

# Structure for Pursuing Multiple Covered Electronic Waste Recycling Payment Rates

*Covered Electronic Waste (CEW) Recycling Program*

February 9, 2021

# Introduction

This workshop will cover:

- CEW Recycling Program Dynamics
- Detailed Examination of Proposed Rules
- Open Discussion
- Next Steps

# Background

## The Electronic Waste Recycling Act of 2003

- Established a system to support the recovery and recycling of CEW.
- Consumers pay a recycling fee at the time of retail purchase of most video displays. CalRecycle then uses these payments to fund the collection and cancellation of these devices at end-of-life.
- Payment rates are intended to cover average net costs of collection and recycling.

# Program Dynamics Today

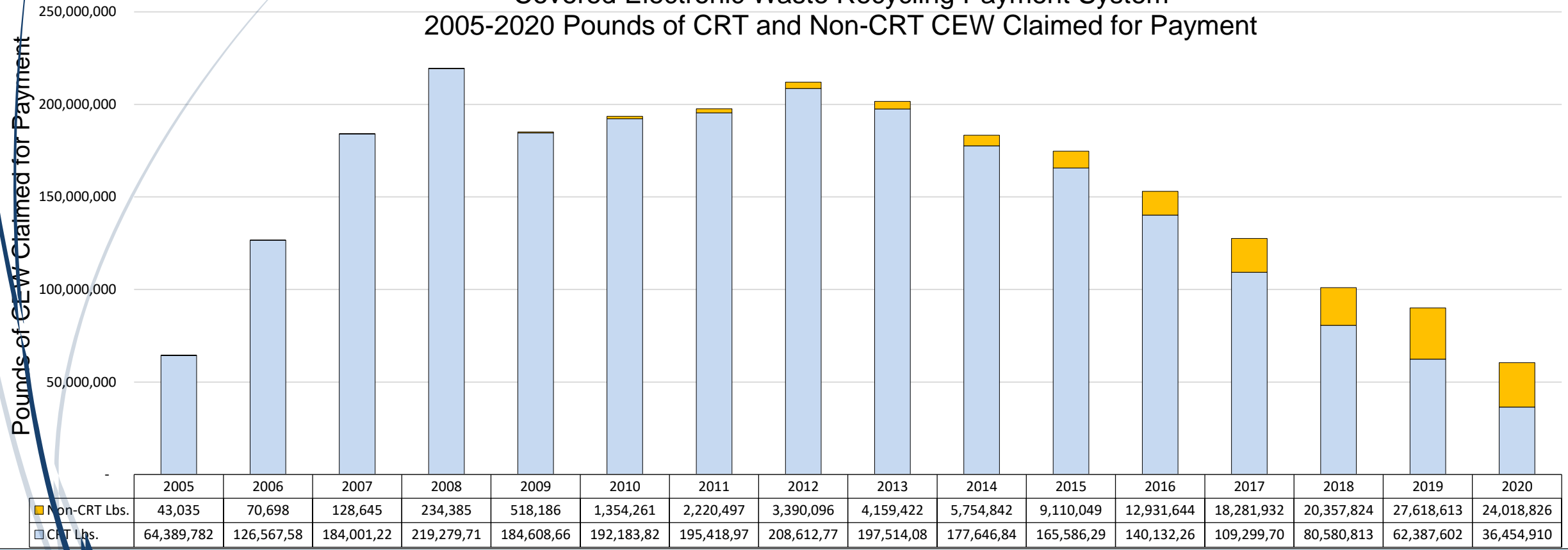
- Declining CRT CEW volume
- Increasing amounts of non-CRT CEW
- COVID-19 Pandemic
  - CalRecycle claim volumes declined sharply March through June 2020.
  - Claim volumes returned to pre-pandemic levels by July, but there was another dip later in the summer and fall of 2020.
  - Scrap exports impacted by lockdowns.
- Evolution of commodity prices
  - Plastics exports impacted by China's National Sword Policy and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal treaty.
  - Metal scrap values declined early last year but have since improved.
  - In the case of copper, silver and gold, the value is well above pre-Covid levels.

# CEW Recycling Payment System

~2.5 billion pounds of CEW claimed since program inception

~60 million pounds of CEW claimed in 2020\*

Covered Electronic Waste Recycling Payment System  
2005-2020 Pounds of CRT and Non-CRT CEW Claimed for Payment



\*Claims for quarter 4 of 2020 are not yet complete.

# Decreasing CRT Volume

Year	CRT Volume in millions of lbs.	% decline from prior year
2012	209	
2013	198	5%
2014	177	11%
2015	166	9%
2016	140	16%
2017	109	22%
2018	80	27%
2019	63	21%

# Increasing non-CRT Volume

Year	Non-CRT Volumes in millions of lbs.	% increase from prior year
2012	3.4	
2013	4.2	23%
2014	5.7	36%
2015	9.2	61%
2016	12.9	40%
2017	18.3	42%
2018	20.4	11%
2019	27.6	35%

# Non-CRT CEW

## Considerations

- 40% by weight in 2020
- Wide range of technologies
- Challenges:
  - Devices lighter and harder to dismantle
  - Miniaturization, less intrinsic material value
  - Residual management costs

# Statutory Authority

Public Resources Code (PRC) section 42478 requires CalRecycle to establish *a recycling payment schedule to cover the average net cost to receive, process, and recycle each major category of CEW.*

# Regulatory Efforts

- CalRecycle conducted targeted outreach in 2017 to recyclers that process non-CRT CEW to learn more about non-CRT operations.
  - 13 CRT recyclers and 7 non-CRT gave us split cost reports in 2017 on a voluntary basis.
- CalRecycle determined that the single CEW recycling payment rate should be split into separate payment rates for CRT CEW and non-CRT CEW.
- Stakeholder workshop Feb 2018 to solicit comments on the draft proposed regulatory text.
- Emergency regulations adopted in May 2018 and readopted in May 2020.
- Need to finalize them as they expire on May 1, 2022.

# Net Cost Reporting

Year	CRT	Non-CRT
2017	24.4*	38.1*
2018	19.5	35.9
2019	27.7	40.6

- Net Cost Reports inform CalRecycle in its duty to set payment rates.
- Significant difference in CRT and Non-CRT cost per pound to process.
- \*Based on voluntary reporting.

# Detailed Examination of Proposed Rules

- Article 1 General
  - 18660.5. Definitions
- Article 2.0 Electronic Waste Payment System – Applicability and Limitations, Document Submittals, Records, Audits and Net Cost Report
  - 18660.10. Net Cost Report
- Article 2.2 Electronic Waste Payment System - Business Requirements
  - 18660.21. Requirements for an Approved Recycler
- Article 2.4 Electronic Waste Payment System – Cancellation Methods, Recovery Payment Rate, and Combined Recovery and Recycling Payment Rates
  - 18660.34. Standard Statewide Combined Recovery and Recycling Payment Rates

# Detailed Examination of Proposed Rules

## § 18660.5. Definitions

- (43) “Standard Statewide Combined Recycling and Recovery Payment Rates” means the amount paid to an approved recycler per pound of CEWs cancelled and claimed to cover the cost of receiving, processing and recycling CEWs as established pursuant to Section 42478 of the Public Resources Code, and making recovery payments to approved collectors.

# Detailed Examination of Proposed Rules

## § 18660.10. Net Cost Report

- (a) To adjust the Standard sStatewide rRecovery Payment Rate and the Standard Statewide Combined Recovery and rRecycling pPayment rRates, establish future payment schedules and adjust the consumer fees, CalRecycle shall periodically update information concerning the net costs of CEW recovery and CEW recycling.

# Detailed Examination of Proposed Rules

## § 18660.10. Net Cost Report

- (d) An approved collector ~~and~~or approved recycler shall submit to CalRecycle a report on the net costs of ~~recovery~~recovering CEW or separately recycling CRT CEW and non-CRT CEW for the prior calendar year, ~~including~~including. The report shall include:

# Detailed Examination of Proposed Rules

## § 18660.21. Requirements for an Approved Recycler

- (l)(5) Records on the net costs associated with the ~~disposition of all CEWs handled, the net costs of accepting the transfer of CEWs, the net costs of each cancellation method used~~ management of all CRT CEW and non-CRT CEW handled, and any additional administrative costs of providing recovery payments to approved collectors.

# Detailed Examination of Proposed Rules

## § 18660.34. Recovery and Recycling Payment Rates.

- (a) CalRecycle shall pay an approved recycler the Standard Statewide Combined Recovery and Recycling Payment Rates for the weight of CRT and non-CRT CEWs cancelled and claimed pursuant to the requirements of this Chapter, which includes a component for recovery costs and a component for recycling costs.
- (b) Beginning July 1, 2020, the Standard Statewide Combined Recovery and Recycling Payment Rates is \$0.49 per pound. are:
  - (1) \$0.66 per pound for CRT CEW.
  - (2) \$0.87 per pound for non-CRT CEW.
- (c) CalRecycle shall review the Standard Statewide Recovery and Recycling Payment Rates at a public meeting and establish the rate pursuant to Sections 42477 and 42478 of the Public Resources Code.

# Upcoming Program Actions

- Present Request for Approval at CalRecycle's April 2021 Public Meeting
- File Notice of Proposed Action with OAL in August; start the 45-day comment period
- Hold the Public Hearing in October 2021
- File with OAL for review and approval early 2022

# Open Discussion

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## **Appendix 1**

Year	CRT Pounds Claimed	Non-CRT Pounds Claimed
2005	64,389,782	43,035
2006	126,567,589	70,698
2007	184,001,227	128,645
2008	219,279,718	234,385
2009	184,608,662	518,186
2010	192,183,827	1,354,261
2011	195,464,611	2,220,497
2012	208,612,778	3,390,096
2013	197,514,080	4,159,422
2014	177,646,847	5,754,842
2015	166,208,186	9,179,570
2016	140,132,266	12,931,644
2017	109,299,702	18,281,932
2018	80,580,813	20,357,824
2019	62,690,095	27,721,381
2020	32,500,340	21,153,752