

REQUEST FOR APPROVAL

To: Zoe Heller
Director

From: Kate Nitta
Assistant Chief Counsel, Legal Affairs Office

Request Date: November 12, 2025

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

Action By: November 21, 2025

Summary of Request:

According to the Department of Resources Recycling and Recovery's (CalRecycle) 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% 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 directly 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, 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 has prepared a Programmatic Environmental Impact Report (PEIR). In accordance with Public Resources Code section 21159, the PEIR evaluates at a program-level the environmental impacts associated with the implementing regulations and the reasonably foreseeable means of compliance, including source reduction, development of new or expanded recycling infrastructure for the collection, sortation, and processing of covered materials all of which are necessary for achieving compliance with recycling and composting targets. CalRecycle's analysis also considers the substantial environmental benefits of shifting to a circular economy model and reducing plastic waste. Key benefits identified in the PEIR include a significant reduction in plastic waste and lower greenhouse gas emissions, and improved protection of wildlife and marine ecosystems from macro and micro plastic pollution.

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.

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

A programmatic environmental impact report (PEIR) was prepared for the proposed implementing regulations. As described in CEQA Guidelines Section 15168, a PEIR is an appropriate type of EIR for the adoption and implementation of regulations. Because this analysis addresses a broad regulatory program, a general level of detail is appropriate; however, this PEIR makes a rigorous effort to evaluate significant adverse impacts (and benefits) of the reasonably foreseeable compliance responses that could result from adoption of the proposed implementing regulations, and it contains as much information about those impacts as is currently available, without being unduly speculative.

Based on the analysis, the proposed implementing regulations themselves have no physical effects on the environment, and would not result in any significant adverse effects. As noted above, the reasonably foreseeable means of compliance are expected to include source reduction as well as development of new or expanded recycling infrastructure for the collection, sortation, and processing of covered materials. Mitigation measures have been identified for all of the potentially significant impacts that were identified in the PEIR for the reasonably foreseeable means of compliance. Because CalRecycle cannot know when, where, and who will propose these activities, and generally has no jurisdiction over these activities in order to impose the mitigation measures on them, it has concluded that the impacts would be potentially significant and unavoidable. This is a very conservative finding, and CalRecycle expects that in most cases mitigation can and will be adopted by the public agency with responsibility and jurisdiction over these means of compliance, and the impacts will be mitigated. CalRecycle also expects that these activities will be subject to their own project-specific environmental review.

In sum, although mitigation is provided in the PEIR that would reduce impacts to less than significant levels, at this point CalRecycle cannot be certain that all activities at all locations can be or will be mitigated. Therefore, many of the impacts must be characterized as significant and unavoidable, but under most circumstances they would be less than significant. Similarly, CalRecycle cannot compel local agencies with CEQA authority to adopt the mitigation measures developed as part of the analysis of reasonably foreseeable means of compliance, and this too could result in significant and

unavoidable impacts. In all cases of new or expanded facilities, further project-level CEQA compliance would be required once specific activities at specific locations are identified. While project-level analysis is contemplated, the analysis in CalRecycle's PEIR may be a substantial aid to local jurisdictions who are considering siting and approval of new or expanded facilities because of the programmatic analysis in CalRecycle's PEIR.

According to the findings, the substantial social, economic, and environmental benefits of this regulatory action constitute overriding considerations that warrant approval of the proposed regulations and outweigh the potentially significant and unavoidable impacts. As described in the Final PEIR, the Act and the proposed regulations are expected to deliver several key environmental benefits. One significant benefit is the reduction in plastic waste, as decreasing single-use plastics and increasing the recyclability of plastic products conserves resources, reduces greenhouse gas emissions from virgin plastic production, and promotes reuse. A mandated 25 percent reduction in single-use plastics will help decrease the volume of waste entering landfills, waterways, and natural ecosystems. Additionally, the 65 percent recycling rate requirement will ensure more plastics are recyclable and properly processed, diverting waste from litter, landfills, and incinerators. The EPR framework will require manufacturers to design products that are easier to recycle, thereby fostering a closed-loop recycling system.

The Act and proposed regulations are also expected to reduce greenhouse gas emissions, as plastic production and incineration are significant sources of carbon emissions. Cutting plastic use and increasing recycling also lessens dependence on fossil fuels in plastic manufacturing. Furthermore, these measures will protect wildlife and marine ecosystems, as plastics often end up in oceans where they harm marine life through ingestion and entanglement. Reducing plastic pollution mitigates these risks and helps preserve biodiversity.

In accordance with Section 15093 of the CEQA Guidelines, after having reduced the adverse significant environmental effects of the proposed regulations to the extent feasible, having considered the entire administrative record, and having weighed the benefits against the unavoidable adverse impacts after mitigation, it is evident that the legal, economic, social, and environmental benefits of the proposed regulations collectively and individually outweigh the potential adverse impacts and render them acceptable.

Recommendations:

Proposed Regulations

Based on the information presented in this Request for Approval, staff recommends the Director to approve adoption of the proposed regulations for the implementation of the Plastic Pollution Prevention and Producer Responsibility Act.

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

It is recommended that the Director certify the Final PEIR for proposed regulations and adopt the Mitigation Monitoring Program (MMP), along with the accompanying Findings and Statement of Overriding Considerations (SOC). This will allow CalRecycle to proceed with the implementation of the proposed regulations in full compliance with CEQA.

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 certification in accordance with CEQA.

Director Action: Proposed Regulations

On the basis of the information and analysis in this Request for Approval, 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.

Zoe Heller
Director

Date Signed

Director Action: CEQA PEIR

On the basis of the information and analysis in this Request for Approval and the Final PEIR, I hereby certify (1) the final PEIR has been completed in compliance with CEQA; (2) the final PEIR was reviewed and considered by me prior to approval of the proposed regulations; and (3) the final PEIR reflects CalRecycle's independent judgment and approval. Further, I hereby adopt the attached Findings and Statement of Overriding Considerations, including the mitigation monitoring program for the Plastic Pollution Prevention and Packaging Producer Responsibility Act Implementing Regulations, and in doing so, fulfill CalRecycle's obligations pursuant to CEQA.

Zoe Heller
Director

Date Signed

Attachments:

Proposed Regulations:

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

CEQA:

1. Final Programmatic Environmental Impact Report
2. Public Comment and Responses Appendix to Final PEIR
3. Findings and Statement of Overriding Considerations
4. Mitigation Monitoring Program