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February 28, 2024

Senator Christopher Bray, Chair
Senator Anne Watson, Vice Chair
Senate Committee on Natural Resources and Energy
Vermont Senate
115 State Street
Montpelier, VT 05633-5301

RE: Support for S.254, An act relating to including rechargeable batteries and battery-containing products under the State battery stewardship program

Dear Chair Bray, Vice Chair Watson, and Members of the Committee:

Thank you for the opportunity to submit testimony in **support** of S.254, which will expand Vermont's producer funded and managed stewardship program for the collection and recycling of unwanted primary (single-use) batteries to include rechargeable batteries.

In the first year of implementation of Vermont's single-use battery stewardship law passed in 2014, the state increased the collection of all batteries (both single-use and rechargeable) by over 180 percent. In 2022 alone, over 217,000 pounds of batteries were collected for recycling. Since only single-use battery manufacturers currently pay into the system in Vermont, those who sell rechargeable batteries become free riders.

Bill S.254 would expand the existing battery stewardship law, which covers only single-use batteries, to also include rechargeable batteries. Consumers rarely distinguish between these battery types, and the inclusion of both single-use and rechargeable batteries will establish a level playing field, which will fairly allocate recycling costs to all battery manufacturers and eliminate the free-rider problem.

While providing consumers with a manufacturer-funded convenient way to recycle batteries, S.254 will also reduce greenhouse gas (GHG) emissions and remove toxic substances from the waste stream. Batteries contain valuable materials that are mined using energy-intensive processes that emit GHGs. Collecting and recycling batteries saves valuable resources and reduces environmental and human health impacts.

In addition, there has been an increase in fires at waste management facilities caused by lithium-ion batteries. Recycling will help prevent the health and safety hazards posed by these discarded products entering the waste stream.

EPR programs also provide a continuous flow of high-quality material to battery recyclers and manufacturing operations, allowing long-term investments in local recycling and manufacturing facilities that use recycled materials as a feedstock for new product manufacturing. S.254 will increase the number of batteries recycled, create jobs, and reduce the financial burden on local governments, who would be left to manage these materials in the absence of a stewardship program.

S.254 contains best practices in all successful U.S. stewardship laws, including:

- Plan developed by producers that provides them with flexibility to implement a consistent program and plan renewal requirements to improve the program based on lessons learned as the program is implemented and matures;
- Convenience standards to increase collection;
- Provides local governments with the opportunity to participate and be compensated by producers for their reasonable costs of collection;
- Performance goals that increase recycling and help evaluate the program;
- Education and outreach to raise awareness of the program;
- Annual reporting and transparency; and
- Funding for the state to oversee and enforce the law.

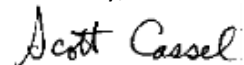
S.254's proposed expansion of Vermont's existing battery stewardship law to include rechargeables is consistent with a best practices trend toward broadening the scope of batteries included in EPR laws passed in the US in recent years. In 2021, Washington D.C. enacted the nation's first broad scope single-use and rechargeable battery EPR law. California followed in 2022 and WA state in 2023, both also covering a broad scope of single-use and rechargeable batteries. In addition, Washington State's law was the first state to include batteries of up to 2,000 watt-hours, including those for e-mobility devices, as well as requiring a study of the opportunities and challenges of managing large-format batteries – such as those used in electric vehicles (EVs) and energy storage – as well as batteries embedded in products, such as electronics.

To strengthen S.254, we recommend that *producers*, rather than the Agency of Natural Resources, fund the bill's required study of end-of-life management programs for hybrid and EV batteries, battery energy storage systems (BESS), and batteries not easily removable from products (embedded). Larger batteries (e.g., those used in EVs and BESS) are expected to experience significant market growth. If sustainable funding is not provided for these to be recycled, they will increase in number in the waste stream. Embedded batteries in products end up in the waste stream or are sent to battery or electronics recycling centers, which find them expensive to dispose. Leading EPR battery programs in British Columbia and the European Union have already taken steps toward including these larger batteries and battery-embedded products, and this year in the US a hybrid and EV battery EPR law was enacted in New Jersey.

The Product Stewardship Institute (PSI) is a national policy expert and consulting nonprofit that pioneered product stewardship in the United States along with a coalition of hundreds of state and local government officials. Since 2000, PSI has worked with numerous others to develop producer responsibility policies for many of the 136 such laws enacted for 18 industry sectors, including Vermont's EPR laws.

I urge you to support S.254 for the financial and environmental health of Vermont's economy. If you have any questions, please feel free to contact me at (617) 236-4822, or Scott@ProductStewardship.US.

Sincerely,



Scott Cassel

Chief Executive Officer/Founder

PSI | February 28, 2024

Support for Vermont S.254 – Battery Stewardship