

**ASSEMBLY BILL**

**No. 2576**

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**Introduced by Assembly Member Gray**  
**(Coauthors: Assembly Members Bigelow and Olsen)**  
(Coauthor: Senator Galgiani)

February 19, 2016

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An act to add Section 39719.5 to the Health and Safety Code, relating to recycling, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2576, as introduced, Gray. Recycling: glass container manufacturers: market development payments.

Existing law establishes the Greenhouse Gas Reduction Fund as a special fund in the State Treasury, and requires that all moneys collected by the State Air Resources Board from the auction or sale of specified greenhouse gas allowances be deposited in the fund and available for appropriation by the Legislature.

This bill would appropriate \$20,000,000 annually from the Greenhouse Gas Reduction Fund to the Department of Resources Recycling and Recovery for market development payments to glass container manufacturers in an unspecified amount per ton of state-generated cullet, as defined, utilized for manufacturing in the state.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:

1 (a) The California Global Warming Solutions Act of 2006  
2 requires the State Air Resources Board, pursuant to regulation, to  
3 reduce California greenhouse gas (GHG) emissions and to  
4 minimize the “leakage” of GHG emissions from California to areas  
5 outside of the state. Regulations adopted by the board classify  
6 glass container manufacturing as an energy intensive and trade  
7 exposed industry with a high risk of leakage.

8 (b) Glass container manufacturers currently use approximately  
9 563,000 tons of recycled glass per year. With increased quality  
10 supply, glass manufacturers have the potential to use 755,000 tons  
11 per year.

12 (c) Furnace-ready recycled glass, referred to as “cullet,” is  
13 expensive and hard to acquire. Single-stream recycling systems  
14 result in low-quality glass that cannot be used in a furnace. Often,  
15 this glass is disposed of in landfills rather than recycled. Glass  
16 market development payments will improve the market for recycled  
17 glass and increase the availability of furnace-ready cullet in  
18 California.

19 (d) For every six tons of recycled glass used in the  
20 manufacturing process, there is a one ton reduction in GHG  
21 emissions. GHG emissions reductions could reach 34,000 tons per  
22 year.

23 (e) Glass container manufacturing fits the categories for funding  
24 identified in the California Global Warming Solutions Act of 2006,  
25 SB 535 (Chapter 830 of the Statutes of 2012), and the board’s  
26 scoping plan for expenditures.

27 (f) Glass container manufacturing plants are located in areas of  
28 the state designated by the California Communities Environmental  
29 Health Screening, also known as CalEnviroScreen, as priority  
30 locations for cap and trade investment.

31 SEC. 2. Section 39719.5 is added to the Health and Safety  
32 Code, to read:

33 39719.5. Twenty million dollars (\$20,000,000) is hereby  
34 appropriated annually from the Greenhouse Gas Reduction Fund,  
35 established pursuant to Section 16428.8 of the Government Code,  
36 to the Department of Resources Recycling and Recovery for market  
37 development payments to glass container manufacturers in an  
38 amount up to \_\_ dollars (\$\_\_) per ton of state-generated cullet, as

- 1 defined in Section 14509.3 of the Public Resources Code, utilized
- 2 for manufacturing in the state.

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