

Illinois Statewide Recycling Needs Assessment Advisory Council Meeting Minutes

Monday, December 9, 2024, 12:00 pm CT

WebEx Webinar

1. Welcome: Roll Call

- a. Attendees: John Pausma, Tomas Vujovic, Aaron Harmon, Daphne Hulse, Lisa Disbrow, Nicole Willett, Sadzi Oliva, Denise Macias, Anthony Tindall, Rod Kleckler, Brad Cole, Christina Seibert, Cole Stollard, Alec Laird, Andrea Densham, Seema Keshav, Darnell Tingle, Donovan Griffith, Elizabeth Sheaffer, Madeline Norris, Neil Menezes
- b. Not in attendance: Joshua Connell, Becky Tracy, Marta Keane, Kristina LoRusso, Carol Patterson, John Rost
- c. A quorum was present.
- d. Illinois EPA staff attending: Cassandra Clark, Jacki Cooperider, Jeff Guy
- e. Open seats on the Advisory Council include one representative of each: a retailer (vacated by Bill Dolak); an environmental justice advocacy organization or environmental justice community (not yet filled); and a producer of consumer products (vacated by Brian Holtz).

2. Meeting Minutes

- a. September 9 meeting minutes were reviewed. Motion by Brad Cole, second by Lisa Disbrow; all in favor, minutes were approved.

3. Illinois EPA Updates

- a. Sunil Suthar retired at the end of November and Jacki Cooperider will be the primary point of contact for the Advisory Council, with additional staff support from Cassandra Clark.
- b. Consultant proposals have been submitted, with 5 proposals received and 4 found to be responsive. The review committee is starting to evaluate them now and is expected to make a selection by mid-January, with work to start in early March.
- c. Selection of the CPA firm required by SB3165 was discussed. IEPA staff are seeking additional information to confirm the next steps to be taken.
- d. Advisory Council members were reminded to complete their ethics and harassment training that they received notice of in November.
- e. There are currently 2 vacancies on the Advisory Council due to appointees resigning their position. The Agency's vacancy procedure was outlined to include: written notification of resignation to be sent by the appointee to IEPA; IEPA to receive nominations or statements of interest and resumes from individuals who meet the

requirements of an open position, with information sent to Samantha Moody; IEPA to review qualifications and decide on appointment.

4. Packaging EPR Implementation Experience in Other States (Circular Action Alliance)

- a.** Dave Lefebvre, Policy and Producer Engagement Advisor for Circular Action Alliance (CAA), gave a presentation on CAA's implementation experience in other states from the Producer Responsibility Organization (PRO) perspective, including needs or opportunities for harmonization between states, lessons learned, and implementation challenges. CAA does not advocate for policy or provide legal guidance; their feedback is operational and experiential and not a recommendation for policy.
- b.** Topics covered and included in the meeting recording were:
 - Overview of CAA, including members and goals and roles of CAA
 - Packaging EPR status across the US, including where CAA has been selected as a state PRO for enacted packaging EPR; a high-level comparison of factors including covered materials, sectors covered, and how much funding producers are obligated to provide in each of the 5 states with enacted legislation; general features of EPR in the US; and what an "ideal" EPR policy may look like.
 - State-specific packaging EPR updates, including discussion of Oregon's program plan (final submittal posted at <https://www.oregon.gov/deq/recycling/pages/modernizing-oregons-recycling-system.aspx>)
 - Producer registration process as it has been developed by CAA and regulatory compliance deadlines
- c.** Questions from Advisory Council members were posed to Dave addressing:
 - How states have selected their PRO, and whether the PRO is localized to each state: States have had different processes to select the PRO. CAA has a national board comprised of its founding member organizations, and they have state-level boards also for each of the states they are approved as the PRO.
 - Realistic timelines for program planning and implementation: CAA's ideal timeline has a 3-year implementation to get quality data, register producers, begin collecting funding from producers, then develop a plan; this has not been possible in the states currently implementing their laws. Ecomodulation also takes time to start being effective because producers make packaging decisions on longer timeframes (5-6 years out, not 1-2 years like the laws contemplate), and EPR itself is a modulating factor as a program starts. Harmonization of ecomodulating factors across states is also important for clear guidance to producers.
 - How producer fees are / will be set: No state programs have started to collect fees from producers; Oregon will be first when their program begins July 1, 2025. CAA has a cost to manage model and has calculated the total program cost. They will be getting more data to set unit costs by material to manage each of the packaging materials (on a cents per pound basis), which will use

data on the supply of material generated to set fees. Currently they have estimated high and low fees until they have supply data.

- How fees will be trued up for companies who have not paid in if found in the future: CAA is not responsible for producer compliance, that is on the producer to comply with the law. CAA will be continually doing work to find producers who aren't registered to fairly distribute costs.
- How infrastructure costs are covered and who owns infrastructure: This varies depending on the state regulation. CAA envisions working with existing infrastructure and providing funding to improve infrastructure whether it is publicly or privately owned to get the best return on their investment and efficiency for the program, drawing on existing expertise and investment. They don't want to limit funding to private companies and aren't expecting to develop their own infrastructure.
- Why covered materials should be defined first (before a needs assessment): Covered materials are known to all producers and processors, they know what is going into the market and coming from consumers; being a covered materials does not mean it is managed effectively now (e.g., multi-layer plastic pouches). Some materials may not be able to be collected curbside and need special drop-offs, but they are still covered materials.
- What cost impacts EPR has on products costs for consumers: There is a cost to producers that they have to pay, and that cost will depend on what the regulatory requirements are for the producer. There is no uniform cost since it depends on the program, supply, covered activities, and commodity values. Producers make a lot of decisions around marketing and what they should set prices at, and they can't always set the shelf price. Cost so far in the US are much greater than has been seen previously in Canada.

5. Questions and Comments from Council Members

- a. There were no additional questions from Council members.

6. Public Comment Period

- a. Comment was received from Walter Willis (Solid Waste Agency of Lake County) regarding the benefit of completing the Illinois needs assessment before developing a law and having more information on material supply to inform the planning process. Discussion ensued regarding producers' ability to provide reliable data and CAA's concerns about producer data being accurate as they modify their reporting systems in the first few program years to understand what is in and out for compliance. Producers are expected to get better at providing needed data over the next few years.

7. Next Meeting

- a. March 10, 12-1:30 pm CT via WebEx

8. Adjournment

- a. The meeting adjourned at 1:30 pm CT; motion by Nicole Willett, second by Donovan Griffith.



IL Needs Assessment Advisory Council

CAA EPR Implementation

December 9, 2024

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Agenda

1. Welcome
2. CAA Overview
3. EPR Across U.S. States
4. State Updates
5. Producer Registration and Compliance Deadlines
6. Questions

The U.S. PRO – Circular Action Alliance

- Circular Action Alliance (CAA) is a 501(c)(3) nonprofit PRO dedicated to implementing effective EPR laws for paper and packaging in the U.S.
- CAA was founded by 20 companies from the food, beverage, consumer goods, and retail industries.
- CAA has been approved to be the single PRO in California, Colorado and on the Maryland Advisory Council. CAA was the only PRO to submit an Oregon program plan.



CAA's Vision and Mission

Vision

- The leading Producer Responsibility Organization advancing the circular economy through paper and packaging EPR.

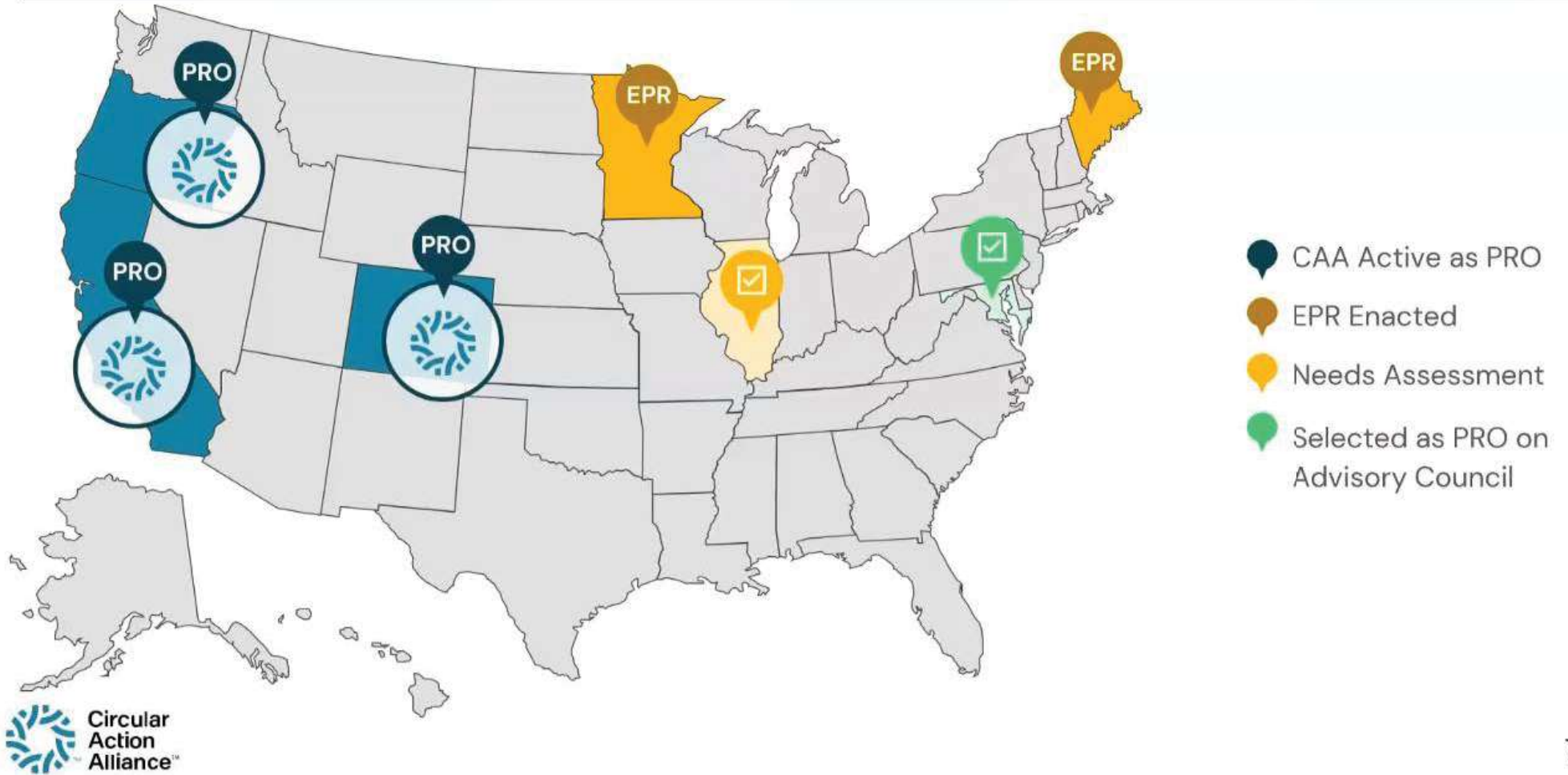
Mission

- CAA helps producers comply with EPR laws, delivers harmonized, best-in-class services and works with governments, businesses and communities to reduce waste and recycle more.



EPR Across U.S. States

Packaging EPR in the US



EPR Across U.S. States

	Covered Materials	Sectors	Full or Partial Recycling System Funding?
CALIFORNIA	<ul style="list-style-type: none"> • Packaging • Plastic foodservice ware 	<ul style="list-style-type: none"> • Consumer Packaging • IC&I 	<ul style="list-style-type: none"> • Partial (new or incremental)
OREGON	<ul style="list-style-type: none"> • Packaging • Printing and writing paper • Foodservice ware 	<ul style="list-style-type: none"> • Consumer Packaging • IC&I 	<ul style="list-style-type: none"> • Partial (capital for collection; MRF payments and operation of PRO depot network)
COLORADO	<ul style="list-style-type: none"> • Packaging • Paper products • Foodservice ware 	<ul style="list-style-type: none"> • Consumer Packaging • Limited IC&I (e.g., small businesses, public places and schools) 	<ul style="list-style-type: none"> • Full (100% of the net cost of recycling services)
MAINE	<ul style="list-style-type: none"> • Packaging • Some foodservice ware 	<ul style="list-style-type: none"> • Consumer Packaging 	<ul style="list-style-type: none"> • Full
MINNESOTA	<ul style="list-style-type: none"> • Packaging • Paper products • Foodservice ware 	<ul style="list-style-type: none"> • Consumer Packaging 	<ul style="list-style-type: none"> • Partial

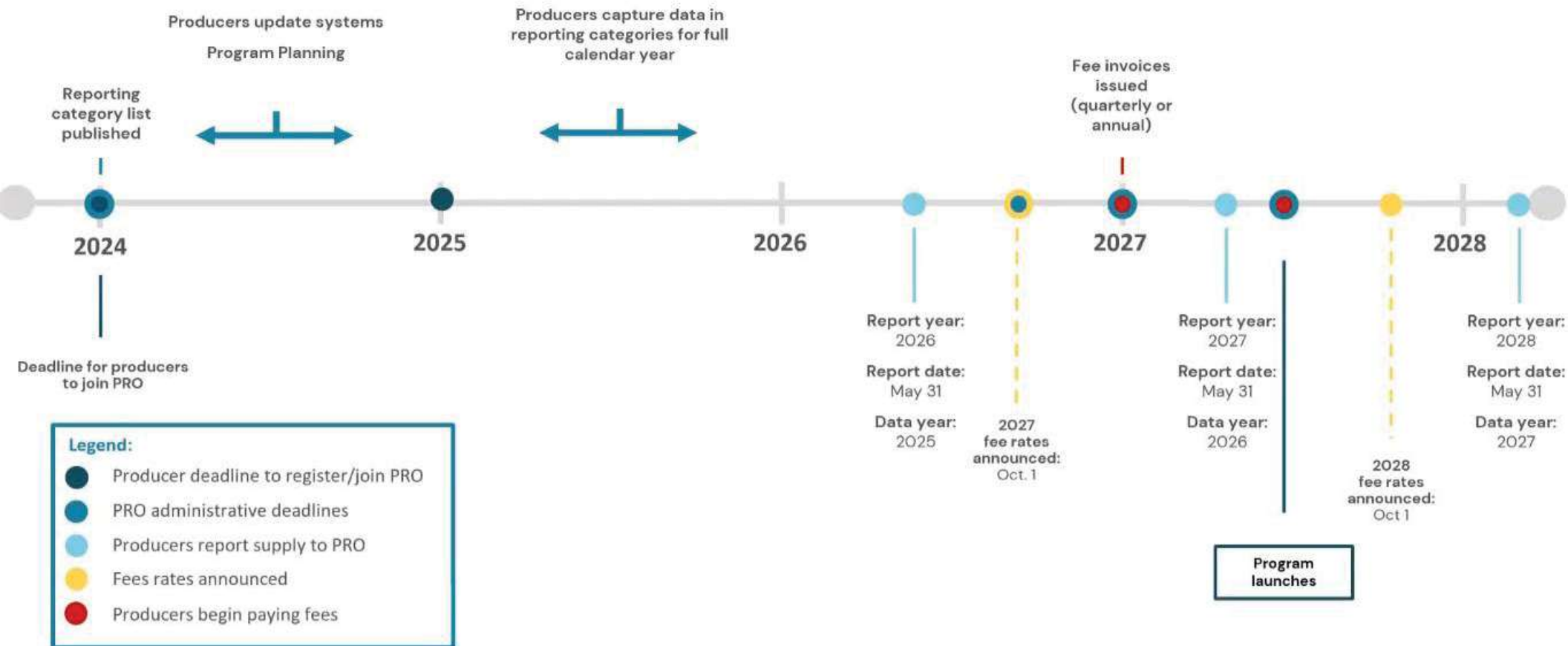
General Features of U.S. EPR

Item	Ideal EPR
Advisory Boards/Councils	<ul style="list-style-type: none"> • Representatives of local government, service providers, non-governmental organizations, environmental justice groups and producers. • Advisory Boards/Councils may include a non-voting or voting seat for the PRO (CA, CO, MD; not OR or MN). • Advisory Boards/Councils review program plans and provide comments before the final version is submitted to the state. They can also play an ongoing role during implementation and operation.
Needs Assessments	<ul style="list-style-type: none"> • Each state requires a needs assessment to be carried out to inform the development of the program plan. <ul style="list-style-type: none"> • State-led: CA, MD, MN, OR (first needs assessment) • PRO-led: CO, OR (second needs assessment)
Eco-Modulation	<ul style="list-style-type: none"> • Each state prescribes unique requirements for eco-modulation (the application of bonuses and maluses after base fee-setting). <ul style="list-style-type: none"> • OR: Based on LCAs • CA: Several factors including recycled content, source reduction • CO: Factors outlined in legislation to be defined in the plan
Reimbursement	<ul style="list-style-type: none"> • Limited to no operational responsibility. • Exclusive franchise agreements in CA and OR. • Open subscription in CO.
Responsible End Markets	<ul style="list-style-type: none"> • All states require identification, verification and auditing of end markets.

Ideal EPR

Item	Ideal EPR
Producer Definition	Harmonized and enshrined early
Timing	2-3 years to implement program
	Sequenced obligations: <ul style="list-style-type: none"> • Producer registration – within 3 months of state approving PRO • Producer Reporting – standardized May 31 deadline for annual producer reporting
	Needs assessment must occur ahead of (not during) program plan development (informs the plan)
	Eco-modulation – after the program is in operation and producers are prepared for eco-modulation reporting
Financing	Early fee collection: <ul style="list-style-type: none"> • Fee collection (start-up) – within 6 months of state approving PRO • Fee collection (long-term) – annually after launch
Covered materials	<ul style="list-style-type: none"> • Established before needs assessment and program plan • Harmonized across states • Scope: start with residential, then move to commercial material
PRO independence	PRO should establish: <ul style="list-style-type: none"> • Reporting categories • Fee-setting approach and fee schedule

Ideal EPR Timeline (Setting Fees with Complete Supply Data)



State Updates

California

Regulations to be finalized by March 8, 2025.
PRO plan due by April 1, 2026.



California Compliance Requirements



State Updates



CO

- CAA is preparing the first program plan following extensive consultation session engaging 2,000+ interested parties.
- Program plan due to the Colorado Department of Public Health & Environment (CDPHE) on or before February 1, 2025.
- Program starts January 1, 2026, at the earliest.



OR

- CAA has submitted two initial program plans and is completing a third and final program plan to submit to the Oregon Department of Environmental Quality (DEQ) in December 2024.
- CAA has engaged local communities and governments to understand system expansion needs and inform the total program costs for the final program plan.
- Program starts July 1, 2025.

State Updates (Cont.)



- Producers must appoint a PRO by January 1, 2025.
- CAA is preparing to submit registration paperwork before January 1, 2025.

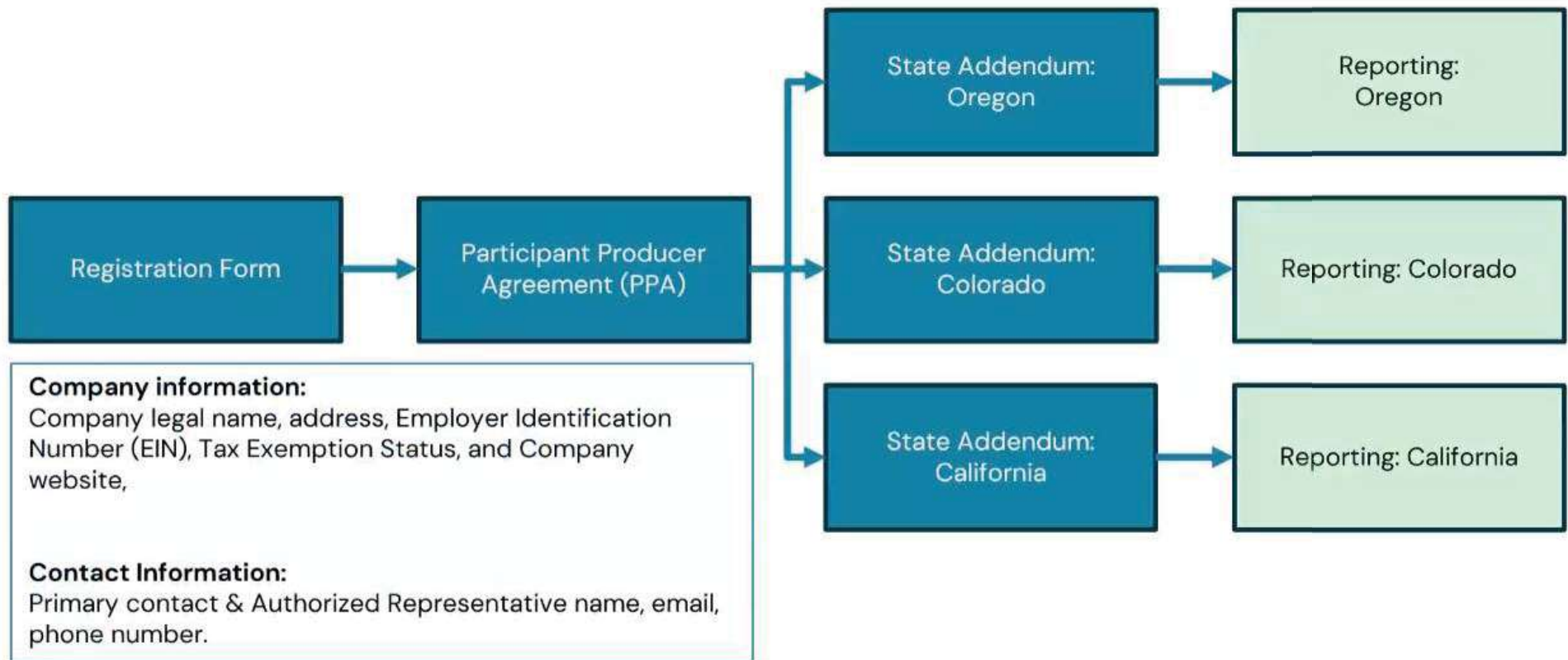


- CAA serves as the single PRO representative on Maryland's Producer Responsibility Advisory Council.
- Recommendations for a future EPR program will be submitted to the Governor.



- CAA recently submitted comments on the Maine Department of Environmental Protection's (DEP) proposed rules.
- Maine is not expected to select a Stewardship Organization (SO) until early 2026.
- Start-up fees due to SO in September 2026, first packaging materials fees due in September 2027.

CAA's Full Registration Process Includes Multiple Steps That Will Be Rolled Out As We Approach Reporting Deadlines



Oregon Implementation Timeline

