization Study (2021)
- Recycling and Disposal Reporting System (RDRS)
- US Census Bureau
- Singapore Packaging Benchmarks
- Data Axle
- Oregon Department of Environmental Quality
- Plastic IQ
- Bureau of Economic Analysis

Anticipated Revisions

CalRecycle is identifying areas of the previous analysis that need to be updated by:

1. Finding and incorporating new data sources that can be used to update the analyses, such as:
 - Source Reduction Baseline study (on plastic covered material)
2. Making corresponding changes to the modeling or cost assumptions as regulations are revised.

Changes to Economic Impacts of Statutory Requirements

New data from source reduction baseline study has significant impacts on the major statutory requirements

Statutory requirements found in 42050

- (a) Source Reduction Requirements
- (b) Recyclable or labeled “Compostable”
- (c) Recycling Rate Requirements

Changes to Economic Impacts of Regulatory Requirements

Quantitative changes to the economic impacts

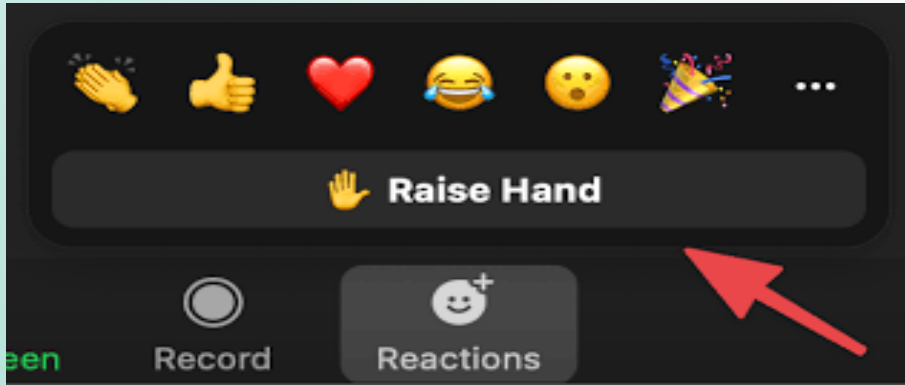
- Small producer certification renewal frequency
- Data reporting increments and derivative material data

Qualitative changes to the economic impacts

- Local Jurisdiction and categorical material exemption/extension frequency
- Reuse/refill requirements – durable and washable
- Change to fiber-based material lab requirement
- Changed requirements for REM's
- Flexibility on PRO/Jurisdiction cost coverage

Submitting Questions and Feedback

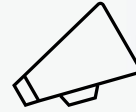
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Ways to stay informed

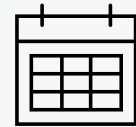


Sign-up for information related to regulations specific to the SB 54 Implementation Team

[SB 54 Listserv](#)

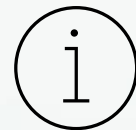
Sign up for information related to all CalRecycle Proposed Regulations:

[CalRecycle Proposed Regulations Listserv](#)



More information is forthcoming and will be distributed through our listserv

Email: Regulations@CalRecycle.ca.gov



Workshop Public Comment Portal: [SB 54 Regulations Informal Rulemaking Comment Period](#)

This comment portal will close on June 3, 2025.