

Feedstock Origin Loan Criteria Recycling Market Development Zone (RMDZ) and Greenhouse Gas Reduction (GHG) Loan Programs

(Revised on April 17, 2018)

The goals of the Recycling Market Development Zone (RMDZ) and Greenhouse Gas Reduction (GHG) loan programs are to increase the quantity (tons) of California-generated material diverted from landfills, as well as to further enhance and develop recycling manufacturing infrastructure in CA.

RMDZ Loans

The project must demonstrate that the materials were generated in CA and are being diverted or currently disposed in a CA or out-of-state landfill.

- Feedstock is not required to be newly diverted and can already be diverted from a landfill. An example of this is feedstock which comes from an intermediate processor or recycler which cannot prove that the material is currently being disposed in a landfill because the material is already being used as feedstock by other companies or is being sent overseas for recycling.
- Source reduction is an eligible project per RMDZ Loan eligibility criteria. An intermediate processor could create value-added materials without increasing diversion from a landfill, because they are using material that has already been diverted. The Public Resources Code does not require diversion from California landfills but instead refers to “increase market demand... for postconsumer materials.” The opening provision in PRC 42001 is general and says “stimulate the use of postconsumer and secondary materials generated in California as raw materials used as feedstock”. Regulations (14 CCR 17930) do state to “increase the diversion of non-hazardous solid waste from California landfills” but the same sentence then goes on to say “and to promote market demand for secondary and postconsumer materials.”

GHG Reduction Loans

- The project must demonstrate that the materials were generated in CA and additional tons will be diverted from a CA or out-of-state landfill. Demonstrating that additional tons will be diverted is different than the RMDZ loan program.
- A manufactured “product” is defined as a good or package in a form which requires no further processing or forming before it is offered for sale to an end-user. For example, it does not include intermediate products, such as plastic pellets sold as feedstock to a converter for fabrication into a consumer product.