

**REQUEST FOR APPROVAL**

**To:** Zoe Heller  
Director

**From:** Kate Nitta  
Assistant Chief Counsel, Legal Affairs Office

**Request Date:** March 12, 2026

**Subject:** SB 54 Plastic Pollution Prevention and Packaging Producer  
Responsibility Act Permanent Regulations and CEQA Compliance

**Action By:** March 13, 2026

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**Summary of Request:**

According to the Department of Resources Recycling and Recovery's (CalRecycle's) most recent material characterization study, an estimated 8,457,149 tons of covered material (single use packaging and single use plastic food service ware) were disposed of in California in 2024, representing about 21.1 percent of the state's total landfill disposal. In 2018, the statewide recycling rate was estimated at 40 percent. Nationally, the plastic recycling rate has never surpassed 9 percent. Overall, the state has not yet achieved the policy goal, stated in Assembly Bill No. 341 (2011-2012 Reg. Sess.) (Stats. 2011, ch.476) (AB 341), that at least 75 percent of solid waste be source reduced, recycled, or composted. Reducing the amount of single-use packaging and single-use plastic food service ware will greatly contribute to achieving that goal.

The proposed regulations for implementing the Plastic Pollution Prevention and Packaging Producer Responsibility Act, Senate Bill No. 54 (2021-2022 Reg. Sess.) (Stats. 2022, ch.75) (the Act), address these problems. These proposed regulations interpret, make specific, and implement the requirements of the Act and establish various elements of CalRecycle's oversight and enforcement responsibilities under the Act. CalRecycle proposes to add these regulations to the California Code of Regulations, Title 14, Division 7, Chapter 11.1 (commencing with section 18980.1) and Chapter 11.5 (commencing with section 18981).

The Act establishes an Extended Producer Responsibility (EPR) program to reduce and manage single-use packaging and single-use plastic food service ware (covered materials) and thereby impose responsibility on producers for the end-of-life management of covered materials. Producers of covered materials must achieve the goals of the Act and are required to form and participate in a Producer Responsibility Organization (PRO) to operate an EPR program pursuant to a stewardship plan approved by CalRecycle. Producers may also choose to comply independently from a PRO and implement their own plans, provided they meet specific criteria and are

approved by CalRecycle to do so. The Act requires CalRecycle to adopt regulations necessary to implement and enforce the requirements of the Act.

The proposed regulations give specific effect to the various requirements of the Act and ensure that producers satisfy the Act's new, stringent requirements on covered materials: that all covered materials sold or distributed in the state be recyclable or eligible for being labeled compostable by 2032; that plastic covered material achieves significant improvements in recycling rates; and a 25 percent source reduction of plastic covered materials by 2032. The proposed regulations create procedures, provide specificity for key statutory terms, and establish relevant criteria, including those concerning recyclability and compostability, as necessary to achieve the purposes of the Act. In developing the proposed regulations, CalRecycle also analyzed potential impacts to disadvantaged or low-income communities or rural areas that would result from these regulations, and found that there will be significant benefits to those communities and areas. In addition, CalRecycle included specific provisions in the regulations to consider and minimize any disproportionate negative impacts that might result under the proposed regulations where warranted. (See PRC Section 42060(d).)

The proposed regulations additionally implement a restriction on labeling items as "compostable," as provided in Assembly Bill No. 1201 (2021-2022 Reg. Sess.) (Stats. 2021, ch. 504) (AB 1201). This law requires that items only be labeled as compostable if they are certified to meet certain technical standards. This requirement relates to the Act's requirement that items are either recyclable or can lawfully be labeled compostable. By law, this requirement only becomes effective once CalRecycle has approved third-party certification entities to provide such certification. The proposed regulations establish the process and criteria that CalRecycle will use to grant such approvals.

Furthermore, prior to adopting the regulations, CalRecycle must also identify, analyze, and mitigate any significant environmental impacts resulting from the implementing regulations as part of its compliance with the California Environmental Quality Act (CEQA). Accordingly, CalRecycle prepared a Programmatic Environmental Impact Report (PEIR), which was certified on November 24, 2025 in conjunction with the adoption of the SB 54 regulations. Afterwards CalRecycle withdrew the formal rulemaking package from the Office of Administrative Law (OAL) on January 9, 2026, and subsequently made certain revisions to the previously approved proposed regulations.

CalRecycle considered whether the changes to the regulations fell within the scope of the activities analyzed in the 2025 PEIR, whether they would alter any of the conclusions in the 2025 PEIR, and whether any of the conditions in CEQA Guidelines section 15162 requiring preparation of a subsequent or supplemental EIR were present. CalRecycle concluded that the revisions fall within the scope of the previously certified 2025 PEIR and none of the section 15162 triggers are met; therefore, preparation of a subsequent or supplemental PEIR is not required. When the conditions in section 15162 have not occurred, an addendum is only required under CEQA Guidelines section

15164 if some changes or additions to a certified EIR are nevertheless necessary. Although CalRecycle determined that no changes or additions are necessary, CalRecycle prepared an addendum in an abundance of caution to document its evaluation.

## **Background Information, Analysis, and Findings:**

### Proposed Regulations:

By implementing the Act's requirements, the proposed regulations will ensure that various benefits contemplated under the Act are realized. For example, the proposed regulations will ensure that producers of plastic single-use packaging and plastic single-use food service ware achieve the Act's recycling rate goals: 30 percent by January 1, 2028, 40 percent by January 1, 2030, and 65 percent by January 1, 2032. CalRecycle's enforcement of the Act, as required by the Act and set forth in the proposed regulations, will also ensure that producers comply with the Act's requirement that all single-use packaging and single-use plastic food service ware in the state is recyclable or compostable by 2032 and that plastic packaging and plastic food service ware is source-reduced by 25 percent. The proposed regulations will also ensure that recycling programs collect the materials in the categories identified by CalRecycle as recyclable or compostable.

Likewise, by implementing the certification requirement of AB 1201, the proposed regulations provide a mechanism for accurately informing consumers whether products are compostable. This enables consumers to make more informed purchasing decisions and to better understand what to discard in their green bins. In turn, this will enhance the technical and economic viability of composting programs statewide and reduce contamination.

These benefits will significantly reduce the impacts of single-use packaging and single-use plastic food service ware on the environment; human health; the economy; and the health, safety, and welfare of California residents, especially to disadvantaged and low-income communities, and rural areas. The proposed regulations will also ease the burden on local jurisdictions responsible for the end-of-life of covered materials.

### **Economic and Fiscal Impact:**

CalRecycle analyzed expected costs of implementing the Act and proposed regulations over the first ten years of implementation, from 2022 to 2032. The Act and proposed regulations are expected to apply to 5,741 producers with annual gross sales of \$1 million or greater, and will have indirect effects on 546,269 non-regulated businesses (retailers, wholesalers, restaurants) and on California residents (approximately 40 million people and 13 million households). The implementation cost is estimated to average \$457,114 annually for regulated producers. The average annual costs passed on to non-regulated businesses is estimated to be \$4,806, if producers increase the price of goods to cover the cost of complying with the regulatory requirements.

Producers eligible for a small producer exemption will incur a nominal annual cost of approximately \$155 for time spent on record keeping and their exemption application or renewal. CalRecycle estimates that 7,874 producers will be eligible for this small producer exemption. Using average household data (Department of Finance projections for the total number of households) and the total cost of implementation, CalRecycle estimates the costs passed down to each household at full implementation may be as high as \$190 per year. Details on these costs are included in the Standardized Regulatory Impact Assessment (SRIA) developed for the Act, specifically, in the *Direct Cost to Businesses* and *Direct Cost on Individuals* sections.

Investments in covered material changes and increased infrastructure to properly manage the materials are expected to be considerable, with the total cost of meeting the major goals of the Act estimated at around \$21.0 billion over the first ten-years of implementation. Annual costs are expected to increase over the first ten-year implementation period as the source reduction and recycling rate requirements increase incrementally through January 1, 2032. Consequently, it is expected that costs for meeting major program goals and infrastructure will be highest in FY 2029-30 and FY 2030-31 to meet the 25 percent source reduction and 65 percent recycling rate requirements for plastic covered material.

#### CEQA

Based on CalRecycle's review of the proposed revisions to the Act's Permanent Regulations, compared to the Program and alternatives analyzed in the 2025 PEIR and previously approved by CalRecycle, the proposed revisions would not alter the physical environment or expand the scope of impacts evaluated in the 2025 PEIR. They would not increase the Program's scale or intensity, impose new or more stringent performance standards on collection, sortation, or processing facilities, or change assumptions regarding infrastructure, transportation volumes, processing technologies, or throughput. The revisions also would not introduce or modify compliance pathways in a manner that would alter collection, sortation, or processing activities from those analyzed in the PEIR, nor would they affect implementation timing or phasing. Accordingly, the revised regulations would not create new significant environmental effects or substantially increase the severity of any effects previously identified in the 2025 PEIR.

The preparation and consideration of this addendum, documenting the bases for these findings completes, CalRecycle's CEQA compliance for the proposed revisions to the Implementing Regulations. The review and this documentation of CEQA compliance is compliant with CEQA Guidelines 15168(c)(2) as follows:

"If the agency finds that pursuant to Section 15162, no subsequent EIR would be required, the agency can approve the activity as being within the scope of the project covered by the program EIR, and no new environmental document would be required. Whether a later activity is within the scope of a program EIR is a factual question that the lead agency determines based on substantial evidence in the record."

**Recommendations:**

Proposed Regulations

Based on the information presented in this Request for Approval, staff recommends the Director approve adoption of the proposed regulations for the implementation of the Plastic Pollution Prevention and Producer Responsibility Act. The Director’s approval will amend the November 12, 2025 approval of the regulations to reflect the revisions to the proposed regulations presented with this Request for Approval.

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 regulations.

CEQA

Staff recommends that the director consider the certified PEIR as well as the addendum before approving the revised regulations. Upon approval of this request, staff will make the necessary filings with the State Clearinghouse at the Governor’s Office of Climate and Land Use Innovation (formerly Office of Planning and Research), including the submittal of a Notice of Determination within 5 calendar days of approval in accordance with CEQA.

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**Director Action: Proposed Regulations**

On the basis of the information and analysis in this Request for Approval, including the Final PEIR and Addendum, I hereby approve the adoption of the SB 54 Plastic Pollution Prevention and Packaging Producer Responsibility Act regulations detailed in CCR title 14, sections 18980.1, 18980.1.1, 18980.2, 18980.2.1, 18980.2.2, 18980.2.3, 18980.2.4, 18980.2.5, 18980.2.6, 18980.2.7, 18980.3, 18980.3.1, 18980.3.2, 18980.3.3, 18980.3.4, 18980.3.5, 18980.4, 18980.4.1, 18980.4.2, 18980.4.3, 18980.5, 18980.5.1, 18980.5.2, 18980.6, 18980.6.1, 18980.6.2, 18980.6.3, 18980.6.4, 18980.6.5, 18980.6.6, 18980.6.7, 18980.6.8, 18980.7, 18980.7.1, 18980.7.2, 18980.7.3, 18980.7.4, 18980.7.5, 18980.7.6, 18980.7.7, 18980.8, 18980.8.1, 18980.8.2, 18980.9, 18980.9.1, 18980.10, 18980.10.1, 18980.10.2, 18980.11, 18980.11.1, 18980.11.2, 18980.12, 18980.13, 18980.13.1, 18980.13.2, 18980.13.3, 18980.13.4, 18980.13.5, and 18980.14, and CCR title 14, section 18981, and in doing so, fulfill CalRecycle’s obligations pursuant to PRC sections 40401, 40502, 42041, 42052, 42053, 42057, 42060, 42061.5, 42063, 42064, 42080, 42081, and Government Code Sections 11415.10 and 11440.20.

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Zoe Heller  
Director

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Date Signed

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**Attachments:**

Proposed Regulations:

1. Proposed Regulatory Language, Title 14, California Code of Regulations, Chapter 11.1 and 11.5.

CEQA:

1. Addendum to the Proposed Regulations for the Plastic Pollution Prevention and Packaging Producer Responsibility Act Program Environmental Impact Report (SCH #2024070487)