

Market Development Committee of the Statewide Commission on Recycling Markets and Curbside Recycling

Draft Meeting Notes

Date: March 8, 2021, 9:30 am – 11:30 pm PST

Location: Remote

Present:

Commissioners: John Davis (Chair), (Vice-Chair), Sara Toyoda, Eric Potashner, Manuel Medrano, Heidi Sanborn (joined 9:33am)

Absent:

1- Ann Schneider

Agenda:

Item 1: 9:30 am (5 min) Call to Order, Roll Call, and Establishment of Quorum

Chair Davis calls the meeting to order and calls roll. Sanborn joins at 9:33 a.m. and Schneider is absent. A quorum is established.

Item 2: 9:35 am (10 min) Public Comment Review – Items Not on the Agenda

Brief discussion of polypropylene based on public comments, and committee data request:

- Volume of single use polypropylene coming into the waste stream.

Public Comments (for complete text of comments, see Appendix I):

- Dylan de Thomas
- Tasmin Etefagh

Item 3: 9:40 am (5 min) Review and Potential Approval of Meeting Notes

Committee reviews February 22 meeting notes and February 8 meeting notes (direction given at Feb 22 meeting to edit notes). Notes will be accepted as presented at the end of the meeting if there are no recommended changes.

Public Comments: None.

Item 4: 9:43 am (30 min) Priorities and Recommendations Based on Material Type and/or Program

Relevant and drafted documents are in the Google Drive. Including:

Edits to outstanding topics list:

- Construction and Demolition materials – modify 1c (asphalt shingles) to road base, asphalt shingles and tire derived aggregate.
- Add “Update on SABRC” back on list
- Change “Diapers and Fiber Derived Personal Care Products” to only “Fiber Derived Personal Care Products”, Diapers more appropriate topic for the Recycling Committee
- Remove “Replace Competitive...” (#6) and “Third Party Verification” (#8) and make them subsets of the committee background.

Topics covered:

- Toyoda leads discussion of full depth reclamation proposal [Google Drive]. Toyoda and Sanborn speaking with Caltrans March 9, will bring back more information at next meeting.
- Toyoda discusses modified SABRC proposal [Google Drive] with additional recommendations added. Sanborn proposes the committee wait on this topic and bring back after discussion with Caltrans.
- Drywall recommendation will be brought to next committee meeting.
- Glass Products Institute is scheduled for an April 12 committee presentation.
- Medrano discusses Fiber Derived Personal Care Products, NDRC and ISRI helping to develop the policy, there will be a presentation at the next meeting. Diapers would be a more appropriate topic for the Recycling Committee.
- Davis and Toyoda will bring back some language on general plan guidelines.
- Potashner and Toyoda discuss Producer’s Role in Market Development topic, developing an EPR model that focuses on the market and the cost of recycling. Committee looks at draft language and Toyoda will provide the draft proposal for the Google Drive. Medrano suggests working with other committees/subcommittees on this work.
- Medrano suggests adding proposal to work with Organics Committee on developing a programmatic EIR for composting facilities. Potashner will bring up topic at the Organics committee Davis expressed concern about market impacts of intervening in existing compost product sales to comply with SB 1383 procurement regulations.

Modified topic list as of March 8:

1. Construction and Demolition materials (Toyoda and Sanborn)
 - a. Flooring and Carpet
 - b. Drywall
 - c. Road base, asphalt shingles and tire derived aggregate
 - d. Building Materials Certification of Recycling Rates
2. Glass Minimum Content (Davis)

3. Textiles (Davis)
4. Fiber Derived Personal Care Products (Medrano)
5. General Plan Guidelines (Toyoda and Davis)
6. Producers Role in Market Development (Toyoda and Potashner)
7. Reusable Food Packaging (Schneider in Subcommittee)
8. Update on SABRC

Public Comments:

- Bob Peoples
- Steve Lautze
- Gail Brice
- Steve Lautze 2

10:20 am Break (Skipped)

Item 5: 10:40 am (30 min): Presentation: Textile Policy Opportunities (Joanne Brasch, California Product Stewardship Council)

Joanne Brasch, CPSC, gives presentation on Textile Recycling Opportunities in California. Gives background on the textiles industry, amount of textiles in the disposal stream, results of a CPSC study at a thrift store, and policy recommendations on textiles (textile commission, hospitality textiles program, thrift recycling focused). Presentation is in Google Drive.

Sanborn asks Dr. Brash for any data on amount of discarded hospitality textiles in California. Chair Davis asks Dr. Brash to put recommendations in policy proposal format and submit to committee.

Public Comments:

- Connie Ulasewicz
- Connie Ulasewicz 2
- Peter Mui
- Peter Mui 2
- Peter Mui 3

Item 6: 11:15 am (5 min) Discussion and Response to Previous Public Comments

Committee discusses carpet processing comments and the need for financial incentives for haulers and processors.

Public Comments: None.

Item 7: 11:18 am (10 min) Data Review and Requests

CalRecycle has provided responses to the two outstanding data requests:

- Copy of Caltrans response letter to CalRecycle from October 1996 regarding asphalt roofing shingles in Aggregate Base – or most recent correspondence with Caltrans about this (Oct 1996 letter cannot be found)
- Brief on safety of recycled content – what are the triggers or policies that CalRecycle uses to determine if they need to get analysis/help on determining safety of recycled content material (posted to CalRecycle public notice)

Committee has new data request:

- Amount of single use polypropylene in the California waste stream

Public Comments: None.

Item 8: 11:25 am (10 min) Next Meeting and Agenda Items for Future Meetings

Discussion of Fiber-Derived Sanitary products at next meeting, March 22 (9:30 a.m.)

Public Comments:

- Peter Mui

Item 10: 11:27 am (5 min) Meeting Summary and Closing

Public Comments: None.

Appendix 1:

Dylan de Thomas, The Recycling Partnership

February 25, 2021 Mr. John Davis Chair, Market Development Committee California Statewide Commission on Recycling Markets and Curbside Recycling Department of Resources Recycling and Recovery (CalRecycle) P.O. Box 4025 Sacramento, CA 95812

Dear Mr. Davis, On behalf of The Recycling Partnership (The Partnership) and our Polypropylene Recycling Coalition (Coalition) initiative, I write to express our appreciation for the work of the California Statewide Commission on Recycling Markets and Curbside Recycling and the efforts of the Market Development Committee to carefully assess and identify recyclable products regularly collected in curbside recycling programs to include in the Commission's recommendations in July 2021. As you know, The Partnership and The Association of Plastic Recyclers (APR) presented information to the Commission in January 2021 to help provide context on the polypropylene recycling landscape and the market strength for this recyclable material, nationwide and in California. In response to follow-up questions from the Commission, The Partnership provided initial answers based on our immediately available data and insights and worked to collect additional answers through the Coalition to further assist the Commission in its decision-making. These additional answers are provided in Appendix I of this letter and reflect testimonies from three companies – Pre Zero, Peninsula Plastics Recycling, and Envision Plastics – that are developing polypropylene recycling capacity in California, including details on their plans and status. Based on the testimonies of these three companies alone, more than \$20 million in recent facility

investments have been made (not including undisclosed amounts) in California to support curbside polypropylene recycling. These investments support nearly 100 jobs and plan to process millions of pounds of recycled polypropylene tubs, lids, cold drink cups, trays, bottles and other rigid containers per year, with the intention of selling food grade, post-consumer recycled content polypropylene back into the marketplace for use in new products and packaging. Since conducting these interviews in late January, the Coalition was made aware of another facility in development and is currently seeking additional information to share with the Commission. These investments rely on California's curbside recycled polypropylene as feedstock to maintain and grow their operations. The Coalition is focused on increasing access for people to recycle polypropylene through curbside recycling programs, ensuring more recycling processing facilities, like these in California, can sort the material successfully, and stimulate a robust end market of high-quality recycled polypropylene for reuse in packaging. The Coalition is part of The Partnership's Pathway to Circularity, an initiative creating scalable solutions to packaging and system challenges and accelerating the shift to the circular economy that uses fewer finite resources. The testimonies we collected from three companies only further demonstrate the strength and growth of end markets for curbside recycled polypropylene domestically, and specifically in California. We encourage the Commission to consider this and other market-based information in developing its final recommendations for curbside recycling of polypropylene in California later this year. Please know that the Coalition and my colleagues at The Partnership are available as a resource to you, your Committee, and the broader Commission as you work to finalize your recommendations in the coming months. Sincerely, Dylan de Thomas Vice President, External Affairs The Recycling Partnership ddethomas@recyclingpartnership.org

APPENDIX I: Polypropylene Recycling Capacity in Development in California Following the January 2021 presentation to the California Statewide Commission on Recycling Markets and Curbside Recycling, The Recycling Partnership and Polypropylene Recycling Coalition worked with RRS to interview three companies developing polypropylene recycling capacity in the state, as referenced in the presentation, to gather more detailed information on their plans and status. The information shared by each company is provided below. Questions posed by the Commission are in plain text, company responses are in italics. Since then, The Recycling Partnership and Polypropylene Recycling Coalition have become aware of another facility in development. We are seeking additional information and will share it when it becomes available.

1. Pre Zero, Los Angeles

- a. Has a site has been purchased or leased? A site has been purchased.
- b. When will permits be applied for? The facility itself is permitted already; permits for this project are expected to be granted by end of May 2021.
- c. What is the estimated cost for the facility? The line and installation (not including building) is around \$20 million.
- d. How many employees will work at the new facility? Approximately 20 new employees.

e. Has a preliminary feasibility study been performed by an engineering company? Yes. An engineering firm has been contracted and is working on this project.

f. Please provide a project schedule that shows the timeline from now through permitting, construction and startup. Permitting timeline is described above, startup is expected in July, 2021.

g. What will the capacity of the facility be? 62 million pounds per year.

h. What types of PP5 will be recycled? PP Tubs & Lids (e.g., yogurt cups, margarine tubs, ice cream tubs, cold drink cups)

i. Will the facility import PP5 from other states? Potentially – if the necessary feedstock cannot be sourced within CA.

j. What percent of the incoming material will be wasted? Where and how will the waste be disposed? Up to 30% of input; currently working to develop markets for these byproducts to reduce waste.

2. Peninsula Plastics Recycling, Trulock

a. Has a site has been purchased or leased? The PP recycling operation is onsite at the existing Peninsula Plastics Recycling facility in Turlock, CA.

b. When will permits be applied for? All equipment is installed and operational at this time. No new permits are required.

c. What is the estimated cost for the facility? Not disclosed.

d. How many employees will work at the new facility? If feedstock supply is satisfactory, up to 40 new positions will be created.

e. Has a preliminary feasibility study been performed by an engineering company? Yes. f. Please provide a project schedule that shows the timeline from now through permitting, construction and startup. The facility is currently operational.

g. What will the capacity of the facility be? PP5 capacity will range with feedstocks and is approximately 12MM to 16MM pounds annually.

h. What types of PP5 will be recycled? Facility will be able to recycle PP5 rigids: tubs, lids, trays, bottles and floatables (byproducts of PET reclamation).

i. Will the facility import PP5 from other states? If necessary to meet incoming materials needs, yes.

j. What percent of the incoming material will be wasted? Where and how will the waste be disposed? Actual yields are not yet known so the percentage that will become waste is not a precise number at this time. It can be expected to be 15% to 20%, if incoming quality is similar to mixed color PE's.

3. Envision Plastics, Chino

a. Has a site has been purchased or leased? Envision Plastics operates a PCR manufacturing facility in Chino, California, at a leased site, that currently produces a variety of HDPE PCR products. The company has targeted this facility to recycle post-consumer polypropylene (PP) containers into PP PCR with a focus on food grade PP PCR.

- b. When will permits be applied for? Facility is operational.
- c. What is the estimated cost for the facility? Not disclosed.
- d. How many employees will work at the new facility? Facility currently employs approximately 30 people. Additional employment was not disclosed.
- e. Has a preliminary feasibility study been performed by an engineering company? Company leverages internal engineering resources.
- f. Please provide a project schedule that shows the timeline from now through permitting, construction and startup. The company has the technical capability to make food grade PP PCR and have a broad range of customers highly interested in food grade PP PCR, it is presently focused on developing the sources of supply of positively sorted PP bales with a high yield of food and beverage PP containers that is fundamental to the success of our food grade PP PCR commercialization efforts.
- g. What will the capacity of the facility be? Not disclosed, but will be a function of feedstock availability.
- h. What types of PP5 will be recycled? Mainly interested in recycling PP food and beverage containers.
- i. Will the facility import PP5 from other states? Possibly, if unable to locally source sufficient materials to meet needs.
- j. What percent of the incoming material will be wasted? Where and how will the waste be disposed? That depends on the quality of incoming bales. The higher the yield the lower the waste. It is possible the waste, or non-food grade material may contain other recyclable content that would be recycled on site, or made available for other recyclers.

Tasmin Ettefagh, PureCycle Technologies

Mr. John Davis Chair, Market Development Committee California Statewide
Commission on Recycling Markets and Curbside Recycling Department of Resources
Recycling and Recovery (CalRecycle) P.O. Box 4025 Sacramento, CA 95812 February
22, 2021

Dear California Recycling Commission, It has been brought to our attention that the State of California has been working to understand the status of end markets for Polypropylene (PP) packaging collected for recycling. Sustainable, domestic markets do exist for PP and our company is a leading example. PureCycle uses a Technology to recycle PP that is a Patented Solvent-Based Purification Process that dissolves PP in a specialized solvent to remove additives, resulting in a purified, near virgin plastic. No chemical reaction is created nor is there anyone else currently bringing a technology like ours to the market commercially at the magnitude we are. We have spent the last three years proving this technology out and we are now developing a billion pounds of domestic capacity in the U.S. over the next four years, starting with our first plant in Ironton, OH that is slated to be operational by the end of 2022. We have raised over \$200 Million to start this process. Our business model is extremely dependent on the recycling infrastructure growing in collecting PP, not declining. If your commission acts in a negative way towards the recyclability of PP, it could undermine key domestic

investments like ours in the U.S. and thus harm the actual recycling of this material. We are committed to being a significant market for PP. We need to procure 5 times more material from across the U.S. than what is currently being collected in order to produce the billion pounds we have committed to. We will need all the PP we can acquire from your state in order to achieve our goal. We would like to discuss how we can help your state with collection of supply prior to the plant installation being operational and as we look to additional growth opportunities. We would like to discuss our needs with the appropriate people regarding how we can make this happen. If you have any questions regarding our technology or expansions, I will be happy to facilitate a call through The Recycling Partnership and ourselves. Sincerely, Tamsin Ettefagh Chief Sustainability Officer PureCycle Technologies

Bob Peoples, CARE

The Commission and Committees have done an enormous amount of good work. Will the recommendations be summarized in some form of Excel file that ranks them in terms of impact on LF diversion, GHG reduction impacts, timing of impacts, costs, progress of existing programs, and prioritized for action? Thank you

Steve Lautze, Resource Revolution

Per the current discussion and points raised by Chair Davis, I am curious whether there will be a separate and clear focus on recycled asphalt shingles, aka RAS. Focusing on SABRC and road building materials overall, as well as on CalTrans' broad options, is very positive, but my concern is that the original focus on market development options for recycled asphalt shingles may be getting lost or watered down. Important foundational work on RAS has been done, including draft specifications at CalTrans, and the work at the Commission and this committee represents a golden opportunity to move forward. Please discuss today or another committee meeting. Thanks for all of your good work.

Gail Brice, XT Green

Regarding the Carpet & Flooring Policy, FYI: the California Carpet Stewardship Advisory Committee is meeting on March 24 for the first time since July 2020. The Market Development Committee Carpet & Flooring Policy is on the meeting agenda.

Steve Lautze

Regarding the draft policy on Producer's Role in Market Development, I wanted to suggest that even though there might be no deposit on affected materials, nor the associated traditional "buyback" function, Chair Davis' comment about pathways for cleaner feedstock is still valid and worth considering. The point here is that we have heard from many end use markets that intercepting cleaner materials before they reach the MRF can be good for manufacturing, and there are CA examples of this, including mattresses and carpet. Such alternative pathways for material captured via EPR should be included in this policy.

Connie Ulasewicz, CBU Productions

In the city of San Francisco 4-5% of waste is textile waste. No standards are in place to address this need, textile and clothing are thrown out before they have reached their end. This is truly a waste when there is a market for these products, not just to recycle but to be mended and reworn. Looking forward to Ms. Brasch's presentation!!!!

Connie Ulasewicz

Wait, there is no textile recycling in place. We do not have bins that we are asked to place these in.....so has for the hotels, they do not currently have a disposal place.

Peter Mui, Fixit Clinic

There are many fabric and textile-related items beyond garments such as luggage, tents, pop-up canopies, etc.

Peter Mui

FYI Goodwill announcing closed 8 stores in the East Bay Friday
<https://www.ktvu.com/news/goodwill-closing-8-east-bay-stores-announces-layoffs>

Peter Mui

As we attempt to engage the clothing manufacturers on fabric and textile recycling and materials content please consider that our own California-based Patagonia is actively engaged in attempting to reduce their environmental impact, e.g. see this Patagonia-published report: An Update on Microfiber Pollution
<https://www.patagonia.com/stories/an-update-on-microfiber-pollution/story-31370.html>