

Continued Implementation of Recycling Rule Revisions for MRFs

Casey Krausensky

Solid Waste Coordinator – WI Dept of Natural Resources

Owner Financial Responsibility (OFR)

OFR – what?

- A guarantee of funds the DNR can access
- Used for cleanup of the site if the facility doesn't meet closure requirements on their own (otherwise unused)

OFR – who?

MRFs that meet all of the following:

- Are self-certified under s. NR 544.16 (2) (a), Wis. Adm. Code.
- Processes or expect to process more than 5,000 tons annually.
- In Wisconsin

OFR – when?

- Established and acknowledged by **June 1, 2027**
- 60 days to establish and submit
 - start by April 1, 2027
- 60 days to review a complete cost of closure
 - submit by **January 31, 2027**
 - don't wait for cost of closure to be accepted to research mechanisms
- SCOP with cost of closure instructions sent out by January 7
- Detailed guidance available by end of October

OFR – how?

1. Determine cost of closure
2. Submit cost of closure on revised SCOP
3. Determine mechanism
4. Once cost of closure acceptability determination received, establish OFR
5. Provide proof of OFR to DNR

OFR – how?: determine cost of closure

- Identify what OFR required materials you store
 - unsorted recyclables
 - residual materials
 - glass - 3 mix
 - plastic - mixed bulky rigids
 - plastic - polystyrene EPS
 - plastic - film grade C and
 - plastic - comingled #3-7

“shall include any materials that the department has determined have a net negative value after determining any loading, transportation, and disposal fees” (s. NR 544.06(3)(a)22., Wis. Adm. Code)

OFR – how?: determine cost of closure

- Determine max storage
 - Include unsorted and in process
 - Consider busy seasons, maintenance needs, collection delays etc.
- Identify acceptable recycling and disposal locations
 - Unsorted recyclables: a self-certified MRF that has sorting capabilities
 - Residual materials: a licensed MSW landfill or combustor
 - Glass: a self-certified MRF or a glass recycler
 - Processed recyclables that are not banned from disposal: a self-certified MRF, a material-specific buyer/recycler, a licensed MSW landfill or combustor

OFR – how?: determine cost of closure

- Determine tipping fees or value at acceptable locations
 - “gate rate”
 - Contract that extends to 3rd party for a onetime cleanup (specifies expiration date, amount accepted)
- Loading and transportations costs
 - Number of whole loads (25 tons unsorted and residuals, 20 tons plastic bales, 30 tons glass?)
 - Loading, roundtrip transport, and unloading time
 - Regional operator and equipment rental (front end loader and semi)
- 10% contingency

A	B	C	D	E	F	G	H	I	J
	Max tons on-site	Tons of material able to be transported per semi load	# of semi loads required to transport (B/C rounded up to the nearest whole load)	Round trip drive time to acceptable processing or disposal facility (in mins)	Transport costs ((E+45 mins loading/ unloading time)* D/60 mins/hr*\$140/hr semi & driver)	Loading cost (3/4 hr*D*\$123/hr front end loader and operator)	Gate tipping fee per ton	Total tipping fee (B*H)	Cost of closure per waste type (F+G+I)
unprocessed mixed recyclables	1000	25	40	24	6440.00	3690.00	35	35000.00	45130.00
glass	120	30	4	124	1577.33	369.00	6.75	810.00	2756.33
rigid plastics	200	20	10	20	1516.67	922.50	61.68	12336.00	14775.17
cartons	200	25	8	20	1213.33	738.00	61.68	12336.00	14287.33
PP	100	20	5	20	758.33	461.25	61.68	6168.00	7387.58
residual waste	100	25	4	20	606.67	369.00	61.68	6168.00	7143.67
red numbers must be supplied by the facility						subtotal			91,480.08
						10% contingency			9,148.01
						final cost of closure			100,628.09

OFR – how?: determine OFR mechanism

Fee-Based Mechanisms: (owner/operator pays fee to third-party, third-party guarantees funds to the DNR if necessary)

- surety bond
- irrevocable letter of credit
- insurance policy

Interest-Bearing Mechanisms: (owner/operator provides funds upfront, which earn interest; the DNR can access if necessary)

- deposit with the DNR
- escrow account
- irrevocable trust

OFR – How?: submit proof of OFR

- Use DNR forms
- OFR established for the benefit of the DNR
- Mail original to DNR
- Make sure it is acknowledged by the DNR

Compliance Rates

Compliance Rates

- First full year since rule change went into effect (first year of compliance)
- Auto compliance determined on annual self-cert
- 20% or less residuals
 - residuals sent for disposal/total tons processed
 - excludes disposal waiver materials (e.g. fire damaged materials)
- More than 12% glass
 - glass sent for recycling or beneficial reuse/total tons of noncommercial accepted

Compliance Rates

- If not met, will be asked for justification
- If justification is acceptable, facility is in compliance (for the previous calendar year)
- If not acceptable, facility has 60 days to submit an acceptable improvement plan to the department for compliance

Compliance Rates

- Justifications are facility and situation specific
- “Materials came in contaminated” is not an acceptable justification and will require an improvement plan
- “More alcoholic beverage are switching to aluminum” is not an acceptable justification and will require an improvement plan
- Improvement plans are proposed by the facility
 - May include a detailed education and outreach plan
 - May include a commitment to slowing lines, rerunning material, adjusting equipment, etc.
 - Expectation is that the next cy the compliance rates would be met

Documenting Category 30 Residuals

Category 30 residual fee exemptions

- An exemption for processing residuals (residue) from self-certified MRFs from statutorily required landfill tipping fees
- Exemption applies for amount of residual generated or up to 10% of incoming materials, whichever is less
- Calculations for the amount of residual that is fee exempt shall be done on a quarterly basis.

Documentation for Category 30

- Total residuals generated in quarter
- 10% of incoming materials accepted for processing in quarter
- Amount claimed for fee exemption (lesser of two above or less if split between landfills)
- MRF representative name and title
- Due within 1 week of calendar quarter end (4/7, 7/7, 10/7, 1/7)

Routine Operations and Reporting

Operating Requirements

- <https://dnr.wisconsin.gov/sites/default/files/topic/Recycling/MRFInspectionForm.pdf>
 - Annual and in event of change notification requirements to contracted RUs and transporters on accepted materials
 - 3-sided bunker or equivalent storage for loose and light materials
 - Contingency plans (≤ 48 hrs & > 48 hrs)
 - New outreach materials: dated and state that they are facility specific
 - Review outreach materials at RU request
 - Provide annual report data to all RUs (not just contracted)
- As you said you would operate on SCOP

CONNECT WITH US

Casey Krausensky

Casey.Krausensky@wisconsin.gov



@WIDNR



@WI_DNR



/WIDNRTV



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OFF THE RECORD"