



Interchange 360

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Producer Responsibility Plan for Petroleum and Petroleum Related Product Packaging California

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

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Submitted to:

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Packaging Producer Responsibility Act
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1. Introduction

Signed into law on June 30, 2022, SB-54 establishes California's Plastic Pollution Prevention and Packaging Producer Responsibility Act and imposes requirements for single-use packaging through an extended producer responsibility (EPR) program. California has set ambitious targets for reducing single-use plastic packaging including goals by 2032 to:

- Reduce single use plastic packaging by 25% (by both weight and source reduction);
- Ensure that 100% of these items are recyclable or compostable; and
- Recycle at least 65% of single use plastic packaging.

By January 1, 2027, unless certain conditions apply, obligated producers must not sell, offer for sale, import or distribute covered materials in the state unless the producer is accepted to participate in the plan of a producer responsibility organization (PRO) approved by the California Department of Resources Recycling and Recovery (CalRecycle) for the source reduction, collection, processing and recycling of materials covered under SB-54.

On behalf of its participating producers, Lubricants Packaging Management Association powered by Interchange 360 (LPMA) is submitting this Producer Responsibility Plan (PRP) for consideration of implementing a separate system for source reduction, collection, processing and recycling of petroleum and petroleum related product packaging in California. This would allow for compliance by LPMA participating producers with their obligations under SB-54, while enabling the effective collection and recycling of these materials. Here are some key points in implementing a separate system for these products.

Contamination of Curbside

Lubricant packaging often contains oily residual increasing the costs and impacting quality. Curbside and traditional commercial recycling is therefore not conducive to these special handling requirements.

High Recycling Rate Demonstrated

Given our many years of operating a collection program independent of the common collection system in British Columbia Canada, Interchange 360 is confident that we will meet or exceed expectation in California. For the past three consecutive years, our BC program has achieved the following recovery rates for program packaging;

- 2025 - 87.44% recovery rate
- 2024 - 89% recovery rate
- 2023 - 102.3% recovery rate

Reduction Trends and History of Lubricants Packaging

There have been substantial changes in the lubricants and automotive fluid industry that have had a significant impact on the amount and type of packaging used by the industry. Many of these reduction efforts pre-date the baseline data year of 2013 in SB 54, presenting a unique situation for the industry where continued packaging reduction will be difficult to achieve. The reduction in packaging during the 2013-2022 timeframe is difficult to isolate because industry activities and individual producer decisions occurred simultaneously. Below is an overview of the contributing factors.

- 1. Transition to Do-It-For-Me (DIFM) Business Model**
 - In the 1980s, more than 75% of oil changes were done at home. This changed with the rise of quick lube shops in the 1990s and maturing in 2000s. Personal oil changes are now estimated to make up only 25% of the market.
 - DIFM service locations almost exclusively use bulk and larger packaging formats (such as bulk tanks and drums) for economies of scale. This has eliminated small-format packaging for the majority of product sold to the market. This move to DIFM sales through bulk formats has effectively eliminated up to 67% of the packaging in the industry over the period.
- 2. Product Innovation to Reduce Frequency of Purchase**
 - Innovation in motor oil has extended the drain interval from 3000 miles in the 1980s and 1990s to 10,000 miles or more today. Similar to increasing product concentration, this allows the same packaging to be used for a greater useful life of the product. This represents an effective reduction in packaging of 70% over time, all else remaining equal. Advancements will continue, although likely at a diminishing pace.
- 3. Trend to Larger Packaging Formats**
 - The industry continues a trend toward larger packaging sizes, with increased sales of larger multi-quart jugs on retail shelf relative to single quart containers. When five 1-quart bottles (each weighing ~45 grams) are replaced by one 5-quart jug (weighing ~170 grams), this represents ~25% reduction in plastic for the same volume of product.
- 4. Material Reduction Through Lightweighting, PCR, and Innovation**
 - The industry underwent a period of reducing resin during the 1990s, in part as a response to the California Rigid Plastic Packaging Container (RPPC) law, but also under competitive pressures for cost reduction.
 - Made with non-food grade HDPE, motor oil containers were early adopters of RPPC PCR framework, reaching the 25% PCR requirement. This has reduced the use of virgin resin in bottle manufacturing for the industry. There are challenges

to increasing PCR content further, but necessary innovation continues to be explored.

- Bottles were also engineered during this period to enable lighter weights. Producers invested with suppliers in technology and molds to minimize plastic resin in bottles.
- Bag-in-Box packaging format was introduced in early 2010s, to meet customer expectations and reduce plastic once lightweighting HDPE bottles was no longer feasible.
- These reduction actions generally do not allow for additional reduction with current technologies, without risking the structural integrity and usefulness of the packaging. The properties of lubricants and automotive fluids pose unique health and environmental consequences should their packaging fail and cause a loss of containment.

All Packaging Recyclable at scale by 2032

In order to ensure that 100% of Interchange 360's producer's product packaging is recyclable or compostable by Jan 1, 3032 and to support the additional statewide goal of ensuring that 65% of all single-use plastics packaging is recycled by Jan 1, 2032, Interchange 360 producers want to support a program that is designed to ensure that this packaging is both collected and recycled in the state. To achieve this deadline, the industry needs the flexibility to independently focus on implementing a targeted program for their producer's materials that are compliant with all state laws that impact the collection of these materials.

In LPMA's experience, wherever there is a successful EPR program for packaging, there is a separate collection and material management system for petroleum and petroleum related product packaging. This is necessary to avoid contamination in curbside or other comingled recycling systems.

2. LPMA Directive and Governance

As a 501(c)(6) 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 Global)—in response to the passage of EPR laws in several states. LPMA is managed by a [Board of Directors](#), and supported by the CEO and

management team using a model focused on ensuring participant compliance. LPMA plans to be active in every state that implements EPR law for its covered materials.

Interchange 360 is a trademark used by LPMA and is commonly applied for public facing purposes.

Interchange Recycling has operated an EPR program in British Columbia (BC), Canada for used oil, oil filters and used oil packaging since 2003 and for antifreeze since 2011. The BC program is similar to the model being proposed for California. As verifiable in its audited [Annual Reports](#), the BC program has demonstrated a packaging collection and recycling rate of over 65% since 2008, culminating in an average rate of approximately 95% for the three most recent reporting years (2024, 2023, 2022). An LPMA plan based on the BC model was recently accepted and is being implemented in Colorado, while in Washington state, LPMA has been confirmed by the Department of Ecology as a group of producers intending to operate an Alternative Collection Program under Washington’s Recycling Reform Act (RRA).

Further information about LPMA is available on the [Interchange 360 website](#).

3. Included Materials

This PRP offers details of LPMA’s proposed program to collect and responsibly recycle packaging for the following products:

Lubricating Oil	Sealers
Antifreeze	Conditioners
DEF	Boosters
Windshield washer fluid	Solvents
Brake fluid	Degreasers
Lubricants	Fuel System Cleaners
Stabilizers	

[Appendix A](#) provides a more detailed list of the products for which packaging would be included in the LPMA program. In this PRP, the packaging is referred to as “included materials”.

4. Stakeholder Engagement

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

- Provide the opportunity for California 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 to be published on the LPMA website;
- Commit to conducting regular surveys in the state to track consumer awareness of the program;
- Hold regular partnership meetings with program service providers, including transporters 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 monthly communication to LPMA's participating producers via enewsletter to provide updates on key program or producer obligation and compliance matters;
- Conduct targeted stakeholder consultations/surveys/webinars on specific program topics as needed;
- Support dialogue between LPMA's participating producers and LPMA's Board of Directors, allowing any producer concerns to be conveyed to the board and staff; and
- Monitor and attend conferences or events where LPMA's participation would be beneficial to the California program.

LPMA is also developing a comprehensive education and outreach program, as discussed in [section 13](#).

5. Material Available / Collection Targets

To estimate the amount of included materials available to collect, LPMA seeks to identify and use the best available information which will be gathered from its participating producers, service providers and, where needed, qualified external consultants.

For purposes of this PRP, it is assumed that all included materials sold into the California marketplace are available for collection. As some products contained in the included materials may be classified as hazardous and would otherwise require special handling, containers need to meet the DTSC "Empty Container" standard at the point of collection. Any partially filled containers will be strongly discouraged through LPMA's comprehensive education and awareness program.

LPMA's overall goal for material collection and recycling is year-over-year improvement. LPMA has been working with its participating producers to gather sales data for the included materials

as the basis for estimating the materials available to collect, and to allocate the collected materials to the producers responsible for them.

6. Collection Service Accessibility (Convenience Standards)

To ensure convenient access to service by California communities, LPMA intends to apply a modified version of the methodology used by the California PaintCare program (see Service Standard below). Within 90 days of the PRP approval, LPMA will begin establishing public Return Collection Facilities (RCFs) in accordance with the methodology. The process will include regularly revisiting the model to ensure that the resulting quantity and distribution of RCFs remains ideal for the included materials. LPMA will provide CalRecycle with updated lists of public collection sites on a quarterly basis.

As feasible, LPMA will locate its public RCFs at existing California Used Oil Certified Collection Centers (CCCs), and add packaging collection to the services currently offered there. Any suitable existing sites will be supplemented with other collection facilities to satisfy LPMA's methodology for service access. LPMA will work with municipalities to include collection of packaging through alternative means, such as Household Hazardous Waste (HHW) collection centers and mobile events, and curbside collection programs. LPMA will provide a search tool on its California website for the public to determine the location and operation hours of their nearest RCF.

For material transport, LPMA will engage used oil collection companies with existing service networks for used petroleum, and which can easily add packaging collection to their existing customers. Solid waste transporters that have traditionally been hauling empty containers for landfill disposal may also be invited to register for material transport.

Service Standard

Following is the LPMA methodology for determining the collection service for each California community. The standard, which ensures service in every county, is intended as a guide since more customized approaches may be required to achieve the best collection solution for individual communities or groups of communities. Customizations to the guidance will be in alignment with location standards of California's Used Oil CCC Program.

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

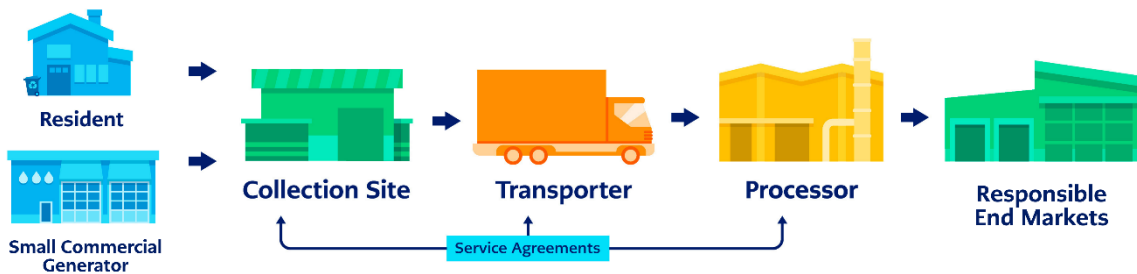
Population counts are based on United States Census Bureau data, as updated annually.

Tribal Nation Inclusion: LPMA will work directly with all Tribes to understand their needs specific to included materials collection, and to develop the appropriate LPMA services for each Tribe, if they choose to opt-in to the program.

7. LPMA Collection Program

To prevent contamination and environmental risks, petroleum and petroleum related product packaging cannot be collected along with other consumer goods in curbside or other comingled collection systems, in accordance with the “California Empty Rule”. LPMA’s program offers an alternative approach utilizing a state-wide depot-based collection system that will maximize diversion of these materials and reduce contamination and other environmental risks.

The diagram below depicts the proposed LPMA collection model and is followed by descriptions of its components.



Collection facilities (collection sites), transporters and processors will be required to register with LPMA before they are eligible to participate in the program. All registrants must manage materials in accordance with the law and meet LPMA program plan and contractual requirements. LPMA will pay the cost of material collection and management by providing financial support or incentives to the marketplace to drive desired results and targets, and will demonstrate independently verified, responsible end markets associated with the incentives it pays under the program.

Return Collection Facilities

RCFs will be available for drop-offs of included materials by do-if-yourself (DIY) consumers. Consumers who change their own oil or antifreeze generally represent a lower percentage of the overall generation of included materials than the commercial, industrial and institutional generators.

Some small Commercial Generators with low quantities of materials may also use RCFs, should they prefer this option over the Commercial Collection system (discussed next in this

section). Usage of RCFs by these small Commercial Generators will, however, be subject to the capacity of individual RCFs, which should be confirmed in advance of the drop-offs.

Prospective RCFs must submit an LPMA Registration Form for review and approval. RCFs can be privately operated multi-material depots (bottle depots), local government operated recycling and landfill sites, eco depots, retail sites or other businesses. California's existing service providers, HHW facilities, and solid waste facilities that accept a variety of products for recycling will be actively encouraged by LPMA to pursue registration as an RCF.

Each RCF will be required to accept all included materials. Materials dropped at RCFs will be picked up regularly by Registered Transporters based on agreements between the two parties.

RCFs will provide dedicated storage areas for the included materials (stored by material type) to reduce the risk of contamination from or to other materials that may be collected at the site. The containers may be sorted (e.g., oil, antifreeze, others) and transported directly to Registered Processors, depending on the logistical requirements of the chosen transport provider.

As with other LPMA programs, an instruction manual for RCF staff will be provided to all California RCF operators. The manual will include the mechanism for reporting to LPMA on any contamination events requiring follow-up by LPMA. The RCF training will also include procedures for meeting DTSC empty container guidelines, as well as monitoring for and segregating containers where significant residual petroleum products remain. Any residual oils received will be recovered for recycling.

Commercial Collection

Commercial Generators are non program-registered businesses that regularly handle included materials as part of their commercial (mechanic shops, quick-lube outlets, etc.), industrial or institutional operations, or from the maintenance of vehicles and equipment.

As public RCFs have limited storage capacity, they are not intended for drop-offs by any Commercial Generators with quantities markedly higher than a DIY consumer. Instead, these generators will be instructed to choose the Registered Transporter(s) with which they want to make direct pick-up service arrangements. This is likely to be their transporter of used oil or solid waste. The resulting collection agreements between the two parties ensure ongoing material access and diversion, often outlining the collection frequency, collection requirements, storage requirements and any payments or charges. While these agreements are between the generator and the transporter and do not involve LPMA, the Registered Transporters making the pick-ups and the Registered Processors receiving the materials are

compensated by LPMA based on the generator's location and the collected volumes to incentivize a stable market for recycled material.

The commercial collection system provides the cleanest material which enables optimal environmental outcomes. In a commercial setting, the materials can be stored and kept clean and free of contaminants, which significantly improves recyclability. As with the public RCFs, the included materials at Commercial Generator sites may be pre-sorted and then transported directly for processing.

To qualify for any financial incentives from LPMA, Registered Transporters are required to ship the materials collected from both RCFs and Commercial Generators to a Registered Processor (see [section 8](#)) for an LPMA-approved end use based on supply agreements between the parties.

Prospective transporters and processors must submit a Registration Form for review and approval by LPMA. Specific documents must be submitted with the registration application, including an initial Letter of Regulatory Compliance (discussed below), scale calibration certificates and, specific to any producers of plastic shredded flake, an end-fate confirmation letter.

As petroleum and petroleum related product packaging often contains residual used oil or antifreeze, it is important that any Registered Transporters and Processors handling these materials are doing so in compliance with the required environmental standards. LPMA requires that, as a condition of registration and every two years thereafter, each transporter 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, upon registration and every two years thereafter, they must submit to LPMA their California Certificate of Good Standing for the business. LPMA will not approve/retain the registration of a transporter or processor unless both conditions are met.

Other Collection

LPMA will assist with other California initiatives that advance collection of the included materials and/or support program awareness.

Community Collection Events

LPMA may provide financial grants for community collection events operated by local governments, tribal nations and community groups. These are often HHW events or multi-

material roundups that are supported by other recycling programs to provide residents with an opportunity to recycle a variety of products at the same location.

Funding for these collection events will be based on LPMA's estimated share of the costs for its material types (including the transport and processing incentives paid to the transporter/processor), as calculated on an event-by-event basis and negotiated with the event organizer. Organizations will be invited to apply for the grant, which is offered with the goal to help increase the number of free collection services available in the state.

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 access standard (see [section 6](#)).

Working with the Curbside System

LPMA will coordinate with programs implemented by municipalities for the collection of used oil from residents, such as curbside collection or at home pick-up. LPMA will encourage service providers to register as an RCF to ensure included material is diverted from trash and properly transported for recycling.

LPMA will work with other programs to ensure the collection and management of any included materials 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 an RCF or Community Collection Event to reduce contamination risks.

Education and Outreach (see [section 13](#)) will be used to improve consumer awareness and return behaviors.

8. Processing and Responsible End Markets

LPMA requires Registered Transporters to ship materials to Registered Processors that are an LPMA-approved responsible end market (REM) in accordance with PRC 42041 and 42015.1. LPMA processors provide recycling of the materials, which differs from material recovery facilities (MRFs) that focus on advance sorting of comingled recycling materials.

Registered Processors/REMs 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. Compliance is monitored through LPMA's requirement for environmental audits every two years, discussed in the previous section.

For metal, paper, plastics, glass and wood, the REM is the entity that first produces feedstock that meets the quality standards necessary to be used in lieu of virgin material for new or

reconstituted products (section 18980.4). These REMs will feed a robust marketplace of non-food grade post-consumer materials, including enabling circular solutions to new automotive packaging. REMs must be compliant with laws and regulations, be transparent with record keeping, consent to LPMA third-party audits, have environmentally-sound operations, and achieve a recycling yield of no less than 75%.

For package materials that are not currently compatible with mechanical recycling, REM through non-mechanical technologies will be considered. LPMA will continue to support design and processing innovation to continually improve environmental outcomes for REMs. An example of this is lightweight bladder bags, which are currently a multi-layer construction and cannot be recycled mechanically. Non-mechanical recycling will provide the optimal solution ahead of further innovation.

LPMA will collaborate with various stakeholders, including processors, government agencies, non-government organizations, and other PROs, to provide industry with as much consistency as possible while meeting regulatory requirements in each jurisdiction.

Reporting on the end markets of all included materials collected will be provided in LPMA's annual reports and on its website. LPMA's reporting reflects that Registered Processors receiving compensation from the program are required to demonstrate independently verified, responsible end markets which are subject to LPMA desk, field and compliance reviews.

9. Producer Fees and Eco-Modulation

LPMA's program will be fully funded by fees payable to LPMA by its participating producers on the sale or commercial use of new included materials in California. These fees will not be passed on to consumers as a separate item on a receipt or invoice.

To motivate compliance with the SB-54 performance requirements including source reduction, LPMA intends to eco-modulate its fees for included materials by providing an incentive (bonus) or disincentive (malus) to participating producers based on certain performance factors. These may include:

- Reduction in amount of packaging materials;
- High levels of PCR content use;
- Designs for reuse and refill;
- High recycling and refill rates;
- Designs/practices that increase recycling costs; and
- Innovations/practices to enhance recyclability or commodity value.

LPMA recognizes that incentivizing one variable may inadvertently impact another, e.g., a reduction in packaging could lead to less recyclable packaging, which makes a well-established eco-modulation plan important. As such, LPMA will engage subject matter experts to assess the potential factors, recommend on the material categories, and advise on bonus and malus thresholds. Industry design guidelines will also be taken into consideration.

10. Reduction Plan Reporting

LPMA is collecting data from participating producers to develop a plan that will meet California's overall source reduction targets identified in SB-54 section 42057(a).

In accordance with section 42057(f)(3), LPMA may identify materials in the plan that face significant recycling or end market challenges and would require significant investment to bring into compliance by January 1, 2032. These materials would be identified for purposes of assigning equivalency of a reusable, refillable, or nonplastic alternative to source reduction.

LPMA is also collecting data to satisfy a PRP requirement under section 42057(c) to provide the following information, which will also be required with any subsequent plan updates or annual reports to CalRecycle. The data will be disaggregated by each participating producer.

1. The amount of plastic covered material and products sold in plastic covered material, including the number of plastic components and weight of plastic covered material, sold, offered for sale, or distributed in the state.
2. The number of plastic components and the weight of plastic covered material shifted to a refillable or reusable packaging or food service ware.
3. The number of plastic components and the weight of plastic covered material eliminated.
4. The number of plastic components and the weight of plastic covered material shifted from a plastic covered material to a nonplastic covered material.
5. The number of plastic components and the weight of plastic covered material reduced through concentration, right-sizing, and shifting to bulk or large format packaging that allows consumers to refill home or commercial reusable containers.
6. The amount of postconsumer recycled content used compared to virgin plastic in covered material.

As input to its PRP, in accordance with section 42057(d), LPMA is currently collecting individual plans from each of its participating producers that include both of the following components.

1. In the first individual producer source reduction plan, the producer shall include any amount of covered material, by number of plastic components and weight of covered material, the producer source reduced since January 1, 2013.

2. The amount of plastic covered material, by number of plastic components and weight of plastic covered material, the producer plans to source reduce by January 1, 2027, January 1, 2030, and January 1, 2032. The producer shall describe how much will be source reduced in each of the following ways:
 - A. The number of plastic components and the weight of plastic covered material shifted to a refillable or reusable package.
 - B. The number of plastic components and the weight of plastic covered material eliminated.
 - C. The number of plastic components and the weight of plastic covered material shifted from a plastic covered material to a nonplastic material.
 - D. The number of plastic components and the weight of covered material source reduced through concentration, right-sizing, lightweighting, and shifting to bulk or large format packaging that allows consumers to refill home or commercial reusable containers.
 - E. The amount of postconsumer recycled content used compared to virgin plastic in covered material.

By July 1, 2026, LPMA will also submit a source reduction baseline report on behalf of participating producers that includes the total amount of plastic covered material, by weight and number of plastic components, for which they were the producer in the 2023 calendar year, as described in Article 9 of the rules.

11. Producer Compliance

LPMA will notify CalRecycle within 30 calendar days of any the following:

1. The end of any three-month period in which LPMA unsuccessfully attempted to obtain a fee, records, or information from a participating producer, or received incomplete or incorrect records or information pursuant to SB-54 section 42052 or 42053;
2. The date a producer no longer participates in LPMA's approved plan; and/or
3. Any instance of noncompliance by a participating producer.

LPMA's required [Participation Agreement](#) for producers is available on the LPMA website 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, policies or the terms of the agreement.

Should a producer be non-compliant with any LPMA participation terms, they will be notified of their non-compliance and LPMA will work with them to resolve the issue in a timely manner.

LPMA will notify CalRecycle of any unresolved non-compliance in accordance with the notification requirements above.

LPMA will continue to proactively reach out to any non-participant producers of included materials to ensure they are aware of and understand producer obligations in California, where to find further information, and how to become compliant if they are obligated. As with participating producers, LPMA will work with any obligated non-participants to bring them into compliance, and to notify CalRecycle if this cannot be achieved in a timely basis.

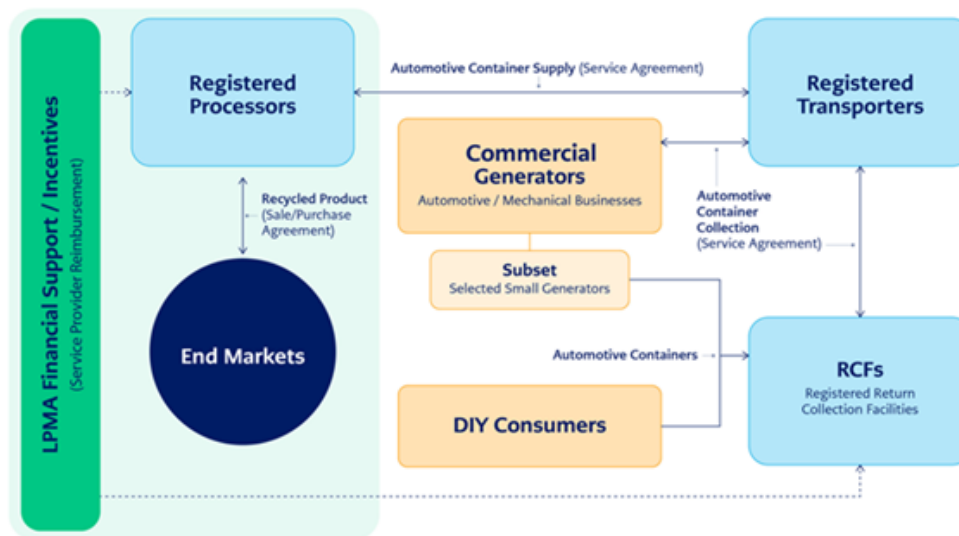
Each participating producer is required to [report on and submit fees](#) using LPMA's prescribed remittance form, available through its secure online portal. The form captures data by product format/size, facilitates ongoing reporting on the quantities of included materials containing post-consumer recycled (PCR) materials, and is subject to periodic audits by LPMA. The volume-based reporting by producers will be converted to weight (tonnage) by LPMA for purposes of annual reporting to CalRecycle.

12. Service Provider Financial Support / Incentives

LPMA's RCF and commercial-based collection system for the included materials 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 support or incentives to the marketplace to drive desired results. LPMA will demonstrate independently verified, responsible end markets associated with the incentives it pays under the program.

Participants will continue/have the ability to market the material, provided they meet program standards, thereby supporting a competitive marketplace. LPMA payments will remain competitive to ensure high levels of program participation to meet program performance targets.

The diagram below illustrates the proposed LPMA support/incentive model and is followed by compensation details.



Return Collection Facilities

Direct support will be offered to RCFs by LPMA. This support is in the form of an RCF Incentive which is paid based on the packaging weight. It is intended to offset site operating costs in return for receiving included materials at no cost to consumers.

Infrastructure Grants as well as marketing support, such as signage and digital/social media assets, are also available to RCFs. As noted earlier, RCFs can be retailers, depots, local governments, HHW facilities, or other businesses that choose to enter into an agreement with LPMA and to separately enter into a service agreement with a Registered Transporter(s).

The grants will be fully funded by producer fees to support improved facility standards such as storage shelters and containment materials, with the amounts based on individual RCF needs. Applications for Infrastructure Grants outlining the facility's proposed expenses will be accepted upon the California program's launch.

To be eligible for the grant, applicants must have an approved RCF registration from LPMA, must agree to act in accordance with the program's instruction manual for RCF operators, and must comply with the terms and conditions identified in the grant manual and application form. Applications will be evaluated based on:

- Organization type including quality, efficiency and financial stability of the organization;
- Alignment of products being collected and services offered;
- Hours of operation that the RCF is open to the public; and

- Current level of service accessibility in the area and the anticipated benefit that new infrastructure would have on meeting the LPMA service level standard.

As the needs of the specific community are an important factor in LPMA's evaluation, an RCF may be eligible for more than one grant.

Registered Transporters and Processors

LPMA provides a Return Incentive (RI) to Registered Transporters and Processors based on the collected material weight multiplied by the incentive rate assigned to the collection zone in the state where the materials are sourced.

As shown in the diagram above, the RI is paid directly to Registered Processors, who in turn compensate their transporters for the materials they source from RCFs and/or Commercial Generators. Rates will be set at levels that will incentivize program participation and the cadence for revisiting them.

The collection zones established in California will be used for both incentive and reporting purposes. The initial division of the state will be revisited over time as more is learned about service providers in California. The variable RIs support economic and efficient collection of included materials across the state by offsetting the costs of collecting and processing the materials at registered processing facilities.

RI claims provide regular reporting to LPMA on the packaging volumes collected by the Registered Transporters and processed by the Registered Processors.

13. Education and Outreach

LPMA will launch a comprehensive, statewide education and outreach program focused on the recycling and reuse of included materials. This initiative will educate consumers on proper material handling, promote participation in the program, identify available recycling services, and outline litter prevention strategies to help preserve material quality. LPMA will collaborate with municipalities and Producer Responsibility Organization(s) to assure clear and consistent messaging related to included materials. By providing targeted, accessible resources, LPMA will strengthen public understanding of the environmental and economic benefits of recycling included materials.

14. Annual Reporting

By October 1 of each year after CalRecycle has approved or conditionally approved this plan, LPMA will submit an annual report to CalRecycle and make it publicly available on its website.

The annual report will include an annual budget, describe how LPMA is implementing the approved plan, and how the plan has complied with the requirements of SB-54 and its implementing regulations.

The annual report will describe in detail progress made toward meeting or exceeding the requirements in section 42050 and will include an evaluation of whether LPMA is reasonably likely to meet those requirements. If LPMA is not reasonably likely to meet those requirements, it will submit to CalRecycle an amendment to the plan to include additional measures that will be implemented to ensure the requirements are met.

The annual report will include all of the following:

- LPMA's California costs and revenues, including an updated budget and any updates to the fee schedule necessary to ensure the revenues are sufficient to cover the full costs of implementing SB-54 in the upcoming year;
- An updated list of the names and contact information of each participant of the plan;
- A description of outreach efforts and education to consumers;
- A report on activities LPMA has taken to implement each provision of the plan, including, but not limited to, all of the following:
 - A description of the methods used to collect, transport, process, and recycle or compost covered material.
 - The recycling technologies and means that will be utilized to achieve recycling requirements, including demonstration that the means and technologies meet the conditions specified in subdivision (aa) of section 42041.
 - Progress made in meeting source reduction goals.
 - Current recycling rates and progress made in meeting recycling rates and any investments made to achieve recycling rate requirements; and
- The source reduction data specified in subdivision (c) of section 42057.

In accordance with the regulations developed to support SB-54, LPMA will pay the "Independent Producer Environmental Mitigation Surcharge" as required in section 18980.7.6. and maintain records as required in section 18980.7.7.

Appendix A Applicable Products List (as of May 2026)

Interchange 360 (LPMA) Applicable Products List

Interchange 360 will manage all petroleum and petroleum related products and packaging up to and including 15 gallons, including oil-based lubricants, grease, antifreeze, engine additives, and other fluids typically used in transportation and mechanical applications and where these containers are often comingled with oil and antifreeze containers at generator sites.

Some common types of petroleum and petroleum related containers and packaging include rigid bottles (e.g., quart, gallon, etc.), pails (e.g., five-gallon buckets), multi-layer tubes and cartridges, and bag-in-box (e.g., 3- or 5-quart fluid-filled bags inside of a cardboard box) and aerosols. Materials used in packaging contain a range of materials including, but not limited to high-density polyethylene (HDPE), polypropylene (PP), polyethylene (PE), metal, cardboard, paper, and other constituents.

In addition, Interchange 360 will manage all secondary and tertiary packaging related to products on this list.

Included Product

- 2-cycle engine oil
- 3 in 1 oil for household / garage
- aerosol propelled lubricant
- agricultural spray oil
- anti-seize lubricant
- brake fluid
- chain oil
- circulating oil
- cleaning flushing fluids for motors/equipment
- compressor oil
- conveyor lube
- crankcase oil
- dedusting oil
- diesel exhaust fluid (DEF)
- diesel fuel treatment
- drawing, stamping, and shaping oil
- driplless lube
- electrical insulating oil
- emulsified oil
- engine conditioners
- engine degreaser
- engine oil
- engine sealers
- ethylene glycol engine coolant
- ethylene glycol heat transfer fluid
- food grade white mineral oil
- form release oil
- fuel boosters
- fuel system cleaners
- fuel/oil stabilizers
- fuel-line de-icing fluid
- gasoline/2 cycle engine oil mixes
- gear oil
- glycol-based heat transfer fluid
- grease
- gun oil
- hydraulic fluid
- hydraulic jack oil
- hydraulic oil dye

- lock de-icing fluid
- lubricants
- machine tool and slideway lubricant
- marine cylinder oil
- marine engine oil for vessels operating domestically
- metal working oil
- mineral heat transfer fluid
- natural gas compressor oil consumed in use
- natural gas compressor oil not consumed in use
- oil additive
- oil treatment
- paper machine oil
- parts degreaser
- penetrating oil
- petroleum crankcase oil
- phosphate ester hydraulic fluid
- pneumatic system oil
- polyglycol synthetic compressor oil
- polyolester fluids
- power steering fluid
- process oil
- propylene glycol engine coolant
- propylene glycol heat transfer fluid
- quenching oil
- refrigeration system oil
- re-refined oil
- rock drill oil
- rustproof oil
- saw guide oil
- sewing machine oil
- silicone heat transfer fluid
- silicone lubricant
- solvents
- synthetic aromatic hydrocarbon heat transfer fluid
- synthetic crankcase oil
- textile oil
- transmission fluid
- turbine oil
- vacuum pump oil
- vegetable oil for lubrication
- water glycol hydraulic fluid
- windshield washer fluid
- winter start fluid
- wire pulling lubricant

