



Illinois EPR for PPP DRAFT Bill Overview

IL Metro Mayors' Caucus – Env't Committee
Sept. 20, 2022



Our Core Team

- Chris Sauve, City of Chicago (Deputy Commissioner, Dept of Streets & Sanitation)
- Joy Hinz, DuPage County (Environmental & Sustainability Programs Manager)
 - Austin Knight, DuPage County (Environmental Specialist)
- Walter Willis, SWALCO (Executive Director)
 - Pete Adrian, SWALCO (Recycling Coordinator)
 - Mike Grady, Lobbyist for SWALCO
- Christina Seibert, SWANCC
 - Mary Allen, SWANCC (Recycling and Education Director)
- Scott Cassel, Product Stewardship Institute (CEO & Founder)
 - Sydney Harris, Product Stewardship Institute (Policy & Programs Manager)



Our Committee

- Alex Alexandrou, City of Aurora (Chief Management Officer, Mayor's Office)
 - Jason Bauer, City of Aurora (Assistant Public Works Director)
 - Dan Shomon, Lobbyist for City of Aurora
- Alec Laird, IL Retail Merchants' Association (IRMA) (VP, Gov't Relations)
- Jen Walling, Illinois Environmental Council (IEC) (Executive Director)
 - Ariel Hampton, IEC (Legal & Policy Researcher)
 - Eliot Clay, IEC (State Programs Director)
 - Kimberly Fair, IEC (Policy Assistant)
- Paloma Paez-Coombe, Environment Illinois (Associate)
- Abe Scarr, Illinois PIRG (Director)
- James Jennings, Illinois EPA (IEPA) (Manager, Waste Reduction & Compliance)
- Jan'et Scott, IEPA (Legislative Liaison)
- Kyle Rominger, IEPA (Deputy General Counsel)
- Kevin Burns, City of Geneva (Mayor)
- Edith Makra, Metropolitan Mayors Caucus (Director of Environmental Initiatives)
 - Cheryl Scott, Metropolitan Mayors Caucus (Sustainability Specialist)
- Neil James, West Cook County (Executive Director)
- Marta Keane, Will County Recycling Specialist & Chair, IL PSC
- Representative Dagmara Avelar, IL General Assembly, 85th District
 - Brady Burden, Rep. Avelar
 - Jasmine Rubio, Rep. Avelar (District Director)
- Andrea Densham, Shedd Aquarium (Sr. Director, Conservation Policy & Advocacy)

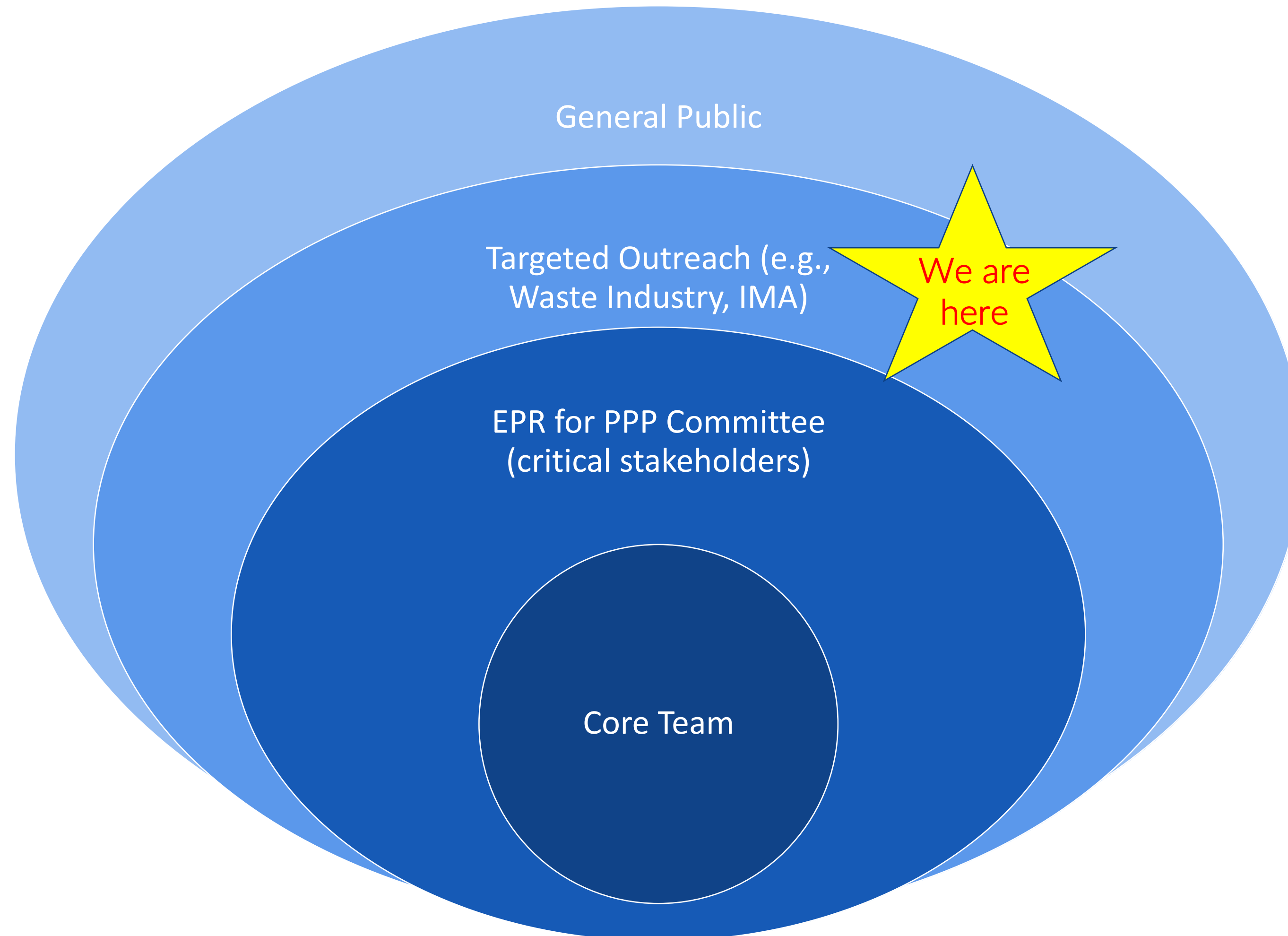


Project Timeline





Stakeholder Engagement: Building Support



Legislative Elements of EPR

Covered Materials/ Products	Governance	Performance Standards	Stewardship Plan Contents
Covered Entities	Funding Inputs ⁶	Outreach & Education Requirements	Annual Report Contents
Collection & Convenience	Funding Allocation	Equity & Environmental Justice	Implementation Timeline
Responsible Party ("Producer")	Design for Environment	Enforcement & Penalties for Violation	Additional Components & Definitions

IL EPR for PPP: Draft Bill Overview



Covered Materials

Consumer Packaging:

- Primary (e.g., soda can)
- Secondary (e.g., 6-pack rings)
- Tertiary (e.g., shipping box)
- Service Packaging @ Point of Sale (e.g., shopping bag)

Paper:

- Printed Paper
- Office/writing/copy paper

Packaging-Like Materials (single-use products):

- Sold or supplied
- Any material type

Excludes:

- Anything collected *and recycled* thru another EPR program
- “Dirty” paper (TP, tissues, etc.)



Statewide Recyclables List

- Min. list of “readily recyclable” materials
- Published by PRO/s – collaboratively developed w/ Advisory Council
- Updated annually/as needed
- Individual communities can collect *more*, if they’re able
- Producers can collect items *not* on the list (like flexibles) separately if they fund & organize (“alternative collection programs”) – but these programs must be approved by IEPA



Covered Entities

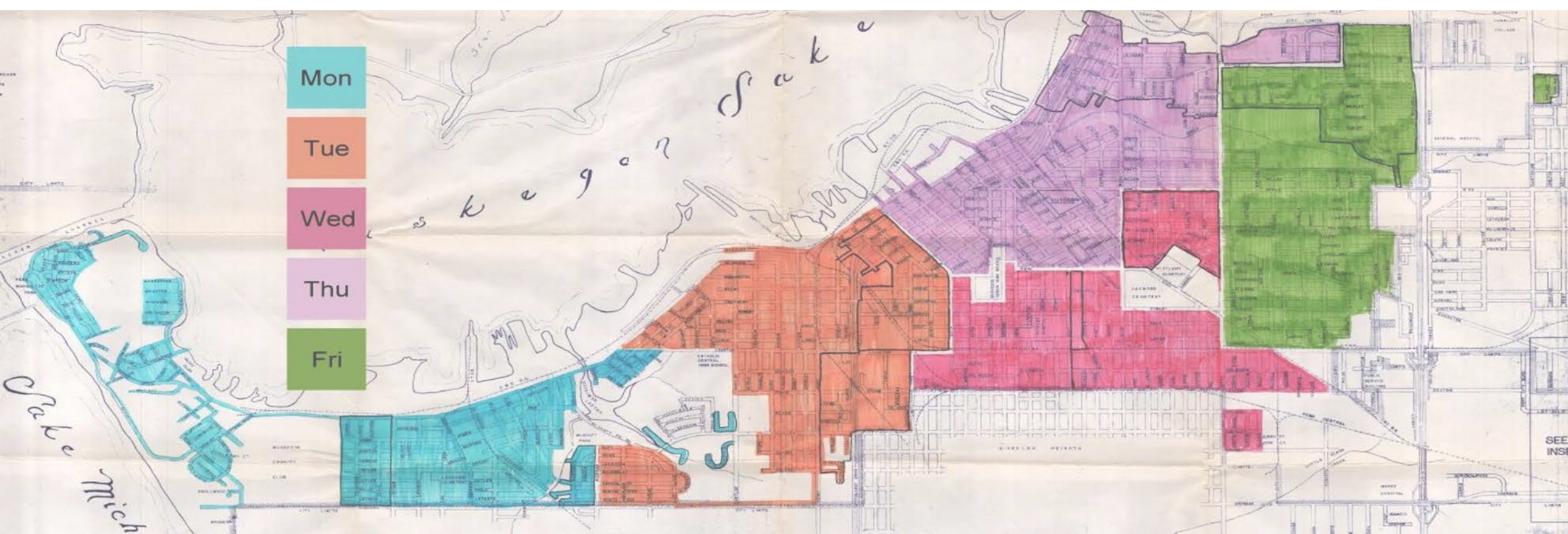
Covered materials collected from:

- Single & multi-family residences
- Public & private schools
- State & local gov't agencies
- Public spaces (parks, trails, transit stations, etc.)



Collection & Convenience

- Must collect everything on statewide list
- **Within first 3 years:**
 - Curbside wherever pop. >1500;
 - Where pop. <1500, at least one drop-off center w/in 15 miles of muni boundary
- NO BACKSLIDING – curbside stays wherever it currently exists



Responsible Party ("Producer")

- 1) Consumer Brands who manufacture their own products
- 2) Consumer brands who *do not* manufacture their own products
- 3) **Packaging manufacturers for items sold under retailers' brands**
- 4) The first importer/distributor (for international products)
- 5) **For shipping packaging (e.g. online sales): The manufacturer of the shipping packaging (but the product pkg producer stays the same)**

Excludes: gov'ts, munis, non-profits, **retailers**, small biz (<1 ton materials or \$1 million gross revenue each year)



Governance

- **Producers:** form one or more PRO/s - registered 501(c)(3) organization/s
 - If multiple PROs, must coordinate
- **IEPA:** Oversight & enforcement
 - Review & approve program plans
 - Review & accept annual reports
 - Facilitate public engagement
- **Multi-Stakeholder Advisory Council:** Appointed by IEPA
 - Provide guidance (non-binding) to PRO/s & IEPA
 - Written recommendations & responses
 - Non-voting members representing producers



Advisory Council

Collectors (4) & MRFs (3)	Units of Local Gov't (5)	Retailers (2)	NGOs (4)	Open Seats (2)	Non-Voting Members (4)
3 MRFs in state – one from Chicago Metro area, one from central or southern IL	1 county	2 – retailers or statewide assoc.	2 environmental orgs	2 open, rotating seats – discretion of IEPA	1 liaison from the PRO – representing a producer
3 waste haulers – one statewide org representing haulers, one large, one small	2 municipalities, one with pop. > 1 million		2 environmental justice advocacy orgs		1 manufacturer of post-consumer material or assoc.
1 drop-off recycling program	1 joint action agency				1 manufacturer of virgin covered materials/supplier of substrates or assoc.
	1 township				1 liaison from IEPA

Funding Inputs



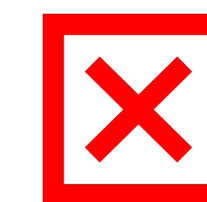
- **Producers pay fees to their PRO:** based on env't criteria (eco-modulation) with incentives & disincentives
- **Fees are for *all* covered materials**
- **Flat Fees for Small Producers:** 1-15 tons covered materials or \$1-\$5 million gross revenue each year

Eco-Modulated Fees

Goal: Encourage design attributes that reduce the environmental and human health impacts of covered materials

Eco-modulation criteria (in order of priority to extent feasible):

- Improve reusability, recyclability, compostability
- Design to reduce impacts across lifecycle
- Incorporate sustainably & renewably sourced material
- Eliminate toxic substances
- Incorporate PCR content
- Optimize pkg (use min. needed to deliver product)
- Increase degradability in cold-water environments
- Design to prevent litter

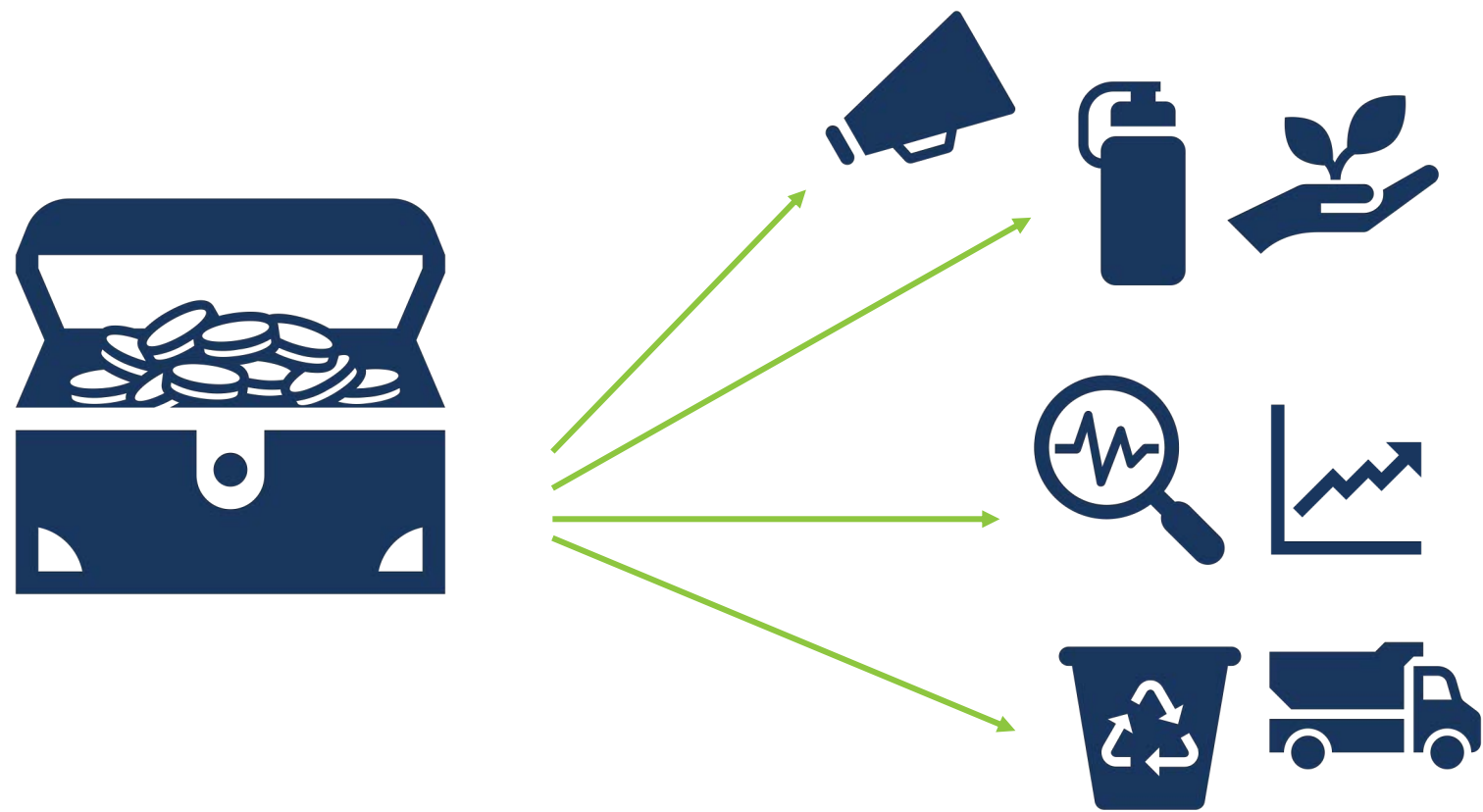


***Reusable containers are exempt from fees**

Covered Costs

PRO Funds Cover:

- **Statewide Needs Assessment** – baseline data on reuse, recycling, composting
- **Recycling system costs** – reimbursements for collection, transportation, sorting, processing, marketing, disposing of contamination, etc.
- **“Reasonable reimbursement rate”** approved by IEPA
 - Where no gov’t programs in place: PRO directly funds service providers
- **Direct infrastructure investments** (based on Needs Assessment): reuse, recycling, composting
- **Market development** (end markets)
- **Administrative costs** for IEPA
- **And more...**



Protecting Existing Infrastructure



- **Needs Assessment Includes:**
 - **Current processing capacity and infrastructure** for reusable, recyclable, and compostable covered materials in the state and regionally, and **necessary capital investments** to existing and future reuse, recycling, and composting infrastructure for covered materials

Existing Infrastructure, Cont'd

- **Program Plan Describes:**
 - How PRO/s will prioritize and work with existing public and private service providers (incl. haulers, MRFs, transfer stations & local gov't)
 - How PRO/s will **invest in existing and future reuse and recycling infrastructure and market development in the state (incl. installing or upgrading equipment to improve sorting of covered materials; mitigating impacts of covered materials to other commodities at existing sorting and processing facilities; capital expenditures for new technology, equipment, and facilities in alignment with the results of the Statewide Needs Assessment)**
- **Municipalities keep existing contracts;** reimbursed by PRO/s for their costs



Outreach & Education Requirements



- **PRO/s provide outreach/education resources** to be used by retailers, collectors, gov't agencies, NGOs, and others
- **PRO/s allocate** min. \$0.50 per resident of the state per year for ed & outreach – increase if performance targets not met
- **Counties/Joint Action Agencies may receive up to 50% allocated ed funding** per resident in their jurisdiction each year to spend on ed & outreach locally
- **PRO/s also do direct outreach** to consumers statewide & maintain public website

Plastics Recycling Technologies Study

- IEPA conducts, PRO/s cover costs
- Determine which existing & emerging technologies are eligible to meet definition of “recycling” (no incineration, energy recovery, or plastics-to-fuel)
- Assess full lifecycle impacts of plastics-to-plastics technologies, compare to full lifecycle impacts of mechanical recycling
- Assess full lifecycle impacts of using PCR content, compare to using virgin plastics
- Published by July 1, 2025



Special PRO Programs

Waste Prevention & Reuse Program

- Reduce env't impacts of covered material thru prevention & reuse
- PRO/s may partner with public or private entities
- Grants, loans, or direct funding thru dedicated Fund
- Min. 5% of total expenditures under program plan during first 3 years, 10% for fourth & fifth years, must remain steady or increase over time

Composting Infrastructure & Education Program

- Assist in greater recovery of compostable packaging and education
- PRO/s may partner with public or private entities
- Grants, loans, or direct funding thru dedicated Fund
- Min. 5% of total expenditures under program plan during first 3 years, 10% for fourth & fifth years, must remain steady or increase over time

Performance Standards



- **In statute:**
 - By Dec 31, 2030: recycling rate across statewide list >45%
 - By Dec 31, 2035: recycling rate across statewide list >50%
- **In Stewardship plan:**
 - Recovery, recycling, PCR content, and other targets for every material type – must be met by end of 5 year plan & updated with every new plan

PFAS Ban & Problematic Materials List

- Ban on toxic substances in covered materials after one year
- IEPA publishes list of “problematic materials” – additives, ingredients, substrates, objects that disrupt recycling, are consistently found in environment, or cause severe harm to human/ecological health.
 - PRO/s must describe how they will minimize or eliminate use of all problematic materials.
 - IEPA review & update list at least every 3 years.

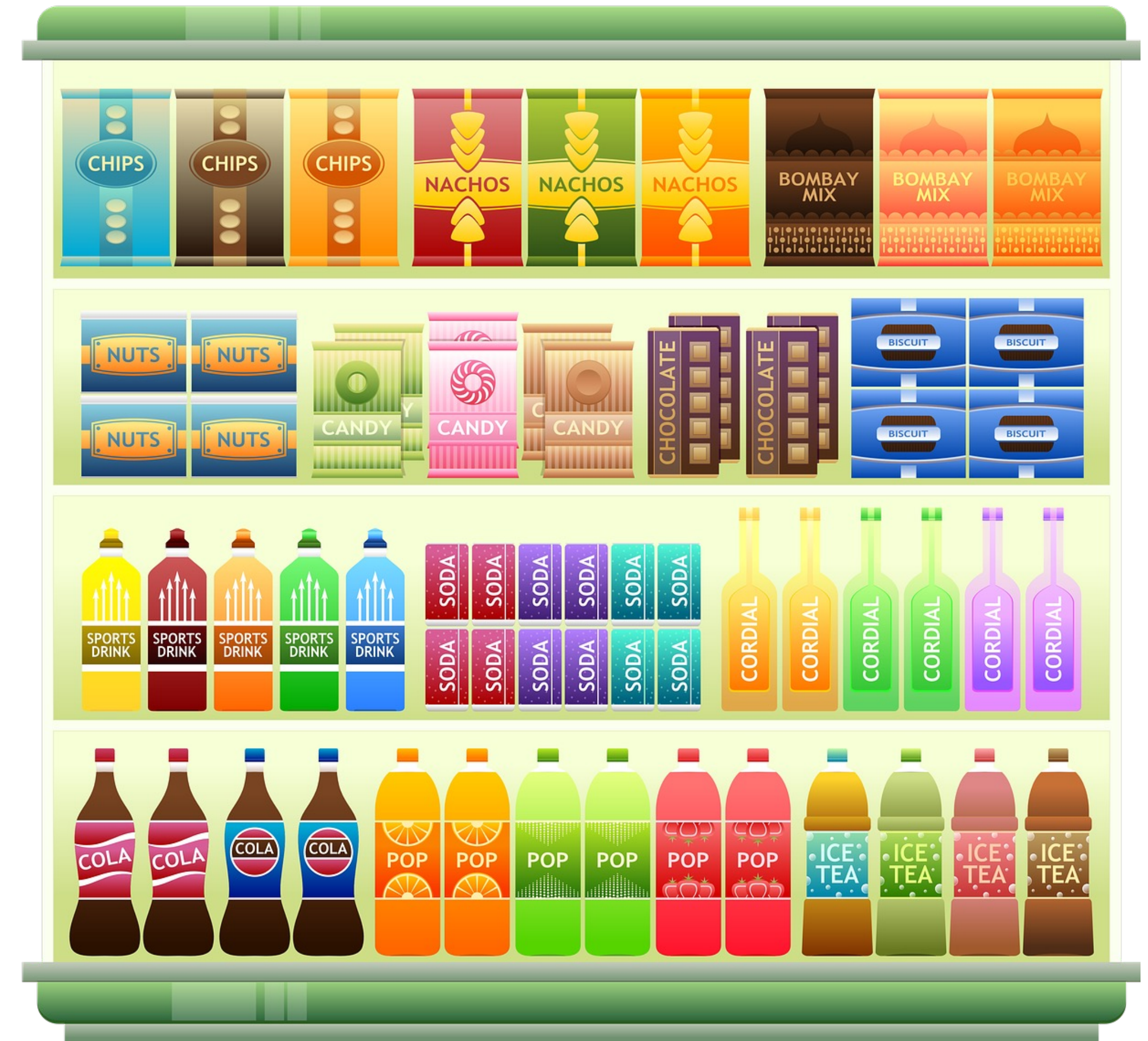
Key Definitions



- “Recycling” DOES NOT INCLUDE: landfill disposal or any beneficial landfill use, incineration, energy recovery, or conversion to fuel
- “Reusable” means: designed to be refilled/used repeatedly for intended purpose, non-toxic, and recyclable at end of life; avg. annual return rate >80%

Next Steps

- Send in bill feedback, comments, questions
- Core Team reconvene to debrief all stakeholder comments
- Update draft bill & secure sponsors
- Reconvene Committee to finalize bill
- Introduction for 2023 & beyond...



Project Contacts

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Implementation Timeline

Assuming law enacted Spring 2023

- **Jan 1, 2024:** IEPA establish Advisory Council
- **Jul 1, 2024:** Producers/PRO/s register with IEPA
 - Registration form includes description of needs assessment that will be undertaken
 - 30 days later: Director approves (or rejects) proposed needs assessment
- **Jul 1, 2025:** IEPA completes plastics recycling study; PRO/s complete needs assessment
- **Oct 1, 2025:** PRO/s adopt statewide collection list
- **Jan 1, 2026:** PRO/s submit stewardship plan/s to IEPA, including comments from Advisory Council
- **July 30, 2026** (180 days after plan approval): programs implemented
- **Jul 1, 2026:** **sales prohibition for non-compliant covered materials**
- **May 1, 2027** and every May 1 thereafter: PRO/s submit annual report/s.
- **Dec 31, 2030:** recycling rate across covered materials on statewide list > 45%
- **July 30, 2031:** Performance targets from stewardship plan/s achieved; updated stewardship plan/s submitted to IEPA w/ updated targets
- **Dec 31, 2035:** recycling rate across covered materials on statewide list >50%

Stewardship Plan Contents



- Contact info
- List of participating producers
- List of covered materials – and which are on statewide collection list
- Funding mechanism: fee schedule for producers, reasonable rate of payment for local gov't & service providers
- Plan for meeting convenience standards & which recycling programs are eligible for reimbursement vs which are responsibility of PRO/s
- Proposed service agreement for service providers & back-up procurement process
- How PRO will prioritize & work with existing infrastructure
- Proposed performance targets for each material type (PCR content, reuse, recovery, recycling rates, toxics reduction)
- Plan for meeting performance targets
- Plan for providing technical assistance to producers on source reduction thru redesign & reuse systems
- Public education plans
- Plan for end-of-life management of all covered materials, incl. recycling & disposal of contamination
- How PRO will facilitate purchase of recycled content from MRFs for producers
- Plan for investments into existing & future reuse & recycling infrastructure, market development
- Descriptions of Waste Prevention & Reuse and Composting Infrastructure & Education funds/programs
- Process for addressing questions from covered entities & residents
- How PRO will address any/all other needs identified in the Needs Assessment
- How PRO consulted with the Advisory Council in development of the plan & extent to which Advisory Council recommendations were incorporated
- Any other info requested by the Agency thru regulations

Annual Report Contents



- Quantity of covered materials sold/distributed into the state
- All methods used to collect, transport & process covered materials
- Evaluation of program's collection convenience
- How all covered material types were managed
- Reuse, recovery, recycling, composting, PCR content rates & whether they're on track to meet requirements
- Final destination & quantity of reclaimed covered materials by type
- Contamination in recycling streams & efforts proposed to reduce contamination
- Total cost of the program – independent financial audit
- Status of grants & programs under Waste Prevention & Reuse Fund and Composting Infrastructure & Education fund
- Independently audited financial statements detailing all payments received & issued by PRO
- Description of dues structure for producers (incl eco-modulated fees) & evaluation of effectiveness of eco-modulation incentives
- Proposed dues structure for next year
- Description of how PRO compensated local gov'ts & private service providers
- Description of all outreach & education efforts, results & sample materials and recommendations for how to improve
- Status of packaging innovation & design
- Description of investments made into infrastructure & market development
- Total amount of covered material types managed thru alternative collection programs
- Any other info required by the Agency