

Bottle Bill Update for House Committee on Energy and Environment

Thursday, February 19, 2015

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BottleDrop[®]
Oregon Redemption Center



**DON'T TRASH IT.
CASH IT!**

KnowYourNickel.org

Brought to you by Oregon's Bottle Bill



Bottle Bill Overview

- Passed in 1971
- **2007: SB 707 passed - first significant changes since 1971**
 - Added Water & Flavored Water
 - Required universal brand acceptance at all large retailers
- **2009: Effects of SB 707 resulted in formation of OBRC (Oregon Beverage Recycling Cooperative)**
 - OBRC formed out of CRinc a Portland area regional cooperative
 - OBRC picks up at 3,000 locations, delivers material to 5 plants, employs 250 people, \$25.1MM budget
 - OBRC provides funding and management for ORPET, Inc. (St. Helens based recycler of Plastic beverage bottles)
- **2011: HB 3145 passed**
 - Provided for deposit increase in 2017 to 10¢ if the redemption rate doesn't reach 80%
 - Added a new "class" of covered beverage products in 2018- juices, teas, sports drinks, etc.
- **2013: SB 117 passed**
 - Authorized expanded redemption center openings with statutory parameters, primarily convenience zones of 2.0 miles and 3.5 miles
 - Required non-participating retailers to meet specific convenience criteria



What's Next:

2017: Deposit increase to 10¢ (likely)

2018: Expansion to additional beverage types

BottleDrop Redemption Centers

- In 2010, OBRC created the redemption center concept – **BottleDrop**

Two primary purposes:

- Improve the customer return experience
- Remove high volume returns from grocery stores



- Currently operating 11 BottleDrop centers, eventual goal of 45 statewide

- Wood Village - Oregon City - S. Salem - NE Portland – Gresham - N. Salem – Bend – Eugene – Redmond – Medford - N. Portland
- Potential 2015 openings: Klamath Falls – Tigard - Albany

- Average BottleDrop is 7,000 sq. ft. with 30+ parking spaces

- Open 7 days / week, 9-11 hours per day, 363 days / year
- BottleDrop account holder bag drop-off 24 hours per day

- Operating funds for BottleDrop centers shared by Distributors and Retailers

- Average site Capital costs (construction & equipment) : \$1.5 MM (financed by OBRC)
- Average site Operating costs: \$500k annually

- Nearly all Distributors and large Retailers are participating

- Walmart recently joined leaving Walgreen's as largest retailer not participating



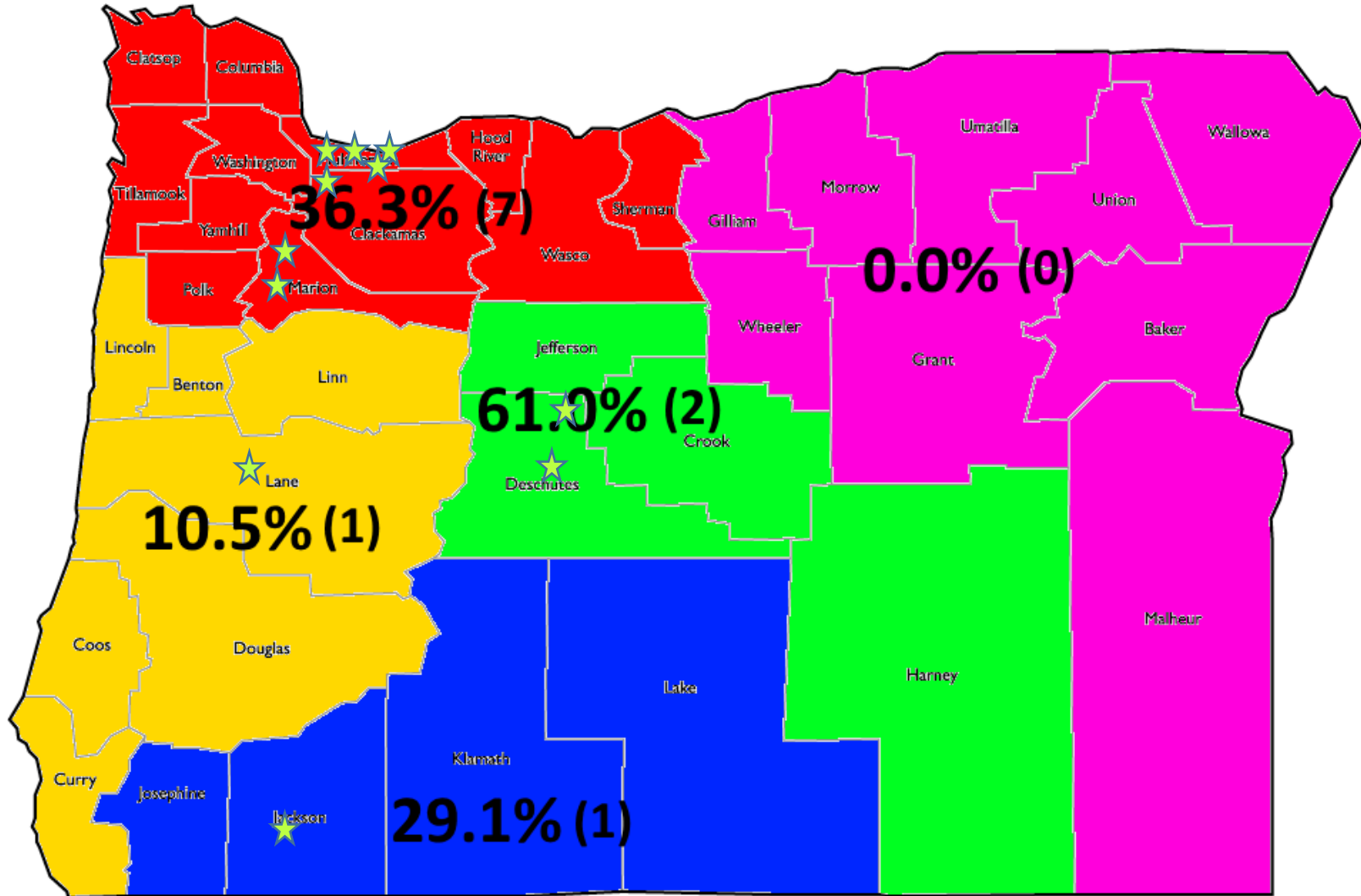
BottleDrop Statistics

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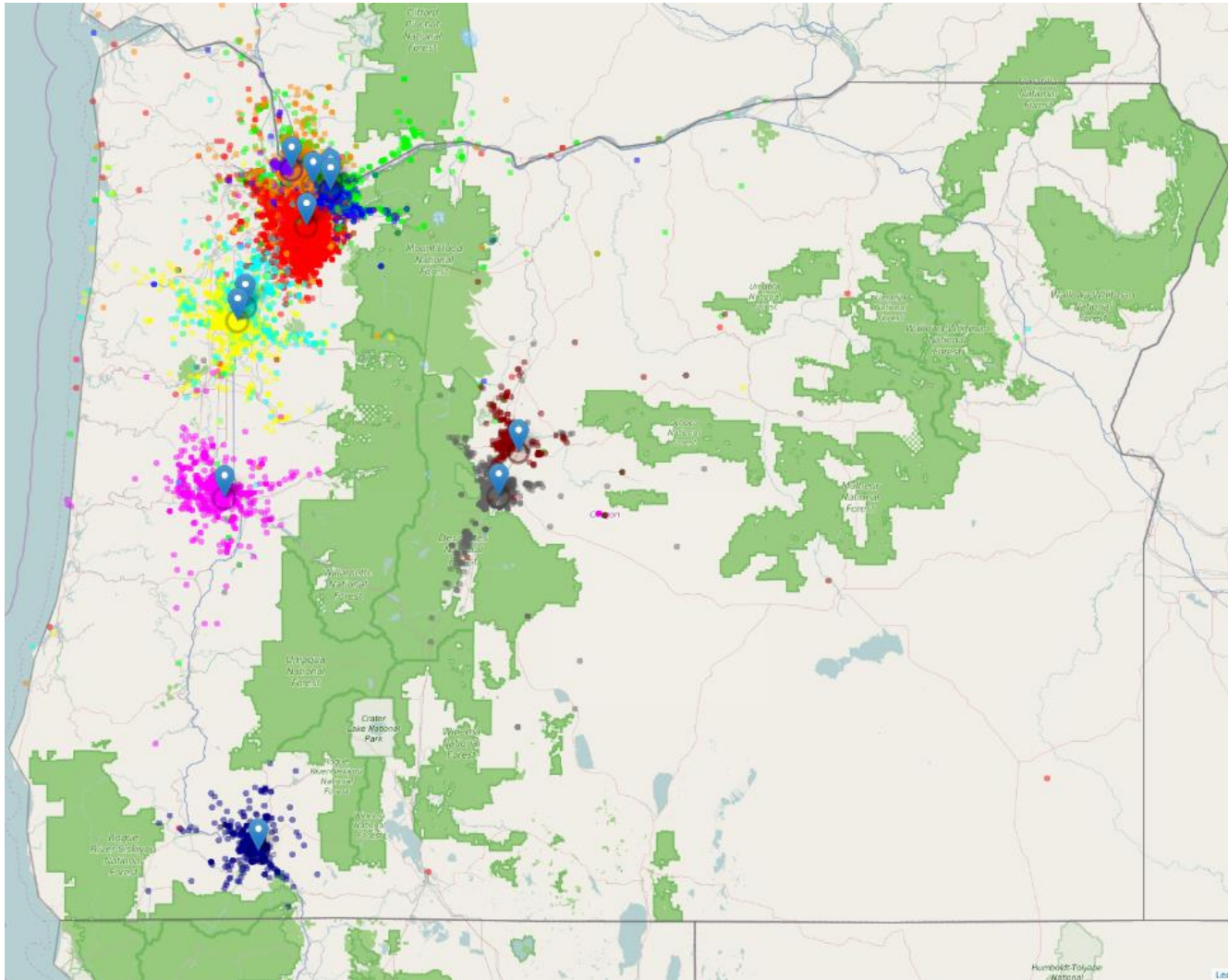
- Projected 2015 annual unit returns to all centers: 350,000,000
 - Compare to approx. 250,000,000 previously returned to participating grocery retailers
- Equals approx. 33% of statewide volume
- Return method (averages):
 - 80% Reverse Vending Machine Users
 - 17% BottleDrop Account Users (Gresham/Wood Village/Oregon City ~50%)
 - 3% Hand Count Users
- 2015 projected BottleDrop Operating costs: \$6,700,000
- Projected costs at full rollout of 45 centers:
 - \$22 MM annual Operating costs
 - \$65 MM in Capital construction and equipment costs
- 60,000 Oregon families with BottleDrop accounts
 - Averaging 75 new account holders daily (27,000 year)
 - Thousands of BottleDrop PLUS transactions (grocers offering a 20% premium for in-store use)
- Returning an average of 2,700 bags per day



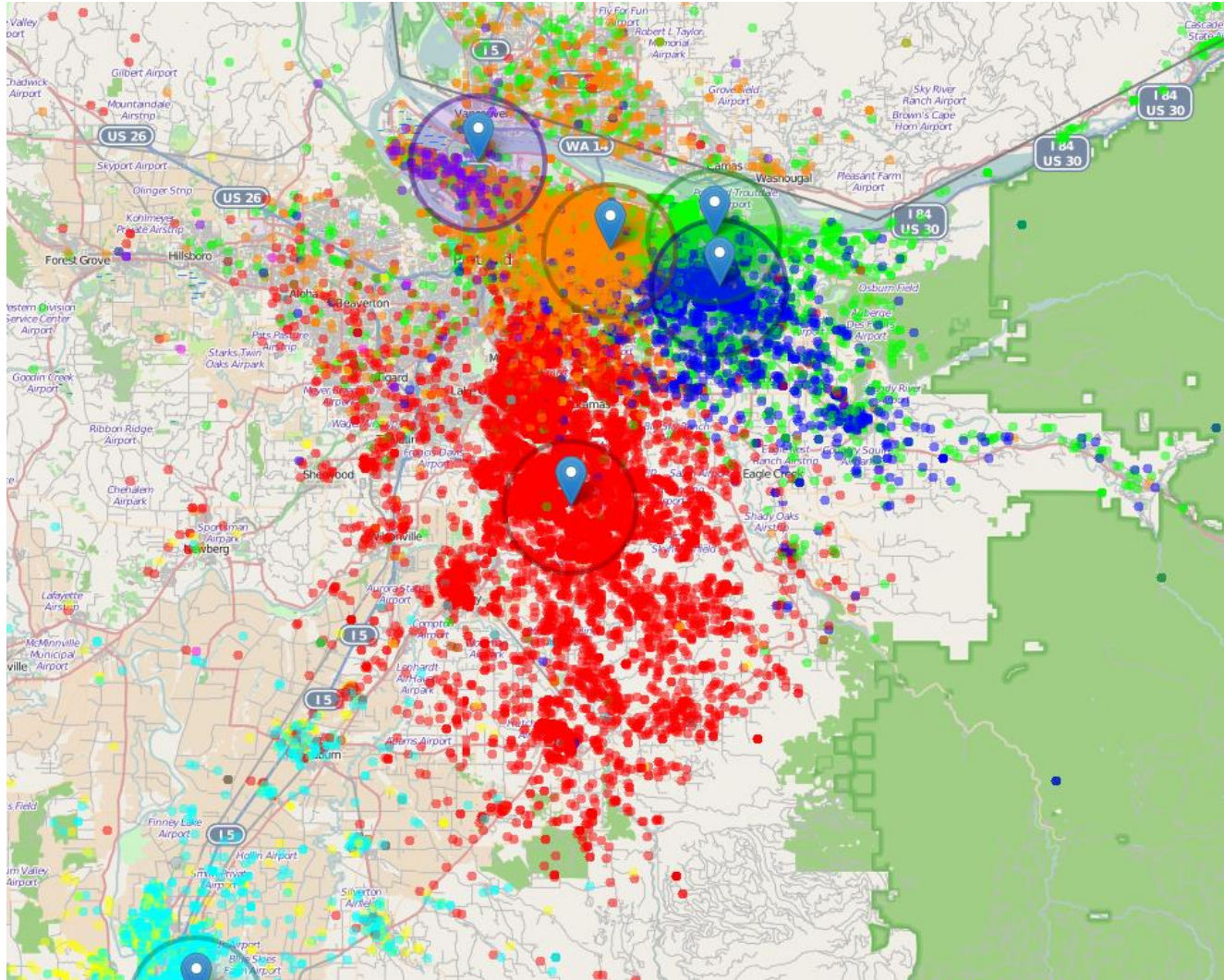
Redemption Center Volume (by OBRC Zone)



BottleDrop Account Holders -Statewide-



BottleDrop Account Holders -Portland Metro-



BottleDrop Account Holders -Oregon City (zoomed in)-

