PCR Rule Advisory Committee Meeting Notes on Draft Rule – Part B
June 9, 2022

- The Department of Ecology (Ecology) hosted a meeting on Zoom to collect feedback on draft post-consumer recycled rule language for RCW 70A.245, WAC 173-925.
- The PCR Draft Rule advisory committee (committee) was chosen to represent the regulated community and other interested stakeholder groups.
- Committee meetings are open to the public and anyone may comment

Advisory Board members:
In attendance: Brennan Georgianni: American Cleaning Institute
Emily Alexander: Darigold
Chris Cary: Tree Top, Inc
Holly Chisa: Northwest Grocery Association
John Cook: Niagara Bottling
Megan Daum: American Beverage Association
Kate Eagles: Association of Plastic Recyclers
Kyla Fisher: Ameripen
Christopher Finarelli: Household & Commercial Products Association

Not present: Charles Knutson, Kate Eagles, Mark Smith

Other meeting attendees are listed below.

Agenda
- Overview of draft Part B language
- Ecology equitable fee calculation presentation and walk-through
- Group input and discussion

Powerpoint slides available on PCR Rule Website

Draft Rule Part B Language

Shannon Jones shared Ecology’s draft language for the following topics:
- Producer information required for annual registration:
  - Producer name
  - Mailing address
  - Website
  - Tax ID
  - Contact person/info
List of covered product brand names
- List of subsidiary brands/collections/vendors owned by the brand
- Calendar year for data submitted
- Total pounds plastic within each covered product category
- De minimis info (if relevant)
  - Proof that producer, including all owned subsidiary brands, meets de minimis threshold

Timeline for annual reporting requirements:
- April 1, 2024 - plastic trash bags and non-dairy or wine plastic beverage containers
- April 1, 2026 - plastic household cleaner and personal care product containers
- April 1, 2029 - plastic dairy milk containers and 187 milliliter plastic wine containers

Information required in annual reports:
- All original registration info (once reporting timeline begins, annual reports will take the place of registration)
- Average PCR content weight, in pounds, by resin type by product category
- Total PCR resin as percent of total weight
- If providing national or regional data:
  - Method for calculating/separating WA specific data
  - Explanation for why state-level data cannot be obtained
- Ecology is considering draft language pertaining to self-certifying or attaining 3rd party verification of data. This will be further explored in Draft Rule Part C.

Confidentiality:
- Reporting information is public
- Confidentiality requests are considered on case by case basis (per Ecology procedure)
- Request for confidentiality must include information certifying unique production processes or adverse competitive consequences of sharing PCR data (per RCW 43.21A.160)

Lori Peterson presented on Equitable Distribution of Fees:
- Walked through example fee calculation illustration
- Covered the following topics:
  - Ecology’s statutory authority and requirements
  - Estimated costs from workload analysis
  - Categories of costs included in calculation
    - PCR oversight
    - General administration
- See the Powerpoint presentation on the website for complete information
In response to member questions around the workload analysis and administrative costs, Ecology explained how the agency tracks staff time to ensure that in year two we have an expectation of how much oversight was actually required in year one.

Based on questions, Ecology clarified that producers registering on behalf of numerous brands may aggregate costs under total resin weight, but still need to register by covered product category.

- Ecology requested committee members suggest clarifying language to better communicate this

Ecology reviewed the combined fee structure - incorporating both Ecology’s oversight and the PCR costs which take effect for a producer when their covered product category is required to start reporting based on the timeline.

- Ecology will prorate when producers have obligations for only half of a year (due to fiscal year accounting – Ecology’s fiscal year starts July 1 and ends June 30)

Discussed intent of language around producer definition in regard to covered products.

- Member noted that “single category of a covered product” could be interpreted to mean an item in one of the larger categories rather than the category itself, and this language should be clarified in rule.

- Members requested language to address and prevent this potential issue

Discussed potential for fees based on the weight of all plastics (regardless of their percentage of PCR or virgin content) to dis-incentivize producing packaging containing PCR rates higher than required.

- Members liked that Ecology’s draft producer fee calculation model is based on weight.

Members suggested clarifying that the rule is referring to a US standard U.S. ton of 2,000 lbs.

Members advocated for adjusting fee payment window/deadline after invoicing (currently 30 days). Stated that companies need more time – 90 days or more - to budget and adjust

- Ecology requests information about factors that influence this need and suggested language for a more reasonable amount of time to pay fees after invoicing

- Members requested that invoices include information about payment expectations and logistics (Ecology’s tax ID number, allowance for money order/checks, etc.)

- Note: Ecology does not charge a registration fee

Members requested more graphic and simple representation of timelines and expectations (a table). Ecology will work on creating this based on the table at the bottom of these notes.

Next Meeting and to-do items

- Next committee meeting is July 28, 2022 at 9 a.m. Pacific time.
  - We will discuss revised parts A (definitions) and B (registration and reporting) and Ecology’s first draft of Part C (PCR content).
  - Ecology will share revised draft parts A-C with the committee in mid-July to review prior to the meeting.
• Continue to submit online comments via SmartComments or e-mail written comments to Shannon Jones. Any format for providing input is acceptable. We request comments on revised Parts A (definitions) and B (registration and reporting)
  o We have received written comments and feedback from several committee members and are using them in our analysis for revised draft language.
  o Prior to the July meeting, we are especially interested in input on the following topics:
    ▪ Issues that came up during this year’s registration and could be improved with draft rule language or additional guidance
    ▪ Ecology is considering language that addresses 3rd party verification of PCR content. Please provide information about the potential impacts of including requirements for 3rd party PCR verification
    ▪ Provide information about factors that may negatively affect a business’ ability to meet annual PCR content requirements.
    ▪ Provide information about how PCR rates are determined. If relevant, provide information about mass balance calculation in your data collection. Are there issues that arise in this type of accounting?

For more information:
• Contact PCR registration and implementation staff by email
• Sign up for our email list
• Visit the PCR Rule (WAC 173-925) Website
• Contact Rule Lead, Shannon.Jones@ecy.wa.gov

List of Attendees (excluding board members)

<table>
<thead>
<tr>
<th>Interested Parties</th>
<th>Ecology Staff</th>
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<tbody>
<tr>
<td>Alejandra Viso, Refresco</td>
<td>PCR Team</td>
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<td>Alex Bisbikis- Sutter Winery</td>
<td>Alli Kingfisher</td>
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<td>Alimatou Lene</td>
<td>Heather Curtis</td>
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<td>Andy Weinstein</td>
<td>Christina Kullberg</td>
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<td>Brooke Davies, WA Beverage Assn</td>
<td>Shannon Jones</td>
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<td>Charmain Rodrigues</td>
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<td>Cubie Lamb</td>
<td>Other staff support</td>
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<td>David Aremu</td>
<td>Alaina Young</td>
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<td>Giulia Maiorino</td>
<td>Dan Weston</td>
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<td>Harvey Remz - Ithos Global Software</td>
<td>Kara Steward</td>
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<td>Isaac Hull</td>
<td>Janine Bogar</td>
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<td>Jennifer Ziegler – Poly America</td>
<td>Caleb Carlson</td>
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<td>John Salvador</td>
<td>Tina Schaefer</td>
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<td>Kathleen Brown</td>
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Interested Parties

Katie Doyle- WFA
Lisa Zwack - Kroger
Margaret Brown – Cascade Governmentt Affairs
Mary Vihstadt
Max Martin – Bottled Water Association
McKenna Morrigan- SPU
Pamela Barrow
Preston Peck - City of Tacoma
Ross Holthouse – P&G
Stephanie Collier
Scott Sigmon, Consumer Healthcare Products Association

Ecology Staff

Minimum recycled-content phases

<table>
<thead>
<tr>
<th>Year</th>
<th>Plastic trash bags</th>
<th>Beverage containers*</th>
<th>Household cleaner and personal care containers</th>
<th>Plastic wine container (187 milliliters)</th>
<th>Dairy milk container</th>
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<tbody>
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<td>2022</td>
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<td>All producers must register by <strong>June 15, 2022</strong></td>
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*Excluding plastic wine and milk containers.