



**2014 Plastic Market Development Payment
(PMDP) Program Reform Workshop**

October 29, 2013



Introduction & Purpose of Workshop

- This is an informal workshop to see industry input on the proposed regulatory changes.
- For the past several years, PMD payments have been exhausted by the second quarter as a result of the popularity of the program and the \$10 million annual cap.
- Procedural and regulatory revisions are required to ensure the future viability and relevance of the PMDP program.
- Effective calendar year 2014, CalRecycle proposes adopting emergency regulation to incentivize PMD payment to product manufacturers only.



Intent and Goal of PMDP Program

- Provide an incentive to manufacturers for new products created.
- Encourage increased use of California generated recycled beverage container materials.
- Keep jobs in California.
- Close the loop.



Why incentivize product manufacturers only?

- Encourages the development of new end use markets for California recycled plastic as feedstock.
- Closes the loop.
- Extends available funding throughout the calendar year.



Volumes Claimed by Product Manufacturers for Past 5 Quarters (excluding sheeting & pellets)

	PLASTIC (Tons)				
PERIOD	#1	#2	#5	#7	TOTAL VOLUME
1st 2012	12,564.7	1,652.1			14,216.8
2nd 2012	13,311.0	1,900.6			15,211.6
3rd 2012	13,079.6	1,796.7			14,876.3
4th 2012	10,358.8	1,616.7		16.7	11,992.2
1st 2013	19,211.8	1,715.2	18.5		20,945.5



Projection of Volumes & PMD Payments Claimed by Product Manufacturers for CY 2014

PERIOD	PLASTIC (Tons)				TOTAL VOLUME	TOTAL PAYMENT
	#1	#2	#5	#7		
1st 2014	16,807.8	1,689.0			18,496.7	\$ 2,774,510
2nd 2014	17,842.0	1,673.2			19,515.2	\$ 2,927,274
3rd 2014	18,876.2	1,657.4			20,533.6	\$ 3,080,039
4th 2014	19,910.4	1,641.6		17.7	21,569.7	\$ 1,218,178
TOTAL	73,436.3	6,661.2		17.7	80,115.2	\$10,000,000

** 2014 projection (linear regression) based on the latest 5 quarters of data.*



Eligibility for PMDP Going Forward (Effective CY 2014)

- A product manufacturer may receive up to \$150 per ton using material from a certified entity to manufacture a plastic product in the state.
- A certified entity washing and producing flake, pellet, or other form usable for a product manufacturer from empty plastic beverage containers collected in the state for recycling.
- A certified entity will not receive PMD payment.



Definition of Plastic Product

California Code of Regulations, Title 14, Division 2, Chapter 5, Subchapter 11.8, Article 1, §2880:

(e) For the purpose of Section 14549.2 of the Act and these regulations, “plastic product” is defined as a good or package in a form which requires no further processing or forming before it is offered for sale.

It is CalRecycle’s interpretation that that the manufacturing of plastic sheeting and pellets are not “plastic product” as defined in §2880(e).



Proposed Regulatory Changes

Please see handout.



Questions?

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