

California's SB 54

The Recycling Partnership Presentation to the California Grocer's Association

January 21, 2026



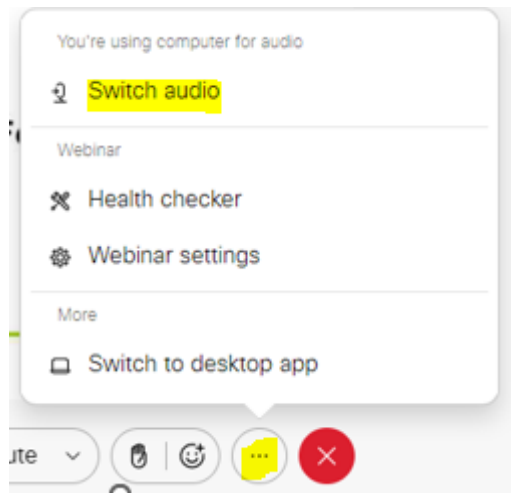
**The Recycling
Partnership**

Building a Better Recycling System

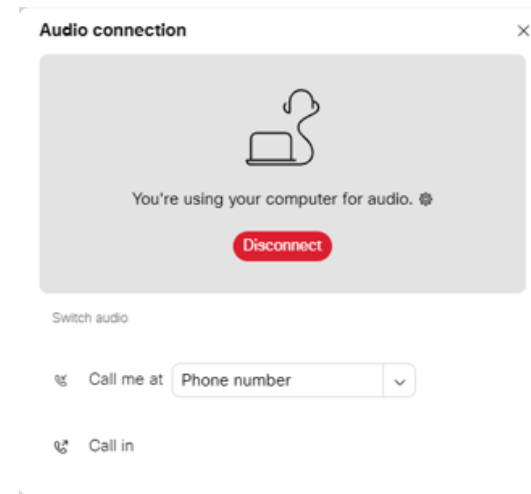
We're a purpose-driven organization committed to building a better recycling system that delivers economic and environmental benefits for communities and the industry.

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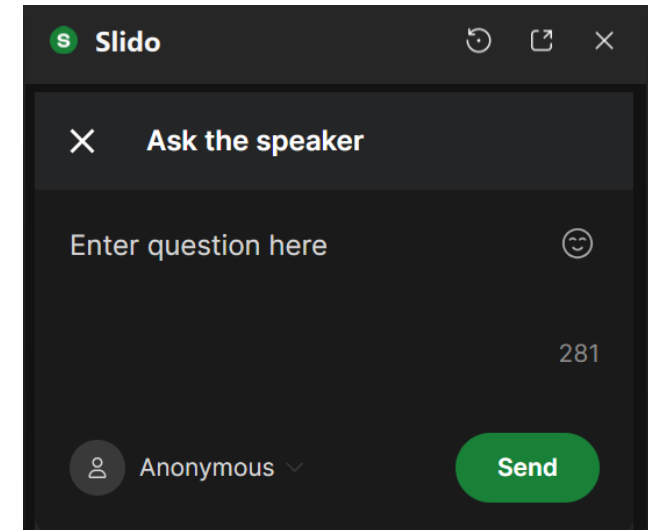
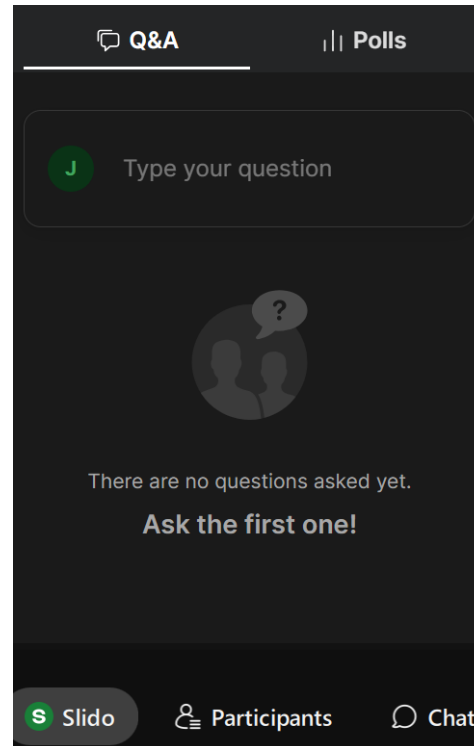
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About our Presenter

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Agenda

Who We Are

EPR in the U.S.

California Readiness

California's SB 54 - Implementation and Timeline

California's SB 54 - Recyclability

Producer Compliance



Our Funding Partners



Who We Are ♦

Our mission is to transform how recycling works in the United States.

The Recycling Partnership is a team of experienced problem solvers delivering practical, proven solutions to overhaul the recycling system in policy states and beyond.



What Sets Us Apart 🏆

- **The Recycling Partnership is the only organization driving on-the-ground action with real impact, helping companies meet compliance targets and business goals.**

- Enabled by:
- Extensive state and federal **policy expertise**
- **Proprietary data**, powered by our National Recycling Database
- **Material-specific** coalitions and solutions
- Deep **recycling engagement and behavior** knowledge



Common Features of EPR for PPP



Created by legislation
establishing rules
and targets



Managed by one or
more Producer
Responsibility
Organizations (PRO)

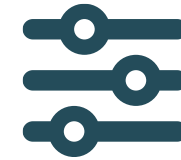


Guided by a Producer
Responsibility
Program Plan

California Readiness



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Mandated Progress

- **100% Recyclable or Compostable**
- **65% Plastics Recycling Rate**
- **25% Plastics Source Reduction** w/ >10% Reuse, Refill, Elimination
- **Interim Targets** Start 2027 (2025 for EPS Food Service Ware)

Recycling System

- **PRO Recycling Infrastructure Investment**, Statewide Education, Responsible Market Development
- **Existing Local Systems** Enhanced and Expanded, with SB 54 Costs Covered

Product Delivery System

- **Producers Redesign and Shift** Packaging and Products
- **Innovative New Materials and Reuse / Refill Systems**
- **Toxics Eliminated**
- **PRO Investment in Reuse Education and Infrastructure**

Strong Enforcement Authority – Compliance Orders, Fines, Effective Bans

Scope of the Law

“Producers” are responsible for compliance

- Hierarchy, first CA-located entity:
 - Manufacturer and brand owner of a product that uses covered material
 - If none, then the CA-located brand owner
 - If none, then the CA-located *person who sells, offers for sale, or distributes the product that uses the covered material in or into the state*
 - Clarification needed

Covered materials

- All single use packaging and plastic food service ware
- Broadly defined
 - Primary, secondary, and tertiary/transport packaging
 - All generators – residential, commercial, institutional, away-from-home

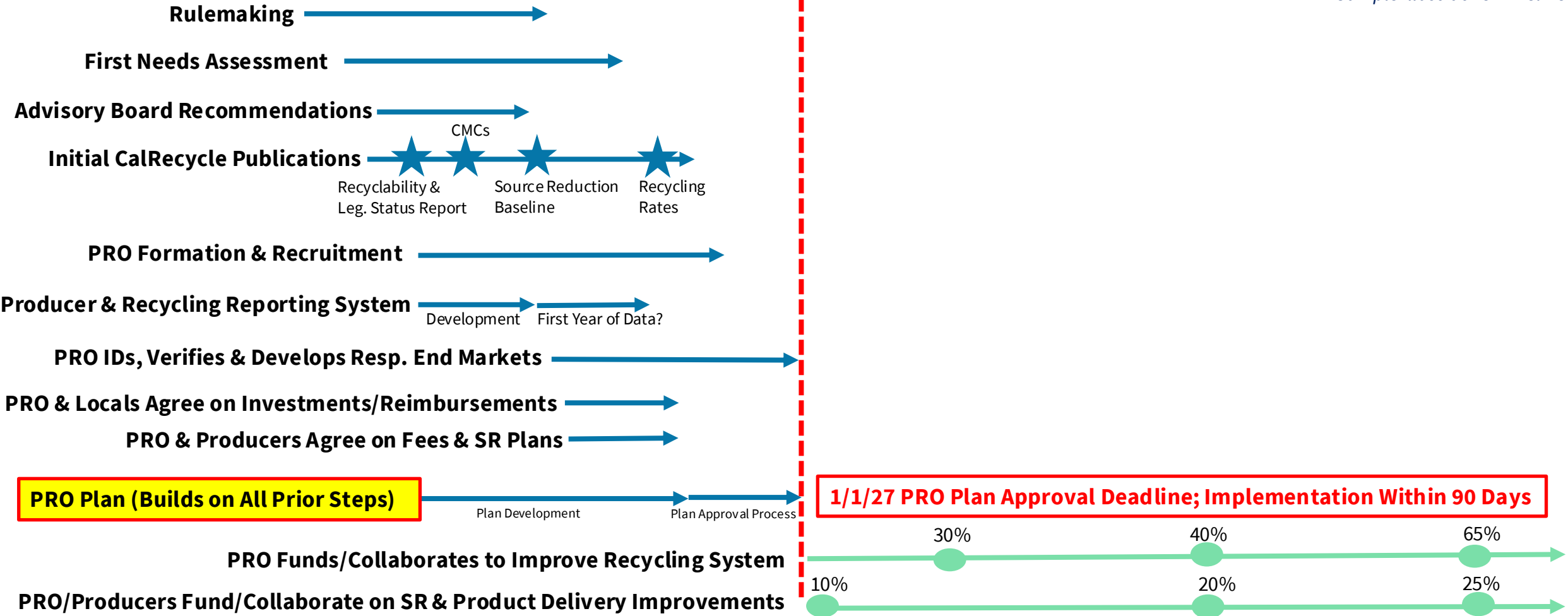
Limited exceptions and potential exemptions or extensions

Statute Reference: 42041.w; 42041.e; 42060.a.3

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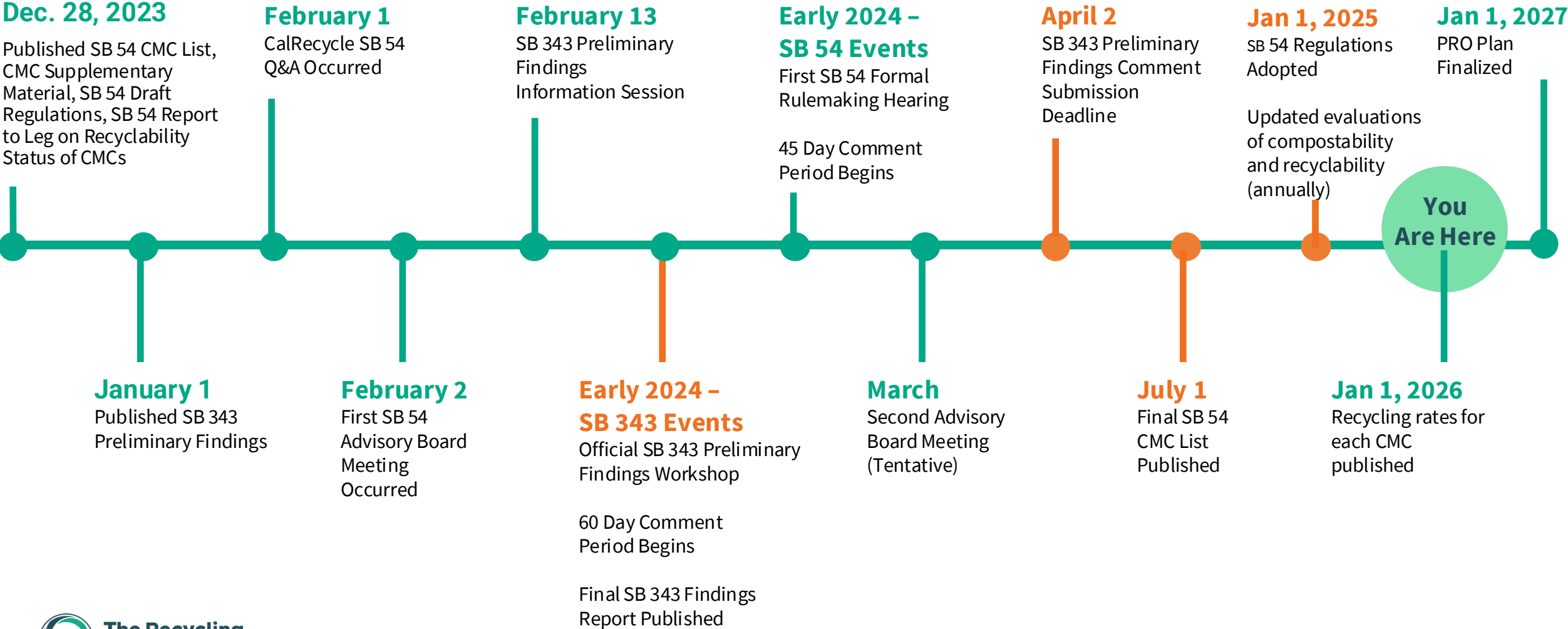
SB 54 Initial Start-Up: Still Early Days But Momentum Building

Sample Illustrative Timeline



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Combined SB 54 & SB 343 Regulatory Timeline



SB 343 Accurate Recycling Labels



To use **recyclable or compostable marketing claims**, producers must ensure statutory criteria are met starting **Fall 2025**

A finalized state study with data on key recyclable criteria is expected in Spring 2024.

SB 54 Packaging Producer Responsibility



All covered packaging materials **must be deemed recyclable or compostable by CalRecycle** by **January 2032** or face potential ban and civil penalties.

CalRecycle's first annual recyclable list published December 2023 based on SB 343 study preliminary findings.

How Were SB 343 Evaluations and SB 54 Determinations Made?

Focus on Recyclability in Local Curbside Programs: Two Main Criteria

Access



Criteria: **60% of the state population must have access** to recycle the material in local curbside programs

Method: CalRecycle staff reviewed local websites starting with www.irecyclesmart.com

Processing



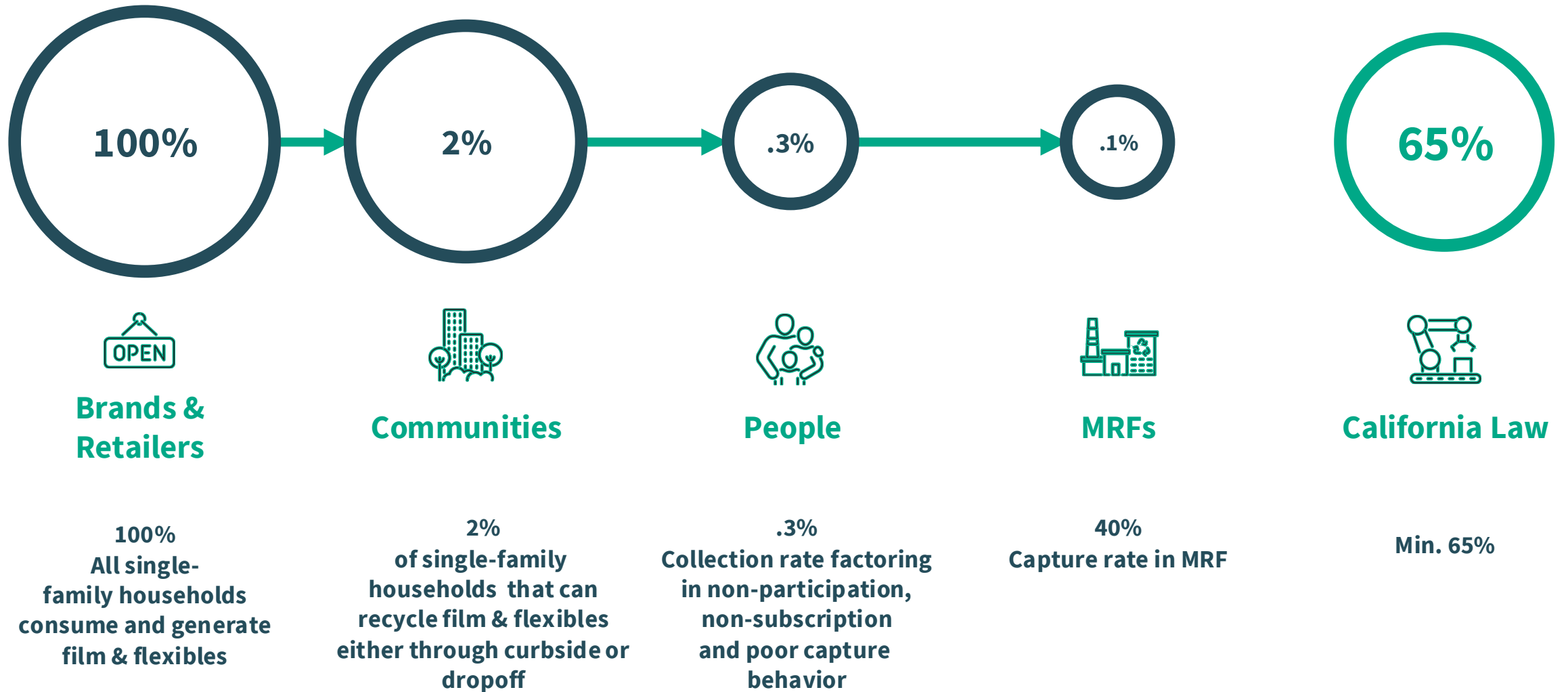
Criteria: **MRFs serving at least 60% of recycling programs** statewide sort materials to a defined stream

Method: Surveyed 29 MRFs to identify their defined streams; sorted outbound recyclables at 10 MRFs (13 more underway) to evaluate which materials found in the defined streams were “sorted for recycling”

SB 54 Covered Material Categories List

Category ID	Material Class ¹	Material Type ¹	Form ^{2,3}	Potentially Recyclable ⁴	Potentially Compostable ⁴
				Y = Yes N = No	Y = Yes N = No
P7P	Plastic	HDPE (#2)	Bottles, Jugs and Jars (Pigmented/Color)	Y	N
P8P	Plastic	HDPE (#2)	Pails & Buckets	Y	N
P9P	Plastic	HDPE (#2)	Other Rigid Items (including containers)	Y	N
P10P	Plastic	HDPE (#2)	Flexible and Film Items	N	N
P11P	Plastic	PVC (#3)	Rigid Items	N	N
P12P	Plastic	PVC (#3)	Flexible and Film Items	N	N
P13P	Plastic	LDPE (#4)	Bottles, Jugs and Jars	N	N
P14P	Plastic	LDPE (#4)	Other Rigid Items	N	N
P15P	Plastic	LDPE (#4)	Clear Non-Bag Film	N	N
P16P	Plastic	LDPE (#4)	Other Flexible and Film Items	N	N
P17P	Plastic	PP (#5)	Bottles, Jugs and Jars	Y	N

<https://calrecycle.ca.gov/packaging/packaging-epr/cmclist/>



How were SB 54 Compostable Determinations Made?

21 of 95 CMCs “Eligible for Labeling Compostable” (22%)

- Key Criteria: Allowable input in National Organic Program (NOP) (starting in 2027)
 - Newspaper or virgin or recycled paper without glossy coatings or colored inks
 - Untreated wood (or other organic materials) without any added synthetic substances
- Method: AB 1201 Study found bifurcation of above inputs not feasible

Notable Initial Determinations

- **Path forward uncertain in California for compostable plastics**
- Limited CMCs eligible to be labeled compostable
 - All forms of kraft paper, white paper and other/mixed paper
 - Small paper and fiber – no side greater than 2”
 - Wood – all untreated forms
 - Small wood and other organic materials – no side greater than 2”.

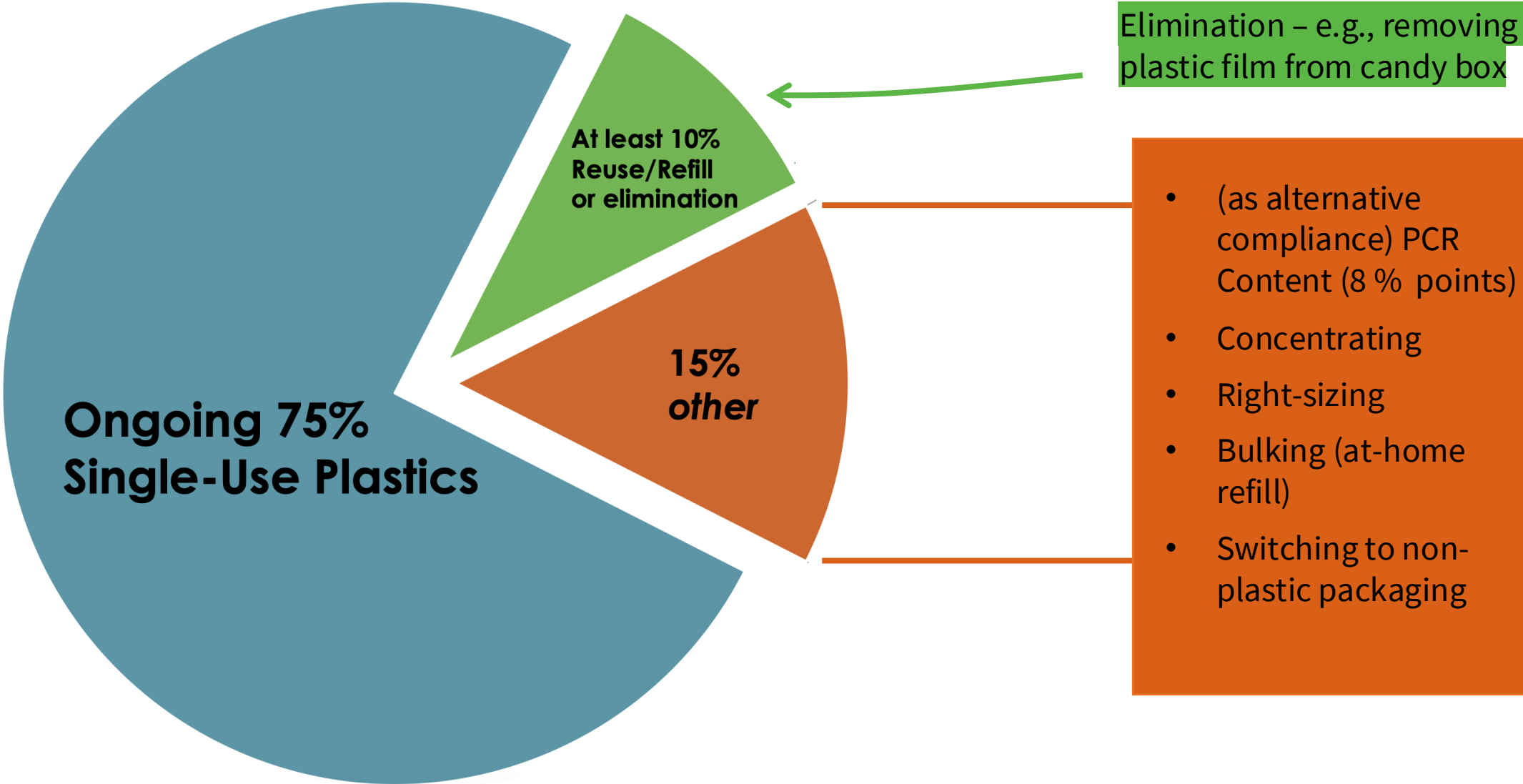
SB 54 Mandated Performance Targets

All Covered Materials	All Plastic Covered Materials	Expanded Polystyrene Covered Materials
<p>Recyclable or Compostable</p> <ul style="list-style-type: none"> • 100% by 1/1/32 per state determinations • Separate labeling laws effective late 2025 <p>Responsible End Markets (REMs)</p> <ul style="list-style-type: none"> • Must go to REMs to count as recycled • Annual PRO verification • Minimum yields TBD • Fuel, Energy = disposal not recycling • Must be transparent, compliant, and maximize environmental benefits 	<p>Recycling Rate</p> <ul style="list-style-type: none"> • 30% by 1/1/28 • 40% by 1/1/30 • 65% by 1/1/32 <p>Source Reduction Rate (PRO Level)</p> <ul style="list-style-type: none"> • 10% by 1/1/27, $\geq 2\%$ reuse / refill • 20% by 1/1/30, $\geq 4\%$ reuse / refill • 25% by 1/1/32, $\geq 10\%$ reuse / refill / elimination • Up to 8% credit for TBD PCR content 	<p>Recycling Rate</p> <ul style="list-style-type: none"> • 25% by 1/1/25 • 30% by 1/1/28 • 50% by 1/1/30 • 65% by 1/1/32

Key Points

- Covered material *sold, offered for sale, imported, or distributed in CA* must satisfy these targets
- PRO phase-out plan required for covered materials w/out REM or not likely to comply
- Authorization for limited exemptions due to “unique challenges”

SB 54 Source Reduction Overview



SB 54 Compliance – Setting Expectations

**No Easy Outs.
SB 54 was designed to disrupt business as usual.**

Recycling can be an effective way to reclaim some natural resources, such as metals, glass, paper, and some plastic resins. However, in some circumstances, recycling is cost-prohibitive and an ineffective means to handle the end-of-life of a covered material. In these circumstances, **the Legislature acknowledges that some material types cannot effectively meet the requirements of this chapter and producers will be required to eliminate, redesign, or shift packaging or food service ware to a covered material category that can more efficiently meet the requirements of this chapter.**

- PRC 42040(b)(4)

SB 54 Performance Targets – High Level Producer Compliance Menu

Broad Strategies	Compliance Options / Requirements	Recyclable	RR	SR
Improve Recycling Systems	<ul style="list-style-type: none"> Design for recycling, standardization Increase Access - through curbside and/or alternative collection Engage consumers Improve sortation Develop responsible end markets 	X	X	
Adapt Covered Materials	<ul style="list-style-type: none"> Shift to compostable Shift to reuse and refill; build system / engage consumers Source reduction / use PCR content 	X	X	X
Eliminate Plastic Covered Materials	<ul style="list-style-type: none"> Eliminate plastic components Shift to non-plastic components 		X	X
Seek Exemptions or Extensions	<ul style="list-style-type: none"> Exemption for specified product types Exemption for high recycling rate via non-curbside collection Exemption if CMC meets reusable/refillable definition and criteria Potential limited exemptions for unique challenges or H&S Potential extension via Compliance Action Plan (after Violation) 	X	X	X
Consequences of Rejecting Compliance	<ul style="list-style-type: none"> Potential civil penalties of up to \$50,000 per day per violation (\$18.25M/yr) and/or CalRecycle direct regulation of PRO/producers 			

X = The option supports compliance or an alternative compliance approach
RR = Recycling rate performance mandate
SR = Source reduction rate performance mandate
Recyclable = Recyclable or compostable mandate

Why Skipping Compliance and Accepting Consequences is Not a Viable Option

- **Per Statute**

- If CalRecycle determines a PRO or producer has not achieved the mandatory recycling rate and source reduction rate targets, CalRecycle shall, through a public process, place requirements on the PRO or producers to achieve them
- SB 54 authorizes civil administrative penalties up to **\$50,000 per day per violation (= \$18.25M/Year)**
 - \$25,000 for exempted small producers who must still comply with recyclable/compostable by 2032 mandate

- **Per Draft Regulations**

- Each discrete requirement, condition, action, or course of action constituting or resulting in a violation shall constitute a single violation of the Act
- For continuous violations based on the persistence of a particular condition or course of action, the violation shall be deemed to occur each day such conditions or courses of action persists
- Each non-compliant product, without regard to the distribution or sales of discrete instances of the product, shall constitute a distinct violation
- The violation shall be deemed to occur on each day that the non-compliant product is in distribution or offered for sale in the state
- Note: *Specific fine amounts for different types of violations are not defined in current draft regulations.*

Producer

Priority To-Do List

1

Register with CAA

2

Track recyclable labeling evaluation process; consult attorney on options

3

Prepare to track/report against CMC list

4

Begin source reduction plan

5

Engage and take action to improve system

Get in Touch:

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