



Individual Program Plan for Producer Responsibility Colorado

*Packaging for oil-based lubricants,
grease, antifreeze, engine additives and other fluids
typically used in transportation and mechanical applications*

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Appendix A – [Draft \(Dec. 2, 2024\) Colorado Coordination Agreement](#)

Appendix B – [Advisory Board Feedback – November 13 and November 25, 2024](#)

1. Introduction

The Colorado [Producer Responsibility for Recycling Packaging and Paper Act-HB22-1355](#) (the Act) was enacted in 2022. The program is structured to provide convenient recycling access to all Coloradans with no added cost to consumers or local governments.

Effective July 1, 2025, a producer may not sell or distribute any products that use packaging materials and paper products (the Covered Materials) in the state unless the producer is participating in a program plan approved by the Executive Director of the Colorado Department of Public Health and Environment (CDPHE).

The Producer Responsibility Program for Statewide Recycling will provide recycling services to residences, public places, small businesses, schools, hospitality locations, and state and local government buildings (the Covered Entities). It will be funded by annual Producer Responsibility Dues paid by producers of products that place the Covered Materials on the market in Colorado. The program will initially only ensure recycling services for residential Covered Entities, with a requirement to expand services to applicable non-residential Covered Entities by 2028, as identified in a Needs Assessment conducted by Circular Action Alliance (CAA).

The Act created the Producer Responsibility Advisory Board which consists of members with expertise in recycling programs and knowledge of recycling services in the different geographic regions of the state. The board will review plan proposals and make approval recommendations to the CDPHE. Plans must identify how statewide material collection (including convenience standards), material recycling, and program funding (including dues with eco-modulated factors) will be achieved in accordance with the Act's requirements.

In June 2024, the Lubricants Packaging Management Association powered by Interchange 360 (LPMA) notified the CDPHE of its intent to file an Individual Program Plan for Producer Responsibility (IPP) for purposes of providing extended producer responsibility (EPR) compliance services and circular material management support to its obligated Producer Members. The current member list available at <https://interchange360.com/state-response-plans/colorado/>.

LPMA is submitting this IPP to the Advisory Board for the proposed management of Colorado's packaging for oil-based lubricants, grease, antifreeze, engine additives, and other fluids typically used in transportation and mechanical applications. The IPP describes how LPMA's Producer Members will comply with their obligations as Producers under Part 7 of the Act. A draft [Coordination Agreement](#) has been developed by LPMA and CAA, the producer responsibility organization (PRO) designated by the department to administer the statewide program.

This IPP proposal was prepared for submission to the Advisory Board by January 1, 2025. The final plan approved by the CDPHE is intended to cover a period of five years commencing six

months after the approval date. As an alternative to participating in CAA’s more comprehensive recycling program in Colorado, LPMA is required to notify the department of its intent to submit an updated IPP proposal to the Advisory Board by each January 1 following the 2025 submission. The updated proposals will address both residential and any applicable non-residential Covered Entities at the time.

2. LPMA Directive and Governance

As a 501(c) nonprofit organization, the directive of LPMA is to provide producers of petroleum and automotive products with sustainable, transparent, and cost-effective support for their EPR compliance needs and circular economy objectives.

LPMA was founded by five leading petroleum companies—BP Lubricants USA, Inc. (Castrol), Chevron U.S.A. Inc., ExxonMobil Oil Corporation, Pennzoil-Quaker State d/b/a SOPUS Products (Shell) and VGP Holdings LLC (Valvoline)—in response to the passage of EPR laws in several states. LPMA is managed by a multi-stakeholder [Board of Directors](#) with representation from a variety of sectors, and supported by the CEO and management team using a model focused on ensuring compliance.

LPMA has engaged [Interchange](#) to deliver services for its obligated members in the Colorado program. Interchange has operated a British Columbia-wide collection and recycling program for used oil, oil filters and used oil containers since August 2003 and for antifreeze since 2011. The model proposed for Colorado is similar to the BC program, where the average annual collection and recycling rate of used containers is over 90%. The annual recycling rates for all products included in the BC program are published in Interchange’s [Annual Reports](#).

Further information about LPMA is available at interchange360.com.

3. Materials Covered by IPP

This IPP covers packaging for the uses summarized below. A more [comprehensive list of included products](#) was developed in coordination with CAA as the first part of the [Coordination Agreement](#).

The packaging may be plastic (HDPE, non-HDPE, multi-layer), metal (including aerosol containers) or other materials, and is hereafter referred to as “Automotive Containers”.

- Lubricating oil
- Antifreeze
- Diesel exhaust fluid (DEF)
- Windshield washer fluid
- Brake fluid
- Sealers
- Conditioners
- Boosters
- Solvents
- Degreasers

- Lubricants
- Stabilizers
- Fuel system cleaners

Excluded: Products used to clean or maintain the interior or exterior surfaces of an automobile (e.g., car wax and upholstery shampoo)

The CAA Needs Assessment confirmed that contamination of packaging is a major operational issue for processors and end markets. To prevent contamination and environmental risks, Automotive Containers should not be collected along with other consumer goods packaging in a curbside collection system. This IPP provides for an alternative approach utilizing a state-wide depot-based collection system that will maximize diversion of Automotive Containers and reduce contamination or other environmental risks.

Given that Automotive Containers would be managed independently of other Covered Materials in the system, no impacts on these other types of packaging are expected.

4. Stakeholder Engagement

a) Stakeholder Consultation

To prepare this IPP proposal, LPMA conducted surveys of Colorado service providers on the existing system including the volumes of used Automotive Containers currently collected. The survey was intended to supplement the information on Automotive Containers gathered through the CAA Needs Assessment.

LPMA also delivered presentations to the Advisory Board on each of November 13 (IPP overview) and November 25 (IPP details). The feedback received from the board, included in [Appendix B](#), assisted in informing the content of this proposal.

LPMA will provide the opportunity for additional stakeholder input in 2025 during the IPP consultation and review process, for consideration in LPMA's final plan.

b) Ongoing Engagement

As part of its ongoing operations, LPMA is committed to engaging with and being accessible to its program stakeholders, which will occur in a variety of ways. LPMA will:

- Provide the opportunity for Colorado's consumers, service providers and other stakeholders to bring forward questions or concerns to LPMA at any time by direct telephone or email, based on contact information published on the [LPMA website](#).
- Survey the Colorado public for feedback on awareness of the LPMA program regularly.
- Hold regular partnership meetings with program service providers, including collectors and processors, to assist in keeping current on any challenges to program operations.

- Hold regular partnership meetings with other programs and local governments that manage the regulated products to coordinate efficient program operations.
- Deliver regular communication to LPMA's Producer Members to provide updates on key program or producer obligation and compliance matters.
- Issue targeted stakeholder consultations/surveys on specific program topics as needed.
- Support dialogue between LPMA's Producer Members and the director who represents the member on LPMA's Board of Directors, allowing any member concerns to be conveyed to the board and staff.
- Monitor for scheduled Colorado and external conferences or events and attend those where LPMA's participation would be beneficial.

LPMA is also proposing a comprehensive education and outreach program, as detailed in [section 12](#).

5. Performance Targets

a) Containers Available for Collection

To estimate the amount of material available to collect, LPMA seeks to identify and use the best available information which will be gathered from its Producer Members, service providers and, where needed, qualified external consultants. For purposes of this IPP, it is assumed that all Automotive Containers sold into the Colorado marketplace are available for collection.

As input to the IPP, LPMA engaged with existing Colorado service providers on the historical volumes of Automotive Containers currently collected by programs in the state. While there appears to be a robust system of both permanent collection sites and community collection events for collecting and managing residual product, any containers collected are generally diverted to landfill.

b) Collection and Recycling Targets

LPMA's overall goal for Automotive Container collection is year-over-year improvement, as demonstrated by the specific targets in the table below. LPMA's emphasis on delivering a robust consumer [awareness and education program](#) in coordination with other recycling initiatives will increase knowledge of the proper disposal methods and improve annual material collection and recycling performance through both 2030 and 2035.

Automotive Containers	Collection Rate									
	Calendar Year									
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Target Collection Rate	+	+	+	+	44%	+	+	+	+	58%

Recognizing the content of Automotive Containers, LPMA will also track Producer Member efforts and progress on reusable and refillable packaging for purposes of collective reporting to the CDPHE.

Performance against targets will be reported in LPMA’s [Annual Reports](#), with further data available by both the [included product categories](#) and the material types.

c) Post-Consumer Recycled Content Targets and Verification

LPMA recognizes the need to support and report on Post-Consumer Recycled (PCR) content. LPMA will gather data in the first two years of program delivery to establish baseline PCR content usage by its Producer Members, which will inform realistic target setting for each of 2030 and 2035.

LPMA also commits to engaging an accepted methodology to calculate PCR content rates, and an independent and recognized verification body for purposes of reporting to the CDPHE on PCR content.

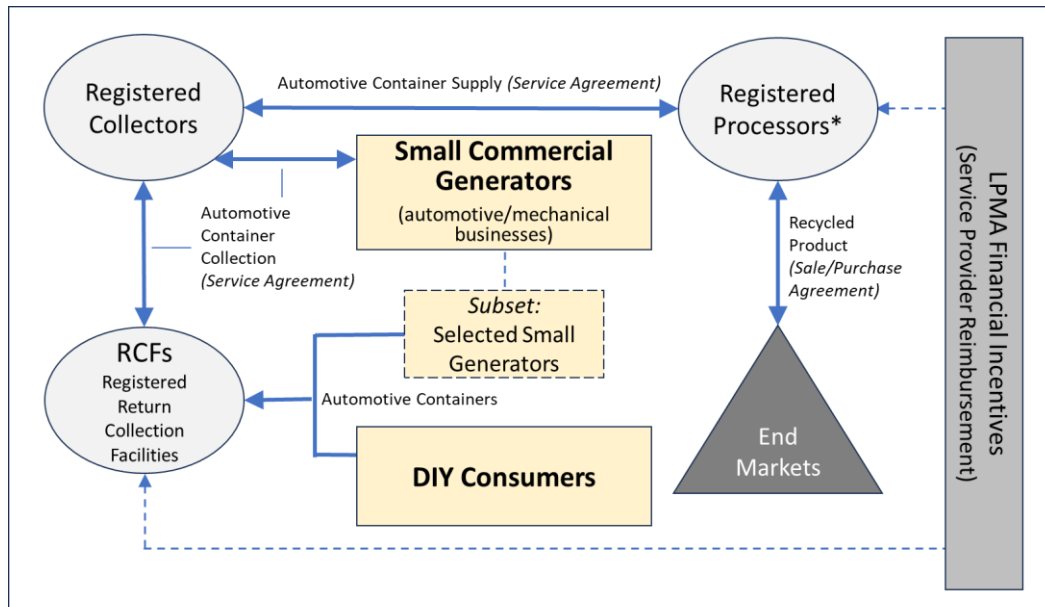
Through its ongoing communication with Producer Members on obligation and compliance matters, LPMA will ensure that members interested in working to achieve the minimum PCR content targets are aware of the Registered Processors from which PCR material feedstock can be purchased at market prices.

LPMA may work with service providers in seeking opportunities to identify end markets that can return PCR materials to their original use, provided those materials meet other laws impacting the automotive product packaging.

6. LPMA Alternative Collection Program

In accordance with the Act, the LPMA collection program will provide do-it-yourself (DIY) consumers and small Commercial Generators access to collection services.

The diagram below depicts the overall LPMA collection model and is followed by descriptions of its components. (LPMA’s financial incentive program for service providers, also depicted in the diagram, is detailed in [section 10.](#))



a) Collection Model

Collection facilities, collectors and processors must register with LPMA before they are eligible to participate in the program. LPMA’s approach to paying the cost of material collection and management is discussed in [section 10](#).

Return Collection Facilities

Return Collection Facilities (RCFs) will be available for Automotive Container drop-offs by **DIY Consumers** as well as some of the smaller Commercial Generators that prefer this option over entering an agreement with a Registered Collector (discussed next in this section). Consumers who change their own oil or antifreeze generally represent a lower percentage of the overall used Automotive Containers generated.

To establish the RCFs, LPMA’s preference will be to engage with Colorado’s existing service providers and solid waste facilities that accept a variety of products for recycling. RCFs can be privately operated multi-material depots (bottle depots), local government operated recycling and landfill sites, eco depots, retail sites or other businesses.

Once the RCF locations are finalized, the [LPMA website](#) will include a search tool for consumers to locate their nearest free drop-off facility. Materials dropped at RCFs will be picked up regularly by **Registered Collectors** based on agreements between the two parties.

RCFs will provide dedicated storage areas for Automotive Containers to reduce the risk of contamination from or to other materials that may be collected at the site. Contamination will

be monitored by RCF operators and recorded for reporting by LPMA to the CDPHE, as required.

Collection facilities will receive training on the proper handling of used Automotive Containers including monitoring for and segregating containers where significant residual product remains. Any residual oils received will be collected and redirected for recycling.

Commercial Collection

Small **Commercial Generators** of Automotive Containers that generate quantities more than a DIY consumer (service stations, mechanic shops, quick lube shops, auto dealerships, etc.) will choose the Registered Collector(s) they want to make service arrangements with. The resulting collection agreements ensure ongoing material access and diversion, often outlining the collection frequency, collection requirements and any payments or charges. While these agreements are between the facility and the collector and do not involve LPMA, Registered Collectors and Processors are compensated by LPMA based on the collection volumes and locations.

The commercial collection system provides the cleanest material and leads to the best environmental outcome for that material. In a commercial setting, the Automotive Containers can be stored and kept clean and free of contaminants, which significantly improves recyclability.

Expansion to other Covered Entities (Act section 17-705(3)(a)(V))

The LPMA commercial collection model as described in this IPP is readily expandable to larger commercial consumers as well as industrial and institutional consumers prior to 2028. Collectively, the Commercial Generators generally represent a higher percentage of the overall used Automotive Containers generated.

Registered Collectors are required to ship the collected Automotive Containers to a **Registered Processor** for an approved end use, based on supply agreements between the parties.

As Automotive Containers often contain a certain amount of used oil or antifreeze, measures are required to ensure that proper equipment and vehicles are used for their transport. As a result, it is important that any Registered Collectors and Processors handling this packaging are doing so in compliance with the required environmental standards. LPMA requires that, as a condition of registration and every two years thereafter, each collector and processor engage an independent third-party qualified professional to conduct an environmental audit of their operations and state in a Letter of Regulatory Compliance that the operation is in substantial compliance with all applicable state and federal environmental legislation and regulations. In addition, each collector and processor must submit a copy of their current Business Licence to LPMA. LPMA will not register a collector or processor unless both conditions are met.

b) Other Collection

LPMA will assist with other Colorado initiatives that advance Automotive Container collection and/or program awareness.

Community Collection Events

LPMA will provide financial support for community collection events operated by local governments, tribal nations and community groups. These are often multi-material events that are supported by other recycling programs and provide residents with an opportunity to recycle a variety of products at the same location.

Organizations will be invited to apply for LPMA's Round Up Event Grant, offered with the goal to help increase the number of free collection services available to residents across Colorado.

These events are geared to communities that are interested in having an event in place of a facility, or as a consumer awareness initiative in communities that already meet LPMA's Service Standard ([section 7](#)).

Working with the Curbside System

LPMA will work with other programs to ensure collection and management of any Automotive Containers inappropriately discarded by consumers at residential premises into the curbside system. However, the preference will be that consumers are directed to bring this packaging to a RCF or Community Collection Event to reduce contamination risks.

7. Collection Service Accessibility (Convenience Standards)

Any Covered Entities in Colorado with access to recycling services on December 31, 2022 (Act section 25-17-706c(3)(c)) will continue to have comparable access through the LPMA program. These Covered Entities include all single-family or multifamily residences, the non-residential locations identified in this plan (such as small Commercial Generators) and tribal nations. Based on LPMA's Service Standard (defined below), the aim will be to increase accessibility and service levels over the lifespan of the IPP, while still operating a cost-effective program.

a) Service Standard

Following is the LPMA methodology for determining the service for each Colorado community. The standard is intended as a guide and more customized approaches may be required to achieve the best collection solution for individual communities or groups of communities.

Distribution Criterion: Provide 90% of the state's residents access to a permanent (e.g., year-round) drop-off site within 15 miles (otherwise, a collection event).

Density Criterion: For Urban Areas with more than 50,000 residents, provide one additional permanent drop-off site for every 30,000 residents of an Urban Area.

Population counts are based on United States Census Bureau data, as updated annually. The Bureau defines “Urban Area” as a statistical geographic entity consisting of a densely settled core created from census blocks and contiguous qualifying territory that together have at least 2,000 housing units or 5,000 persons.

Tribal Nation Inclusion: LPMA will work directly with all Tribes to understand their needs specific to Automotive Container collection, and to develop the appropriate LPMA services for each Tribe.

b) Access to Facilities

As part of the planned depot search tool on interchange360.com, LPMA will provide the location and operation hours of the facilities that accept Automotive Containers.

8. Processing and Responsible End Markets

Registered Collectors are required to ship Automotive Containers to LPMA Registered Processors that are an approved, responsible end market. Registered Processors provide mechanical recycling of the end of life materials, which differs from Colorado’s Material Recovery Facilities (MRFs) that focus on advance sorting of comingled recycling materials.

Registered Processors must ensure that materials are managed in a way that benefits the environment, minimizes risks to public health and worker health and safety, and is in compliance with environmental requirements.

Every two years, LPMA requires that both Registered Collectors and Processors engage an independent third-party qualified professional to conduct an [environmental audit](#) of their operations. Upon the CDPHE’s request, LPMA will also be subject to [Material Tracking Audits](#).

All processed containers will be sold as raw material commodities to responsible end markets for the manufacture of new plastic and metal products. At the program onset, the containers will be shipped out of state or country, as close to the generation source as possible, until other market options are developed to serve Colorado and the surrounding states.

LPMA Registered Processors are facilities that:

- Shred the plastic containers, remove the oil and antifreeze from the plastic, and pelletize it into reusable plastic resin;
- Shred the plastic containers, remove the oil and antifreeze from the plastic, and create “shredded flake”; or
- Smelt the metal containers for processing into recycled steel.

For bag-in-box packaging, the box will be directed for fiber recycling and the lightweight bladder bag will be sent to molecular recycling or landfill. As these bags contain nylon, there is currently not a feasible mechanical recycling option at end of use.

Once the program is operational, LPMA will work with service providers to identify opportunities to invest in the development of closer-to-home markets for the collected materials.

Reporting on the end markets of all Automotive Containers collected will be provided in LPMA's Annual Reports and on its website. End markets reported by LPMA have undergone desk reviews as part of its Return Incentive ([section 10](#)) claim process and, as noted, are subject to audit.

9. Funding Mechanism and Producer Members

The program will be funded by Producer Responsibility Dues (PRDs) payable to LPMA by its Producer Members on the sale or commercial use of new materials in Colorado. Each Producer Member will determine if/how it will recover the PRDs, noting that consumers will not be charged at the point of sale to recoup costs. Once producers are registered and reporting, LPMA commits to assessing a de minimis level in which no dues are charged and an optional flat rate for producers below a certain size to minimize the administrative and reporting costs of the producers and LPMA.

The PRDs will be structured to reflect the complexity and cost to manage each type of Automotive Container. The amounts will be reviewed annually and following input from the Producer Members, updated to reflect any changes to program costs or the program plan. The dues applicable to Colorado Producers, by container type, will be published on interchange360.com.

The total PRDs collected will not exceed the program's costs for:

- Providing Recycling Services (Act section 17-703(40));
- Meeting reporting requirements;
- Conducting LPMA needs assessments (through supplier surveys);
- Developing and updating the IPP;
- Implementing education and outreach; and
- Contributing to the costs of the department in overseeing the program.

LPMA's share of the CDPHE oversight costs to be paid to the department by LPMA will be based on a cost allocation proposal made to the state by LPMA and CAA (targeted for spring 2025). LPMA proposes that the department review the cost allocation methodology every three

years following the IPP approval date to ensure that the oversight costs are reasonable, and the allocation is fair.

At the request of its Producer Members, LPMA may also implement special assessments, payable by the producers, to support improvements to the collection and recycling of Automotive Containers.

The administrative costs of the program will be established by the LPMA Board and borne by the Producer Members. Over the term of the program, LPMA will aim to keep the administrative costs low relative to program costs.

LPMA will also maintain a financial reserve sufficient to operate the program in a fiscally prudent and responsible manner. Any surplus funds generated by the program will be placed back into the program for program improvements or a reduction in PRDs.

LPMA's required Participation Agreement for producers is available on interchange360.com and includes producer obligations for participation in the program. LPMA may terminate an agreement immediately if the producer ceases to carry on business or fails to comply with LPMA's rules or the terms of the agreement. LPMA will specifically monitor individual Producer Member compliance with their obligations under Part 7 of the Act and notify the CDPHE of any unresolved non-compliance issues. The annual report to the Advisory Board will also identify producers that may be out of compliance with their obligations.

The current list of Producer registrants is maintained on interchange360.com.

a) Eco-Modulation

By January 1, 2026 and each year thereafter, the CDPHE will develop an eco-modulation bonus/malus schedule designed to adjust the PRDs of producers in certain conditions. The CDPHE will consult with LPMA and the Advisory Board in developing the eco-modulation schedule, and LPMA will reduce (or increase, as applicable) the PRDs in accordance with that schedule.

Below are the CDPHE eco-modulation factors applicable to an IPP as confirmed to LPMA by the Advisory Board. As required by the Act, eco-modulation will begin on the first year of the program (2026).

1. Incentives (bonus)	2. Disincentives (malus)
a) <i>Reductions in the amount of packaging materials used for products</i>	a) <i>Designs and practices that increase the costs of recycling, reusing, or composting Covered Materials</i>

1. Incentives (bonus)	2. Disincentives (malus)
b) <i>Innovations and practices to enhance the recyclability or commodity value of Covered Materials</i>	b) <i>Designs and practices that disrupt the recycling of other materials</i>
c) <i>High levels of post-consumer recycled material use</i>	
d) <i>Designs for the reuse and refill of Covered Materials</i>	
e) <i>High recycling and refill rates of Covered Materials</i>	

Following is LPMA's preliminary assessment of the application of eco-modulation factors for Automotive Containers. All factors implemented by LPMA will be applied after the base dues have been calculated.

- **High PCR content use – 1(c)**
 - Good candidate for LPMA bonus for using high levels of PCR materials
 - This factor is verifiable, measurable and applicable
 - PCR requirements would vary depending on the material
 - Would be specific to producer packaging and product design choices within a material category
 - Factor potentially based on weight or a threshold percentage of PCR content for the material

- **Reduction in materials – 1(a)**
 - Potential candidate for LPMA bonus for reductions in the amount of packaging materials used for products
 - Would be specific to producer packaging and product design choices within a material category
 - Incentive would be granted following a verification process in which eligible producers submit additional data to substantiate their claims on the stated performance of their selected packaging, and to ensure risks and fraudulent claims are minimized
 - Factor potentially based on number of components, or product/package ratio, or average unit weight

- **High recycling and refill rates – 1(e)**
 - Potential candidate for LPMA bonus for high recycling rates
 - Would be applied at the material reporting category as an adjustment to base dues
 - Would decrease dues for all producers supplying like packaging

- Factor potentially based on \$/weight or as a percentage of the payable base dues
- **Increased recycling costs – 2(a)**
 - Potential candidate for LPMA malus for designs and practices that increase the costs of recycling or reusing Covered Materials
 - Would be applied at the material reporting category as an adjustment to base dues
 - Factor potentially based on \$/weight or as a percentage of the payable base dues
- **Other factors**
 - Poor candidates for Automotive Containers

LPMA will engage subject matter experts to assess the most viable eco-modulation factors for Automotive Containers, recommend on the material categories, and advise on bonus and malus thresholds. Industry design guidelines will also be taken into consideration.

Applicable baseline data will be gathered from LPMA's Producer Members to develop a proposed structure for the incentive/disincentive rates. LPMA will use the year 1 (2026) data to refine the approaches for 2027 and forward.

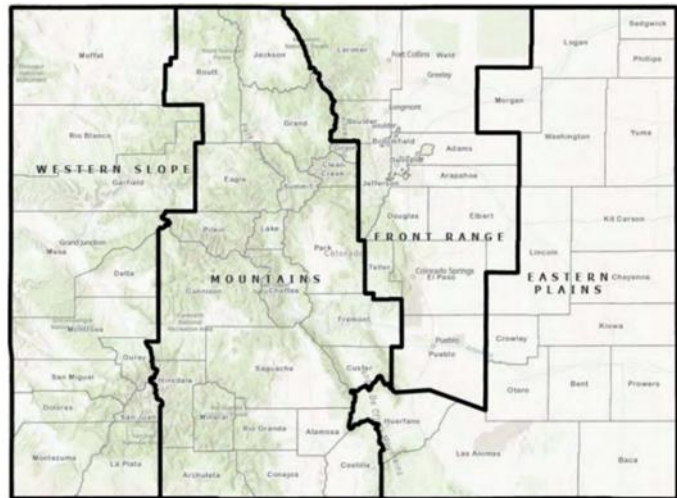
10. Service Provider Reimbursement (Financial Incentives)

LPMA's depot and commercial-based collection system for Automotive Containers requires a compensation approach that differs from the reimbursement approach for curbside collection. LPMA will pay the cost of material collection and management by providing financial incentives to the marketplace to drive desired results. Registered participants receiving these incentives are required to demonstrate independently verified, responsible end markets.

Participants will own/have the ability to market the material and control their financial outcomes. They can enter and exit the program with minimal notice based on their own evaluation of the economics, logistics, and other factors resulting from their participation in the program.

As shown in the [diagram in section 6](#), direct support is offered to RCFs by LPMA. This assistance is in the form of **Infrastructure Grants** as well as marketing support such as signage. As noted earlier, RCFs can be retailers, depots, local governments or other businesses that choose to enter into an agreement with LPMA and to separately enter into a service agreement with a Registered Collector.

LPMA also provides a **Return Incentive (RI)** to Registered Collectors and Processers based on the **collection zone** in the state where the materials are sourced. For incentive and reporting purposes, each of Colorado’s four regions will be designated as a zone – Western Slope, Mountains, Front Range and Eastern Plains. This division will be assessed over time as more is learned about service providers in Colorado. The variable RIs support economic and efficient collection of Automotive Containers across the state by offsetting the costs of collecting and processing the materials at registered processing facilities.



Incentive claims provide regular reporting to LPMA on the volumes of containers collected at RCFs, and the volumes of containers received by Registered Collectors and processed by the Registered Processers.

a) Compensation Methodology

The four cost/revenue components included in LPMA’s proposed methodology are described below. The methodology identifies the cost elements specifically considered and the types of financial incentives provided to ensure that program accessibility and collection objectives are met.

Cost/ Revenue Component	Cost/ Revenue Elements Considered	Incentives Provided by LPMA for	
		Commercial Collection	RCF Consumer Collection
Generator Site Costs	Labor Space Equipment Materials Other	No incentive provided by LPMA—these costs are considered to be a cost of business for all commercial operators who derive used Automotive Containers as a by-product of their normal business operations	Infrastructure grants are available to RCF operators to support improved facility standards for the RCF operators and collectors, and to allow RCFs to store containers safely and in economic quantities
Market Value of Collected Materials	Positive or negative market value of the collected materials	No incentive provided by LPMA—these costs are considered to be a cost/revenue source for all commercial business operators who derive used Automotive	No incentive provided by LPMA—these costs are considered to be a cost/revenue source for all commercial business operators who derive used Automotive

Cost/ Revenue Component	Cost/ Revenue Elements Considered	Incentives Provided by LPMA for	
		Commercial Collection	RCF Consumer Collection
		Containers as a by-product of their normal business operations	Containers as a by-product of their normal business operations
Transport and Management	Fuel Labor Insurance Equipment Overhead costs Market price (cost) Other	A graduated Return Incentive based on defined collection zones is paid to registered collectors and processors to offset the costs of transporting and managing the used Automotive Containers from the generation point to the processing facility	A graduated Return Incentive based on defined collection zones is paid to registered collectors and processors to offset the costs of transporting and managing the used Automotive Containers from the generation point to the processing facility
Processing Costs / Revenue	Processing costs	Return Incentives paid to registered processors, when considered with the net revenues and/or costs of processing these materials, cover the costs of processing Automotive Containers to LPMA approved processing standards	RCF operators may benefit from revenue opportunities, where negotiated with collectors and/or processors

The initial financial incentive rates will be set once the service costs in Colorado are better understood. Following their implementation, LPMA will conduct regular reviews of the incentives for potential adjustments to ensure program goals continue to be met, despite fluctuations in the market values of the materials collected and the costs of collection and management.

LPMA will also work with Colorado’s Commercial Generators and its Registered Collectors and Processors to ensure the factors that dictate the cost of service are well understood by all parties so that efficient/timely collection is provided by all collectors, and processors receive high quality materials. Setting of standards for quality, contamination, minimum volumes and methods and the location of stored materials will also ensure that commercial operators can better manage their commercial agreements with Registered Collectors and Processors.

11. Proposed Budget

LPMA’s annual budget can be better established once the complete requirements and scope of the Automotive Container program are confirmed. A preliminary estimate of annual revenues/expenses, to be refined once producers are registered and reporting to LPMA, is \$1 to \$3M. Budgets will be adjusted annually or as needed.

12. Education and Outreach

To ensure compliance with the Act's requirements for raising public awareness, LPMA will launch a statewide program to boost public awareness on the recycling and reuse of Covered Materials. This initiative will educate consumers on proper material handling, available recycling services, and litter prevention to protect material quality. These targeted, accessible resources will strengthen community understanding of recycling's environmental and economic benefits.

LPMA's outreach will feature clear, consistent messaging for diverse demographics, ensuring all communities can easily follow recycling guidelines. Through alignment with state and local recycling initiatives, LPMA will streamline messaging across digital, print, and community platforms. This coordinated approach will help Colorado reach its targeted collection and recycling rates under the Producer Responsibility Program for Statewide Recycling.

To further enhance outreach, LPMA will partner with newspapers, magazines, and online periodicals, using advertising as part of the Producer Responsibility Dues, which supports local publications while expanding public engagement. To measure effectiveness, LPMA will implement a method to evaluate and report on public response and recycling habits, ensuring the Education and Outreach program remains responsive, data-driven, and adaptive to community needs.

13. Dispute Resolution

LPMA is committed to understanding and addressing any matters as they are initially raised by stakeholders. Should issues or concerns be identified, the individual or organization can take the following steps:

- LPMA provides multiple communication channels to mitigate the need for issue escalation. As detailed in [section 4](#), LPMA offers clear pathways to raise matters of concern early on, including by consumers, the general public, Producer Members and service providers*. Should there be a matter that cannot be resolved collaboratively through the normal channels, the individual or organization can proceed through the next steps.
- Bring the dispute to LPMA's Chief Executive Officer.
- If the matter is not resolved at the previous levels, service providers can use normal commercial legal procedures such as Colorado's arbitration laws.

*With respect to potential service provider matters, of note is that LPMA's incentive system supports the competitive commercial market.

14. Annual Report, Audits and Records

a) Annual Report

Before March 31 of the second year of an approved IPP and by each March 31 thereafter, LPMA will submit an Annual Report to the Advisory Board describing progress on the plan. The report will include information on the preceding calendar year, as follows:

- (i) A detailed description of the progress toward each applicable element of the final plan as described in Act section 25-17-705 (4);
- (ii) A list of all the producers, brands and Covered Materials covered by the final plan;
- (iii) A list of producers that are not participating in the program and any producers that may be out of compliance with one or more obligations imposed by Act part 7;
- (iv) The total weight of the Covered Materials that producers used for products that are sold or distributed in the state;
- (v) The total amount of Producer Responsibility Dues collected under the program, including an annual schedule of Producer Responsibility Dues assessed by weight for each type of Covered Material and any annual increases or decreases in the dues schedule and the reasons for these adjustments;
- (vi) The total weight of each type of Covered Material that is collected and recycled under the program, with the data broken down by
 - (a) means of collection, including by curbside service or drop-off center or other means,
 - (b) the number of Covered Entities, by type and by county, serviced through publication collection sites ([RCFs](#)),
 - (c) the method used to handle the collected Covered Material, and
 - (d) geographic area;
- (vii) The recycling rate, collection rate, and post-consumer recycled content rate for each type of Covered Material and a description of the organization's process in achieving the minimum rate targets set forth in the final plan pursuant to Act section 25-17-705 (4)(p);
- (viii) The rate schedules for reimbursement (or [incentives](#) available) to service providers, any proposed adjustments to the rate schedules (or incentives available), and a summary of any disputes arising between the organization and service providers concerning rates (or incentives) and how the disputes were addressed;
- (ix) A summary of the education and outreach efforts implemented in accordance with Act section 25-17-707, including
 - (a) samples of any materials distributed, and

- (b) a description of the methodology used and the results of the evaluation conducted pursuant to Act section 25-17-707 (4);
- (x) A list of the names, locations, and hours of operation for RCF drop-off centers, and other entities accepting or collecting Covered Materials under the program;
- (xi) A description of the organization’s efforts to ensure that Covered Materials have been responsibly managed and delivered to responsible end markets under the program;
- (xii) A list of the recycling end markets of any Covered Materials and, if the Covered Materials are processed through a method other than mechanical recycling, the list must include
 - (a) a description of how the method will affect the ability to recycle the Covered Material into feedstock for the manufacture of new products,
 - (b) a description of how the method will increase the types and amounts of recycled plastic for food and pharmaceutical-grade packaging and applications,
 - (c) a description of any applicable state and federal air, water, and waste permitting compliance requirements for the method, and
 - (d) an analysis of the environmental impacts of the method compared to the environmental impacts of incineration of solid waste in landfills;
- (xiii) A copy of an [independent third party's report](#) auditing the program pursuant to Act section 25-17-708 (5);
- (xiv) A description of the status of reserve funds, an assessment of the adequacy of those funds to cover program costs, and a description of how any program shortfalls will be addressed;
- (xv) Any amendments to the final plan in accordance with Act section 25-17-705 (6);
- (xvi) N/A for IPP; and
- (xvii) A description of the Advisory Board's feedback on any amendments to the final plan pursuant to Act section 25-17-705 (6)(a).

b) Audited Financial Statements

LPMA will submit annual independently audited financial statements which include a detailed list of the plan’s costs and revenues from Producer Responsibility Dues. The audited statements will be included in the Annual Report submitted to the Advisory Board before March 31 of the second year of the program's implementation, and by March 31 each year thereafter.

c) Material Tracking Audits

To demonstrate that end markets meet the standards of “responsible”, if requested by the CDPHE, LPMA will conduct audits of records pertaining to Covered Materials tracking (e.g., chain of custody). The results will be included in the applicable Annual Reports.

d) Records

For a period of 5 years, LPMA will maintain all documents and records necessary for the CDPHE to determine compliance with the Program. The records will be open to inspection by the department at any time as permitted by the Act.

LPMA will submit documents and records related to the calculation and payment of Producer Responsibility Dues, recycling rates, collection rates, post consumer-recycled content rates, and any other materials necessary for the CDPHE to determine compliance with the program, to the department within ten business days or the timeline specified by the department, whichever is later.

Should it cease to exist or cease to administer the program, LPMA will transfer all producer data to the PRO designated by the CDPHE to administer the program. If no PRO exists, LPMA will transfer the data to the CDPHE to be managed by the department until transferred to a designated PRO.

Appendix A Draft (Dec. 2, 2024) Colorado Coordination Agreement

DRAFT (Dec 2, 2024)
Colorado Coordination Agreement
between
Circular Action Alliance
and
LPMA Powered by Interchange 360

Circular Action Alliance (CAA) is a national Producer Responsibility Organization (PRO) that has been appointed by Colorado as the State PRO and is developing a Program Plan to be submitted to the State for approval. LPMA Powered by Interchange 360 is a national Extended Producer Responsibility (EPR) compliance agency for Producers of petroleum and petroleum related products and packaging and is developing an Individual Program Plan (IPP), complimentary to the CAA Plan, that is to be submitted to the State for approval. Coordination on key program elements is required for both programs to be successful:

	LPMA / Interchange 360	CAA
1.Product Scope	Petroleum and petroleum related packaging (<i>Appendix A: LPMA Colorado Product List</i>)	All product packaging except for LPMA managed packaging or packaging managed by another state approved PRO or IPP.
2. Producer Registration and Reporting	Separate Registration - Producers of LPMA managed products would register with and report to LPMA, and Producers of non-LPMA managed products would be referred to CAA or another state approved PRO or IPP.	Separate Registration - Producers of non-LPMA managed products would register with and report to CAA or another state approved PRO or IPP. Producers of LPMA managed products would be referred to LPMA
4. Collection	Separate collection of LPMA managed products at HHW depots, HHW events and automotive retailers and service stations	Separate Collection of non-LPMA managed products – curbside focused
4. Public Communication	Separate material-specific direct to consumer and stakeholder communication. Coordinate public messages with CAA to increase consumer awareness of all recycling options including where/how to recycle LPMA and CAA managed products.	Separate material-specific direct to consumer and stakeholder communication. Coordinate public messages with LPMA to increase consumer awareness of all recycling options including where/how to recycle CAA and LPMA managed products.
5. Post Collection Reconciliation and Reporting	Separate processing - Coordinate post collection material audit/verification to ensure reporting accuracy	Separate processing - Coordinate post collection material audit/verification to ensure reporting accuracy

Circular Action Alliance – Juri Freeman - juri.freeman@circularaction.org

LPMA Powered by Interchange 360: David Lawes – dlawes@interchange360.com

Appendix A: LPMA Colorado Product List - <https://interchange360.com/wp-content/uploads/2024/10/LPMA-CO-Applicable-Product-List-2024.10.15.pdf>

Appendix B Advisory Board Feedback – November 13 and November 25, 2024

Producer Responsibility Advisory Board Feedback			
Business Meeting #32 November 13, 2024			
Board Member	Plan proposal component	Board Feedback	Response from LPMA (unless otherwise stated)
Scott DeFife	IPP	A) How many states or provinces do you currently work in that have some sort of independent program plans like what is being proposed? Does this exist because of the packaging EPR in places like Colorado?	Yes. We have been running the program for 20 years in British Columbia. The programs facilitate collection and management for petroleum containers, motor oil and antifreeze which have been in place across Canada for many years. This product type sets itself up well for separate collections outside of the standard collection system as it creates problems at the recycling facilities. This is the first US IPP we are submitting as Colorado's deadline is first. We will also submit for Oregon.
Liz Chapman	IPP	A) Will your program plan include a plan for educating the public on how to recycle these materials? B) Will you be coordinating with CAA's education efforts?	A) There will be a consumer education component. This will be presented on November 25th. LPMA has a lot of experience in consumer education and wants to ensure confidence in responsible end markets. B) Yes, we will coordinate with CAA, and LPMA will build off this and direct consumer traffic to the appropriate place.
Rick Kattar	IPP	Are you planning on adding your processing facilities to existing MRFs? How do you plan to market that material?	Potentially. Most of the material in BC right now goes to a recycling facility called Merlin Plastics and RPM in Quebec. We are looking at options for bolt ons as well as using existing MRFs.
Michael Pratt	IPP	Will this be focused on strictly plastic packaging or will other types of packaging be in scope?	All formats of petroleum packaging will be included. HDPE is the most common but metal, 'bag in the box,' and other types of materials will also be included.
Scott DeFifes	IPP	Is Merlin the processor or do they clean the material?	Merlin now accepts pre-production plastic.

Producer Responsibility Advisory Board Feedback			
TWS #7 November 25, 2024			
Board Member	Plan proposal component	Board Feedback	Response from LPMA (unless otherwise stated)
Liz Chapman	IPP	A) Do the products themselves have an impact on the recyclability of the containers? B) Are there increased expenses for processing because materials fall in the HHW category?	A) Yes, it is more difficult to recycle with product residue in it. I.e. motor oil residue in a container. B) Yes, it is more expensive to process packaging that has oil residue.
Clinton Sander	IPP	A) There are contamination similarities with what has been explained today and compostables being mixed in a compost stream. Can you speak to the contamination you see within the program and how you quantify and address that contamination? B) Can you please expand on the process for post collection reconciliation?	A) LPMA will have a process in place with CAA to do a post-collection reconciliation, which may involve an audit. Generally, at commercial facilities, materials are more homogeneous and there is less commingled material. There will be a big focus on managing contamination on the front end through consumer education. B) The post-collection reconciliation may happen at the processing consolidation facility and include counting and reporting to ensure LPMA understands the volume of non covered materials getting caught in the system.
Rick Kattar	IPP	A) Will you pay a facility for sorting the material, like the Boulder County MRF? B) Processing can mean different things, what do you mean by processing? C) Could a rebate or deposit refund system work?	A) It will be different facility by facility. They will have different arrangements with each facility for both processing and collection. In Boulder, there is a recycling facility next to an HHW facility, which is unique in Boulder. B) Processing means shredding, grinding, removal of oil, and pelletizing. I do not see HHW facilities as doing processing. C) I have not seen a deposit system work on these materials.
Wolf	IPP	Can you please explain the existing programs you have in place and explain the final end market and material use?	LPMA needs to get more engagement with the industry to understand the cost and anticipated quantity and to develop B2B relationships to then be able to develop a comprehensive plan. Regarding end markets, decanting is a popular method, but there are other options where all items get transported as a whole. There are a lot of details and a business plan that needs to be considered, but they need flexibility in the system to be able to hit the targets. They are not going to be specific about who they are going to do business with.
Liz Chapman	IPP	A) How many producers have registered and do you know what percentage of total producers that is? B) What is your plan for establishing collection locations where there is currently no collection site?	A) They are expecting 250 participants across the state, but they currently only have approximately 10 large registered producers. B) LPMA will look to hit their accessibility targets. They intend to use the eight HHW facilities currently in the state. They may work with non profits or small retailers as well as other partners to have collection events.
Rick Kattar	IPP	Is there a unique type of drop off container or box that is required for your type of material?	LPMA uses modified sea containers with a reinforced floor to collect and store containers, which also captures any residue. It is preferred to have individuals triaging materials as they come in to reduce contamination.
Gail Garey	IPP	A) Regarding the collection sites and the service standard, how will this work in rural areas? B) To clarify, Steamboat Springs has 12,000 residents.	A) We will develop a collection event and service standard for every community type. B) In the proposed standard, 12,000 people would necessitate a permanent event, but ultimately we would work with the community to ensure the population has adequate access.
Caroline Mitchell	IPP	A) Could you please provide further detail on the service standard? B) Are you looking for feedback on these community sites?	A) For Fort Collins with a population of 175,000, at a minimum they would have 1 facility but at the end of the day we want to make sure that we have a system that works. So for a population close to 200,000, they would likely have 2 facilities. They will modify it based on what works for each community. B) We want feedback to ensure that we are providing a solution to meet the community needs. Sometimes in the small rural communities, it needs to be a mix of drive time and population characteristics.
Rick Kattar	IPP	A) When you refer to a facility, what does this look like to LPMA? B) Will LPMA collect the materials?	A) A facility is whoever signs up with the program to take back materials from the public. B) LPMA won't handle the material but they will provide incentives to the marketplace to collect and process.