

## APPENDIX A

TO DEPARTMENT ORDER

R-000036-PSP-B-N

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Note: This Commingling Cooperative Operations Plan has been modified by the Department pursuant to 38 M.R.S. § 3107(3-B)(C)(1) to meet the requirements of *Manufacturers, Dealers and Distributors of Beverage Containers*, 38 M.R.S. §§ 3101-3119.

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Maine Beverage Redemption Group (Cooperative)  
Commingling Cooperative Operations Plan (Plan)  
Submitted September 2025, Supplemented December  
2025 Revised by the Department on April 9, 2026

## 1. Plan summary

### A. Phase 1 – Planning, Setup, and Reporting: January 15, 2026, to September 30, 2026

- (1) Redemption centers and dealers continue to sort beverage containers as required by commingling group management programs.
- (2) Each commingling group is responsible for its own pick-ups; payments to redemption centers and dealers, including deposit reimbursements, handling fees, and bag reimbursement; processing and transportation costs; and scrap allocations.
- (3) The Cooperative collects and maintains unclaimed deposits.
- (4) The Cooperative prepares for full commingling<sup>1</sup>.

### B. Phase 2 – Full Commingling: October 1, 2026

- (1) Redemption centers and dealers sort all beverage containers by material type, size, and deposit value, as directed by the Cooperative.
- (2) The Cooperative either pays or facilitates payment by commingling groups of deposit refunds, handling fee payments, and bag reimbursements to redemption centers and dealers.
- (3) The Cooperative allocates pick-up locations to each commingling group based on the sum of the payment shares of its members.
  - (a) Initial payment of processing and transportation costs are the responsibility of the commingling group picking up material.
  - (b) The Cooperative plans for efficient pick-up schedules annually, updating pick-up allocations on a quarterly basis if required.

<sup>1</sup>Full commingling refers to commingling of all beverage containers under a single commingling program and to the extent required by 38 M.R.S. § 3107(3-B)(B)(1).

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- (c) Scrap is marketed by the individual commingling groups or their member Initiator of Deposits (IODs).
  - (d) Scrap revenue and transportation and processing costs that result from a commingling group picking up more than its share of material are reallocated through a reconciliation process managed by the Cooperative.
2. Commingling Cooperative Operations Plan (Plan) April 9, 2026 Requirements of the Plan as specified by 38 M.R.S. § 3107(3-B)(B)
- A. 38 M.R.S. § 3107(3-B)(B)(1) “The method by which the program<sup>2</sup> will facilitate the transition from beverage container sorting at redemption centers by brand to sorting by material type and, for redemption centers that manually sort containers, by size and deposit value within each material type. The program may facilitate the negotiation of agreements with redemption centers to gather brand data through use of reverse vending machines, account-based bulk processing programs or similar technology as long as the cost of such data collection is paid by the program.”
- (1) The Cooperative or its administrator will set up a cash account with all necessary general ledger accounts to track, segregate, and maintain unclaimed deposits, as required by 38 M.R.S. §§ 3101-3119. Required segregation of funds will be achieved through the use of separate general ledger accounts rather than through separate cash accounts.
- (a) One general ledger account into which all deposits initiated will be recorded beginning with full commingling. No other money will be recorded in this account pursuant to 38 M.R.S. § 3108-A(3)(A). Upon calculating unclaimed deposits in accordance with Section 2(F) of this Plan, the unclaimed deposits will be removed from this general ledger account and segregated in a separate general ledger account.
- (b) One general ledger account into which only unclaimed deposits will be recorded and from which money will be expended in accordance with section 2(F) of this Plan. No other money will be recorded in this account pursuant to 38 M.R.S. § 3107(3-B)(B)(6) and 38 M.R.S. § 3108-A(2).
- (c) At least one general ledger account into and out of which any other funds

<sup>2</sup> Statute refers to the management of all beverage containers under a single commingling program established by the Cooperative as “the program.”

can be recorded, transferred, and spent.

- (2) The Cooperative will issue a request for proposals and select and contract with a third-party administrator (Administrator). Duties of the Administrator will include, but not be limited to:
- (a) Reviewing the budget and other aspects of this Plan and, if necessary, working with the Department to make any necessary adjustments to the Plan;
  - (b) Creating standardized reporting forms for collecting sales information from IODs via their respective commingling groups;
  - (c) Reviewing label registrations to ensure they meet the requirements of 38 M.R.S. § 3105 and 06-096 C.M.R. ch. 426 and adding properly registered labels to the public list of registered products webpage in accordance with Section 2(L) of this Plan.
  - (d) Coordinating and facilitating the allocation of commingling group pick-ups at redemption centers and dealers in accordance with section 2(G) of this Plan;
  - (e) Calculating, coordinating, and facilitating proper allocation of scrap in accordance with section 2(I) of this Plan;
  - (f) Allocating costs to IODs in accordance with section 2(B) of this Plan and coordinating billing to commingling groups;
  - (g) Collecting, maintaining, and accounting for unclaimed deposits in accordance with Sections 2(E) and 2(F) of this Plan;
  - (h) Beginning October 1, 2026, collecting deposits and handling fees and ensuring payments to redemption centers and dealers in accordance with Sections 2(E) and 2(H) of this Plan;
  - (i) Establishing audit procedures for sales numbers in accordance with section 2(B) of this Plan and either auditing IOD sales data directly or engaging a third-party auditor to do so;
  - (j) Establishing audit procedures for pick-ups from redemption centers and dealers; and

- (k) Developing a series of protocols to establish and/or ensure identification of unregistered items and facilitate redemption center, dealer, and pick-up agent searches for a particular UPC.
  - (3) Before requesting sales data, the Cooperative will provide commingling groups and IODs the certification described in Section 2(K) of this Plan.
  - (4) The Cooperative will register labels and maintain accurate information on products and beverage containers. The Cooperative will collect label registration information from commingling groups, which will collect it from their member IODs, on an on-going basis. In addition to the information required by statute and rule, label registration will also require IODs to provide the weight of the beverage container.
  - (5) The Cooperative will finalize commingling group pick-up allocations in accordance with Section 2(G) of this Plan and facilitate commingling group and IOD scrap allocation in accordance with Section 2(I) of this plan.
  - (6) The Cooperative will create sorting instructions for redemption centers and dealers that are consistent with the requirements of full commingling.
  - (7) The Cooperative will communicate the steps required for the transition to full commingling in accordance with Section 2(M) of this Plan.
- B. 38 M.R.S. § 3107(3-B)(B)(2) “Standards to provide for fair apportionment of costs among the commingling groups and initiators of deposit included in the program, which may be based on: (a) The combined beverage container sales by the initiators of deposit that are members of each commingling group; (b) The unit or brand counts generated by reverse vending machines or account-based bulk processing programs as long as the reverse vending machines or account-based bulk processing programs are subject to periodic 3rd-party audits on a schedule approved by the department and with the costs of those audits paid by the program; and (c) The rates of redemption, as determined pursuant to the method set forth in subparagraph (3) and in accordance with the requirements of subparagraph (5);”<sup>3</sup>
- (1) For any costs that must be paid by the Cooperative prior to calculating payment

<sup>3</sup> Subparagraphs refer to 38 M.R.S. § 3107(3-B)(B)(3) and 38 M.R.S. § 3107(3-B)(B)(5), which correspond to Sections 2(C) and 2(E) of this Plan, respectively.

- shares for the program year<sup>4</sup> beginning October 1, 2026, the Cooperative will allocate costs to commingling groups according to their respective percentages of units redeemed in 2024 or according to their 2025 market shares. 2025 market shares are the percentage of total sales into Maine of covered beverage containers sold by the member IODs of a commingling group. IODs that are not confident in their Maine-specific sales data will estimate this number using national sales of beverages with a Maine deposit value during calendar year 2025, multiplying by the population of Maine in millions, dividing by the population of the United States in millions, and multiplying by 110%. In the event such a payment is required, the Cooperative Board will vote to determine which allocation method to use.
- (2) Prior to full commingling, commingling groups will handle their own pick-ups and payments to redemption centers and dealers, following the procedures used by their commingling groups.
- (3) Beginning October 1, 2026, the Cooperative will allocate costs as follows:
- (a) Each IOD will be responsible for paying into the Cooperative accounts, via its commingling group, the deposits collected for each unit sold, as determined by actual sales data or, for those IODs without adequate sales data, as otherwise estimated in accordance with Section 2(E)(1)(a) of this Plan.
  - (b) Each IOD will be responsible for paying into the Cooperative accounts, via its commingling group, a percentage of the handling fees paid equal to its payment share, as determined in accordance with Section 2(B)(4) of this Plan.
  - (c) Each commingling group will be responsible for its payment share of pick-ups, as measured by the sum of the payment shares of member IODs and as allocated in accordance with Section 2(G) of this Plan. Each IOD member of a commingling group is financially responsible for its payment share of pick-ups.
  - (d) Transportation and processing costs and scrap value are initially allocated to the commingling group picking up material but will be reconciled among commingling groups and ultimately among their IODs in accordance with Section 2(I) of this Plan.

<sup>4</sup> Program year refers to the period of time over which payment shares and pick-up responsibilities are in effect. The first program year runs from October 1, 2026, to June 30, 2027. Subsequent payment years run from July 1 to June 30.

- (e) Each IOD will be responsible for its payment share of any additional funds required by the Cooperative.
  - (f) All payments from the Cooperative to IODs or commingling groups will be allocated to IODs according to their payment share.
- (4) The Cooperative will determine payment shares annually. The default method of determining payment share will use sales data to the extent it is available and alternative methods of estimating sales where it is not, as described in Section 2(B)(4)(a). Alternatively, the Cooperative Board may vote on an annual basis to determine payment share for all IODs using statistical sampling or redemption technology to quantify returns, as described in Section 2(B)(4)(b), as long as the data quality measures outlined below are met. Payment shares for IODs that did not sell into Maine during the entirety of the prior calendar year are calculated in accordance with Section 2(B)(4)(c) of this Plan, regardless of whether methods in Sections 2(B)(4)(a) or 2(B)(4)(b) of this Plan are used to determine payment share for established IODs.
- (a) When using sales data to determine payment share, payment share is equal to an IOD's unit sales divided by total sales by all IODs.
    - i. Sales data requirements:
      - a. Sales data must be reported by deposit value, material type units, material type weights, size, and beverage type. The IOD will use UPC-specific Maine sales data to calculate the reported values. If UPC-specific Maine sales data are not available, the IOD can estimate sales into Maine of a given UPC by assuming that the ratio of national sales of a given UPC to national sales of all UPCs on which the IOD initiates deposit in Maine is equal to the ratio of Maine sales of that UPC to Maine sales of all UPCs on which the IOD initiates deposit in Maine. UPC-specific sales data will not be reported to the Cooperative but will be made available in case of an audit.
      - b. Sales data for payment share determination must be reported annually via commingling groups.

- ii. Evaluation of the adequacy of an IOD's sales data:
  - a. Sales data for a program year is inadequate if not provided by March 15 (or, for the program year beginning October 1, 2026, by June 15, 2026).
  - b. Otherwise, sales data is adequate until found to be inadequate through a Cooperative audit. If found to be inadequate during a Cooperative audit, sales data is assumed to be inadequate until a successive Cooperative audit determines otherwise.
- iii. Auditing sales data:
  - a. If audited, an IOD must be able to provide receipts for, or reporting from, the distributor for sales through all known distribution channels. If audited, an IOD must be able to provide documentation of its calculation of sales by deposit value, beverage type, material type, size, and material type weight.
  - b. On an annual basis, the Administrator will audit a random sample of at least 5% of IODs or will contract a third party to do so. In addition, the Board can request confirmation of sales data or vote to audit an IOD if reported data is deemed questionable as shown by year over year inconsistencies or other factors as determined and voted on by the Board.
  - c. IODs whose sales data for the prior program year were audited and determined to be inadequate can request an audit.
- iv. In cases where an IOD's sales data are inadequate, the IOD's total sales will be estimated using one of the methods described below.
  - a. The Administrator may estimate an IOD's total sales using statistically significant sampling of redeemed beverage containers. Statistically significant sampling must include all beverage containers redeemed through the program in the population sampled and provide ongoing sampling of beverage containers. Sampling must provide results that estimate the relative quantity of beverage containers belonging to the IOD with the largest number of sampled units with 90% confidence and a 2% margin of error in either direction. When using statistically significant sampling, the Administrator will estimate an IOD's

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annual sales as follows: (annual sales of beverages by IODs with adequate sales data) multiplied by (the percent of units sampled during the prior calendar year belonging to the IOD for which sales are being calculated) multiplied by (110%) divided by (the percent of units sampled during the prior calendar year belonging to IODs with adequate sales data).

$$\text{annual sales} = \frac{\text{sales of beverages by IODs with adequate data} \times \% \text{ sampled units belonging to initiator } i \times 1.1}{\% \text{ sampled units belonging to IODs with adequate data}}$$

- b. The Administrator may estimate an IOD's total sales using the relative number of beverage containers redeemed through redemption technology. This method can be used as long as at least 60% of redeemed beverage containers are collected through redemption technology and their locations will not skew redemption results or a statistically significant study has shown they can estimate the largest IOD's percentage of total redeemed beverage containers with 90% confidence and a 2% margin of error in either direction. When using data from redemption technology, the Administrator will estimate an IOD's annual sales as follows: (annual sales of beverages by IODs with adequate sales data) multiplied by (the percent of units redeemed through redemption technology during the prior calendar year belonging to the IOD for which deposits charged is being calculated) multiplied by (110%) divided by (the percent of units redeemed through redemption technology during the prior calendar year belonging to IODs with adequate sales data).

$$\text{annual sales} = \frac{\text{sales of beverages by IODs with adequate data} \times \% \text{ redeemed units belonging to initiator } i \times 1.1}{\% \text{ redeemed units belonging to IODs with adequate data}}$$

- c. In the absence of adequate sales data, statistically significant sampling, and adequate data from redemption technology, the Administrator will estimate an IOD's total sales using national sales during the prior calendar year of beverages with a given Maine deposit value, multiplying by the population of Maine, dividing by the population of the United States, and multiplying by 1.1.<sup>5</sup>
- d. If using sampling or redemption technology data to determine an IOD's payment share, the Cooperative will provide full data sets and information on how they were gathered including sampling plans to the Department and any IOD or commingling group that requests them.

<sup>5</sup> Populations should be as determined during the most recent decennial census conducted by the United States Census Bureau.

- e. If an IOD's annual sales are estimated as described above, it is still responsible for estimating sales of units by deposit value, material type, total material type weights, and units by beverage type using UPC-specific national sales data.
  - (b) Alternative methods of determining payment share. If the Cooperative Board votes to determine payment share for all IODs using statistical sampling or redemption technology returns, an IOD's payment share will be its share of the returned containers. The data quality and sharing requirements noted above for statistically significant sampling and use of redemption technology data apply.
    - i. If using a statistically significant sample, payment shares for an IOD will be equal to the percentage of total units sampled during the prior calendar year that belonged to that IOD.
    - ii. If using data from redemption technology, payment shares for an IOD will be equal to the percentage of total units returned through redemption technology during the prior calendar year that belonged to that IOD.
  - (c) To determine payment shares for IODs with no Maine sales during the prior calendar year or Maine sales for only part of the calendar year, the Administrator will estimate Maine sales by using the IOD's national sales of beverages with Maine deposit value during the prior calendar year, as reported to the IOD's commingling group, multiplying by the population of Maine, dividing by the population of the United States, and multiplying by 1.1. If payment shares are being determined according to Section 2(B)(4)(a) of this Plan, the IOD's payment share is equal to its unit sales divided by total sales by all IODs. If payment shares are being determined according to Section 2(B)(4)(b) of this Plan, the Administrator will multiply the estimate of Maine sales by the most recent redemption rate and include these units as the IOD's total units sampled or returned during the prior calendar year.
- C. 38 M.R.S. § 3107(3-B)(B)(3) "A method for determining the rate of redemption for beverage containers, which must be verified through a 3rd-party audit paid for by the Cooperative, expressed as a percentage of the beverage containers redeemed that are available for redemption; the rate of redemption by beverage type and by beverage container material type; and, to the maximum extent practicable, regional redemption rates in the State. The method for determining the redemption rate may not include in its calculation any unredeemed beverage containers collected or processed by municipal or other recycling programs. The program must ensure that a single redemption rate, determined

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by the method specified in the plan, is used by all commingling groups and initiators of deposit to determine cost apportionment pursuant to subparagraph (2);”<sup>6</sup>

(1) The overall redemption rate will be calculated annually by dividing the prior calendar year’s redemptions by the prior calendar year’s sales. The overall redemption rate will be reported to the Department and will be used to assess progress toward program goals outlined in 38 M.R.S. § 3107(3-B)(B)(16). The overall redemption rate will not be used to determine the number of handling fees collected by the Cooperative or for ongoing determination of unredeemed deposits; collection of handling fees and ongoing determination of unredeemed deposits are described in Sections 2(E) and 2(F) of this Plan.

(a) In performing this calculation, the Cooperative will use sales data for the prior calendar year that is deemed to be adequate, as described in Section 2(B)(4)(a)(ii) of this Plan. To the degree sales data are not adequate, they will be estimated as follows:

i. If sales for IODs without adequate data are determined using a statistically significant sample, the Administrator will divide (total units sold by IODs with adequate sales data) by (the percentage of units sampled over the prior calendar year belonging to IODs with adequate sales data) and multiply by (the percentage of units sampled over the prior calendar year belonging to the IOD for which units sold is being calculated).

$$\text{annual} = \frac{\text{sales of beverages by IODs with adequate data} \times \% \text{ sampled units belonging to initiator } i}{\% \text{ sampled units belonging to IODs with adequate data}}$$

ii. If sales for IODs without adequate data are determined using data from redemption technology, the Administrator will divide (total units sold by IODs with adequate sales data) by (the percentage of units redeemed over the prior calendar year belonging to IODs with adequate sales data) and multiply by (the percentage of units redeemed over the prior calendar year belonging to the IOD for which units sold is being calculated).

$$\text{annual} = \frac{\text{sales of beverages by IODs with adequate data} \times \% \text{ redeemed units belonging to initiator } i}{\% \text{ redeemed units belonging to IODs with adequate data}}$$

<sup>6</sup> Subparagraph 2 refers to 38 M.R.S. § 3107(3-B)(B)(2), which corresponds to Section 2(B) of this Plan.

- iii. In the absence of adequate sales data, statistically significant sampling, and adequate data from redemption technology, the Administrator will estimate an IOD's total sales using national sales during the prior calendar year of beverages with a Maine deposit value, multiplying by the population of Maine, and dividing by the population of the United States.<sup>7</sup>
- (b) In performing this calculation, the Administrator will determine units redeemed during the prior calendar year using redemptions reported to the Cooperative by commingling groups. The Cooperative will help ensure the quality of this data using the following methods:
  - i. Audits of redemption centers, dealers, and pick-up agents in response to unusual spikes in redemption volume, given weather, seasonality, and other factors.
  - ii. Comparison of scrap processed through the program to amount of scrap expected given the material type weights reported and redemption rates. Inconsistent results will lead to further investigation.
- (2) Redemption rate by beverage container material type. The redemption rate for a given beverage container material type is the units of the material type redeemed, as reported to the Cooperative by commingling groups, divided by the units of the material type sold.
- (3) Redemption rate by beverage type. The redemption rate for a given beverage type is the units of the beverage type redeemed divided by the units of the beverage type sold. Units of the beverage type sold are provided by IODs during annual reporting. Units of the beverage type redeemed will be determined using data obtained from redemption technology or sampling. For the purposes of this calculation, the data quality requirements laid out in Section 2(B)(4)(a)(iv) do not apply, but the Cooperative should use the best Maine-specific return data available.
- (4) Redemption rate by county will be calculated by dividing the units redeemed in a county, as reported to the Cooperative by commingling groups, by an estimate of sales into that county. County level sales will be estimated by multiplying total Maine sales from the prior calendar year by the population of a county and dividing by the population of Maine.

<sup>7</sup>Populations should be as determined during the most recent decennial census conducted by the United States Census Bureau.

- (5) Percent units redeemed through various redemption methods will be calculated by dividing redemptions through a given method by total redemptions, using the data reported to the Cooperative by commingling groups and IODs. Redemption rates will be calculated for: reverse vending machines, account-based bulk processing programs, all redemption technology, and full-service redemption centers.
  - (6) Redemption rate calculations will be verified by a third-party audit.
- D. 38 M.R.S. § 3107(3-B)(B)(4) “A budget for the program that includes, but is not limited to, identification of any start-up costs for the program that will not be ongoing, including, but not limited to, the costs of the study described in paragraph F, and a description of the method by which the cooperative will determine and collect payments from commingling groups to cover the program's start-up costs;”<sup>8</sup>
- (1) Costs and revenues are estimated, however, because it is unlikely that the Cooperative will be underfunded or overfunded, and there are quality controls to ensure that sufficient resources are allocated to the required cost items, estimates are sufficient in this case. The Cooperative will not be underfunded or overfunded because deposit and handling fees paid to redemption centers and dealers are significantly more than all other costs: under current circumstances, unclaimed deposits can cover the other costs enumerated in 38 M.R.S. § 3108-A(2)(B), and remaining unclaimed deposits will be completely depleted by handling fees, as allowed under 38 M.R.S. § 3108-A(2)(C). Required program costs are specified by statute, realized after consultation with the Department, or for services that are detailed in this Plan.

<sup>8</sup> Paragraph F refers to 38 M.R.S. § 3107(3-B)(F).

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(2) Cooperative budget

| <b>Revenue Types</b>          |             |                                      |
|-------------------------------|-------------|--------------------------------------|
| Deposits on \$0.05 containers | 51,500,000  | 1,030,000,000 containers             |
| Deposits on \$0.15 containers | 6,390,000   | 42,600,000 containers                |
| Handling fees                 | 48,000,000  | \$0.06 per container redeemed at 75% |
| Total revenue                 | 105,890,000 |                                      |

| <b>Costs to administer the Cooperative</b> |           |                                     |
|--------------------------------------------|-----------|-------------------------------------|
| Administrative cost                        | (250,000) | Possibly a low estimate             |
| Other professional services                | (100,000) | Audits, etc.                        |
| Consumer outreach                          | (10,000)  |                                     |
| Initial webpage setup                      | (25,000)  | One-time start-up cost              |
| Webpage maintenance                        | (25,000)  |                                     |
| Redemption cost study                      | (150,000) | One-time start-up cost              |
| Total                                      | (650,000) | Reasonable costs for administration |

| <b>Other Cooperative costs</b> |             |                                   |
|--------------------------------|-------------|-----------------------------------|
| Bag reimbursement              | (740,000)   | At 30 cents/bag and 200 units/bag |
| Refillable program             | (500,000)   |                                   |
| Carbon and cost-efficient tech | (500,000)   |                                   |
| Department administration fee  | (600,000)   |                                   |
| Total                          | (2,300,000) |                                   |

| <b>Costs – deposits and handling fees</b> |                   |                                          |
|-------------------------------------------|-------------------|------------------------------------------|
| Redeemed \$0.05 containers                | (39,000,000)      | 1,030,000,000 containers redeemed at 75% |
| Redeemed \$0.15 containers                | (4,800,000)       | 42,600,000 containers redeemed at 75%    |
| Handling fees                             | (48,000,000)      | \$0.06 per container redeemed at 75%     |
| Total                                     | (92,000,000)      |                                          |
|                                           |                   |                                          |
| <b>Net unclaimed</b>                      | <b>11,000,000</b> |                                          |

(3) Additional program operating costs

|                  |              |                                            |
|------------------|--------------|--------------------------------------------|
| Pickup costs     | (16,000,000) | Estimated at \$0.02 per redeemed container |
| Processing costs | (16,000,000) | Estimated at \$0.02 per redeemed container |
| Total            | (32,000,000) |                                            |

- E. 38 M.R.S. § 3107(3-B)(B)(5) “The method by which the cooperative will collect deposits from initiators of deposit for nonrefillable beverage containers and handling fees for redeemed containers, whether directly from the initiator of deposit or through the commingling group of which the initiator of deposit is a member. The program must ensure that an initiator of deposit is not required to

pay any handling fees for its beverage containers that exceeds the applicable redemption rate for those containers as calculated pursuant to subparagraph (3);”<sup>9</sup>

(1) Calculation of deposits and handling fees for a given month.

- (a) Deposits initiated must be determined using adequate sales data or estimated sales data, even during years when payment shares are made using methods described in Section 2(B)(4)(b) of this Plan. Sales of beverage containers with different deposit values must be calculated separately.
  - i. Each program year, IODs with adequate sales data, as determined in accordance with Section 2(B)(4)(a)(ii) of this Plan, can choose how they would like to remit deposits during the coming year. IODs with adequate sales data may choose to:
    - a. Report total sales by deposit amount and pay actual deposits collected during the month;
    - b. Pay deposits for one-twelfth of the previous year’s total sales for the first two months of each quarter and then report quarterly sales by deposit value and remit the remaining deposits owed for the quarter at the time deposits for the third month are due; or
    - c. Pay deposits for one-twelfth of 110% of their actual prior calendar year sales by deposit value each month, unless they had no sales in Maine during the prior calendar year or had Maine sales for only part of the prior calendar year in which case they should pay according to Sections 2(E)(1)(a)(i)(a), 2(E)(1)(a)(i)(b), or 2(E)(1)(a)(ii) of this Plan.
  - ii. IODs without adequate sales data, as determined in accordance with Section 2(B)(4)(a)(ii) of this Plan, will pay deposits for one-twelfth of their estimated sales for each month. Sales will be estimated in accordance with Section 2(B)(4)(a)(iv) and sales by deposit value will be estimated in accordance with Section 2(B)(4)(a)(i)(a).
- (b) Handling fees owed for a given month are the total handling fees paid out to redemption centers and dealers during that month by or on behalf of the Cooperative. IODs that joined the program after the most recent

<sup>9</sup> Subparagraph 3 refers to 38 M.R.S. § 3107(3-B)(B)(3), which corresponds to Section 2(C) of this Plan.

determination of payment shares will pay handling fees equal to the number of deposits paid multiplied by the most recently calculated redemption rate. Actual handling fees paid by the Cooperative two months prior, minus those paid by IODs that joined the program after the most recent determination of payment shares, will be divided among remaining IODs based on each IOD's payment share, as determined in Section 2(B)(4) of this Plan.

- (2) Phase 1 Payments. Prior to the start of full commingling on October 1, 2026, IODs will submit only unredeemed deposits for nonrefillable containers to the Cooperative because commingling groups will still be paying redeemed deposits and handling fees to redemption centers and dealers. Unredeemed deposits are as calculated in accordance with Section 2(F) of this Plan. Payments will be made as follows:
- (a) April 15, 2026: January and February unclaimed for nonrefillable containers are paid into the Cooperative's accounts. (Each commingling group continues to pay redemption centers and dealers deposits redeemed, handling fees, and bag reimbursements on its beverage containers picked up.)
  - (b) May 15, 2026: March unclaimed for nonrefillable containers are paid into the Cooperative's accounts. (Each commingling group continues to pay redemption centers and dealers deposits redeemed, handling fees, and bag reimbursements on its beverage containers picked up.)
  - (c) June 15, 2026: April unclaimed for nonrefillable containers are paid into the Cooperative's accounts. (Each commingling group continues to pay redemption centers and dealers deposits redeemed, handling fees, and bag reimbursements on its beverage containers picked up.)
  - (d) July 15, 2026: May unclaimed for nonrefillable containers are paid into the Cooperative's accounts. (Each commingling group continues to pay redemption centers and dealers deposits redeemed, handling fees, and bag reimbursements on its beverage containers picked up.)
  - (e) August 15, 2026: June unclaimed for nonrefillable containers are paid into the Cooperative's accounts. (Each commingling group continues to pay redemption centers and dealers deposits redeemed, handling fees, and bag reimbursements on its beverage containers picked up.)

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- (f) September 15, 2026: July unclaimed for nonrefillable containers are paid into the Cooperative's accounts. (Each commingling group continues to pay redemption centers and dealers deposits redeemed, handling fees, and bag reimbursements on its beverage containers picked up.)
  - (g) October 15, 2026: August unclaimed deposits for nonrefillable containers are paid into the Cooperative's accounts. (Each commingling group continues to pay redemption centers and dealers deposits redeemed, handling fees, and bag reimbursements on its beverage containers picked up.)
  - (h) November 15, 2026: September unclaimed deposits for nonrefillable containers are paid into the Cooperative's accounts. (Each commingling group continues to pay redemption centers and dealers deposits redeemed, handling fees, and bag reimbursements on its beverage containers picked up.)
- (3) Phase 2 Payments
- (a) Monthly Payments by IODs. By the 15<sup>th</sup> day of each month, IODs will remit payment of deposits initiated during the month that is two months prior and handling fees owed for the month that is two months prior.
  - (b) If paying redemption centers and dealers through commingling groups as described in Section H of this Plan, the Cooperative Board may vote, on an annual basis, to allow quarterly payment of deposits and handling fees. If this decision is made, IODs will remit deposits and handling fees as required by Section E(1) of this Plan within 60 days of the end of the quarter.
- (4) Deposits will be recorded in the Cooperative's general ledger account for deposits. Handling fees will be recorded in a general ledger account belonging to the Cooperative into and from which any funds can be recorded, transferred, or spent.
- (5) IODs are responsible for payment, but money may be paid to the Cooperative via the IOD's commingling group. The Cooperative Board will vote on an annual basis to determine whether IOD payments are made via commingling groups. If commingling groups submit payments on behalf of IODs, the commingling groups will also submit a report detailing the amount paid by each IOD.

- (6) The Administrator will continually monitor accounts to ensure the Cooperative accounts have the money required to cover the Cooperative's expenses. The Administrator will recommend and Cooperative Board will approve the collection of any necessary additional money after reviewing balances in the Cooperative accounts and accounting for the cash needs of the Cooperative. If additional money is needed, IODs will be charged in accordance with their payment shares.
  - (7) The Administrator will monitor payments to ensure that the correct amount of handling fees is received and that a reasonable number of deposits are received each month, in accordance with procedures defined by the Cooperative Board.
- F. 38 M.R.S. § 3107(3-B)(B)(5) "A description of how the cooperative intends to segregate, maintain, calculate and expend unclaimed beverage container deposits in accordance with section 3108-A;"<sup>10</sup>
- (1) The account. The Cooperative will set up three general ledger accounts, including one into which only unclaimed deposits will be recorded. Unclaimed deposits, as defined below, will be deposited in this general ledger account where they will be maintained and expended in accordance with 38 M.R.S. § 3108-A(2) and as further outlined in this section.
  - (2) Payment of unclaimed deposits during Phase 1.
    - (a) Beginning March 2026 through November 2026, IODs will remit unclaimed deposits on sales from the month that is two months prior.
    - (b) During this period, deposits initiated each month will be determined in accordance with Section 2(E)(1)(a) of this Plan.
    - (c) Before beverage containers are fully commingled, each commingling group or IOD will subtract its own deposits redeemed during the month that is two months prior from deposits initiated the month two months prior to determine unclaimed deposits. Any unclaimed deposits that are not the property of the Cooperative pursuant to 38 M.R.S. § 3108-A(2) will be maintained by IODs.
    - (d) With payment, commingling groups will submit documentation identifying the total value of deposits initiated by each member IOD and the total deposits and handling fees paid to each redemption

<sup>10</sup> Section 3108-A refers to 38 M.R.S. § 3108-A.

center or dealer from which it collected redeemed containers.

- (3) During Phase 2, commingling groups will pay all deposits initiated into the Cooperative accounts in accordance with Section 2(E) of this Plan. The Cooperative will determine unclaimed deposits by subtracting the deposits paid to redemption centers and dealers during the month that is two months prior from the deposits initiated the month two months prior. The calculation of deposits initiated is described in Section 2(E)(1)(a) of this Plan. Deposits redeemed are actual deposits paid to redemption centers and dealers.
  - (a) Any unclaimed deposits that are not the property of the Cooperative pursuant to 38 M.R.S. § 3108-A(2) will be returned to the IOD of those containers. Unclaimed deposits that are not the property of the Cooperative will be calculated for each deposit value by dividing the total units redeemed through the program during the prior month by the total units sold the month two months prior, subtracting from one, multiplying by the number of deposits on containers for which unclaimed deposits do not belong to the Cooperative that were initiated by the IOD the month two months prior, and multiplying by the deposit value.
  - (b) Unclaimed deposits belonging to the Cooperative will be recorded in the Cooperative's general ledger account for unclaimed deposits as soon as they are calculated.
  - (c) If, as a result of seasonal fluctuations in sales and redemptions or other reasons, unclaimed deposits on nonrefillable beverage containers are negative during a given month, money will be subtracted from the general ledger account for unclaimed deposits and added back to the general ledger account for deposits, accordingly.
- (4) No other money will be recorded in the Cooperative's general ledger account for unclaimed deposits.
- (5) Money in the Cooperative's general ledger account for unclaimed deposits will be used as follows:
  - (a) Each year, the Cooperative will pay the annual, statutorily required expenses listed in 38 M.R.S. § 3108-A(2)(B)(1), 38 M.R.S. § 3108-A(2)(B)(4-A), and 38 M.R.S. § 3108-A(2)(B)(5) from this account.

- (b) Once money for the above uses is assured, either because it is physically present in the account or because it is projected to be physically present in the account by the time it is needed given payment timelines and redemption rates, money in the account can be used to cover realized costs of plastic bag reimbursement to redemption centers and dealers, used to pay the Administrator in accordance with 38 M.R.S. § 3108-A(2)(B)(2), and used for educational materials in accordance with 38 M.R.S. § 3108-A(2)(B)(3).
  - (c) Once money for the above uses is assured, either because it is physically present in the account or because it is projected to be physically present in the account by the time it is needed given payment timelines and redemption rates, money in the account can be used to reimburse IODs for program expenses, either directly or indirectly through their Commingling groups, in accordance with 38 M.R.S. § 3108-A(2)(C).
    - i. Each IOD will receive its payment share of the available money to help cover the cost of handling fees. Total payments received by an IOD at any given time during a calendar year cannot exceed the total handling fees for which it has been financially responsible during the calendar year. An IOD cannot be refunded for more unclaimed deposits than it has had retained by the Cooperative. If an IOD's share exceeds the amount of unclaimed deposits it has had retained by the Cooperative during the current calendar year, that excess will be divided among the other IODs according to their payment shares.
    - ii. At the beginning of each calendar year, if IODs have been reimbursed for realized handling fees and unclaimed deposits remain, IODs and commingling groups can provide detailed accounting of other program costs realized during the prior calendar year. Funds can be distributed to offset these costs as allowed by 38 M.R.S. § 3108-A(2)(C) to the extent that the ratio of funds received for realized, documented costs to payment share is consistent for all IODs or commingling groups.
- G. 38 M.R.S. § 3107(3-B)(B)(7) "A description of how the Cooperative will provide a consistent beverage container pick-up schedule for each redemption center in accordance with the pick-up requirements of section 3106, subsection 8-A and the rules adopted pursuant to that subsection. The program must ensure that pick-up schedules are designed to reduce transportation distances and minimize costs but must allow each commingling group to provide for beverage

container pick-up of the commingling group's equivalent container material;”<sup>11</sup>

- (1) Pick-up responsibilities will be allocated according to each commingling group’s payment share of each material type unless the Cooperative Board votes to separately allocate pick-ups for certain sorts with a higher transportation or processing cost or to group materials with similar costs. The material type or alternative grouping defined by a vote of the Cooperative Board will be the material group.
- (2) After discussion with commingling groups, the Administrator will propose geographic radius bands based on the distance to Augusta and the Cooperative Board will vote to define the geographic radius bands.
- (3) The Administrator will calculate each commingling group’s payment share of each material group. The Administrator will then multiply a commingling group’s payment share of a material group by the number of units of the material group redeemed in each radius band during the previous calendar year to determine approximately how many units of each material group the commingling group should pick up in each radius band. This can be compared to known volumes out of redemption centers and dealer locations to assign pick-ups.
- (4) Each commingling group will be assigned pick-up responsibilities in order to pick up an amount equivalent to its share of each material group redeemed in that radius band during the previous calendar year.
  - (a) Each commingling group can choose to select its own pick-up locations using a draft style mechanism, in which commingling groups or their designees take turns selecting redemption sites to fulfill a given percentage of the commingling group’s allocation in each radius band. Alternatively, a commingling group can discuss its preferences with the Administrator and designate the Administrator to select locations on its behalf.
  - (b) To the degree allowed by material group specific allocations, the number of commingling groups picking up at a given redemption center or dealer will be minimized.
  - (c) When selecting locations on behalf of commingling groups, the Administrator will use its discretion to ensure designated pick-up routes balance factors such as distance, number of return

<sup>11</sup> Section 3106 refers to 38 M.R.S. § 3106; subsection 8-A refers to 38 M.R.S. § 3106(8-A).

locations, and assistance from redemption locations to load trucks so the final allocation is as fair as possible.

- (5) The timeline for this process is outlined in Section 2(M) of this Plan.
- (6) At the end of each quarter, the Administrator shall compare each commingling group's actual redemption share for the previous quarter to its payment share. If a commingling group's actual redemption share differs by more than 5% from its payment share, the Administrator will consider the extent to which this difference may be due to seasonality of redemptions, movement of IODs among commingling groups, changes to redemption locations, or other factors. Based on this analysis, the Administrator may adjust the assignment of redemption locations.
- (7) If a new redemption location opens, the Administrator will ask commingling groups to volunteer to pick up all material at the additional location until the Cooperative re-allocates pick-ups. In the absence of a volunteer, the Administrator will assign any new redemption centers or dealers to the commingling group picking up the closest redemption location. If multiple entities are picking up at the closest redemption location, pick-up will be assigned to the entity with the largest total pick-up allocation that picks up at that closest location. Any units assigned in this manner will be treated the same way as any other units picked up for the purposes of scrap allocation and reconciliation described in section 2(I) of this Plan.
- (8) Commingling groups are allowed to 'trade' redemption locations, but in the absence of a written agreement between commingling groups to the contrary, each commingling group is responsible for its allocated pick-up responsibilities and will pick up as required by 38 M.R.S. § 3106(8-A) and associated rule. Routing will be adjusted as needed and in a manner consistent with statute and rule. If a commingling group is unable to pick up it will contact the Administrator as soon as possible, and the Administrator will alert all commingling groups of the additional pick-up opportunity. Those willing and able to take on all or part of the additional pick-up will contact the Administrator, providing a per unit price for pick-up that will be charged to the commingling group missing the pick-up. Any units assigned in this manner will be treated the same way as any other units picked up for the purposes of scrap allocation and reconciliation described in Section 2(I) of this Plan.

H. 38 M.R.S. § 3107(3-B)(B)(8) “Information on how the cooperative will be responsible for and ensure payment to a dealer or redemption center within 10 calendar days of any beverage container pick-up of all applicable deposits and handling fees for the beverage containers picked up from the dealer or redemption center, except as otherwise provided under a written agreement entered into by the cooperative or a member commingling group and the dealer or redemption center, and the applicable costs of plastic bags provided to the dealer or redemption center in accordance with section 3106, subsection 9;”<sup>12</sup>

(1) Single payer option. Unless the Cooperative Board votes to have commingling groups pay redemption centers and dealers as described in Section H(2) of this Plan, the Cooperative will pay redemption centers and dealers directly.

(a) Transition. In order to begin paying redemption centers and dealers, the Cooperative will need funds to cover the initial month’s outlay.

- i. In October 2026, the Cooperative’s accounts will hold almost enough money to pay redemption centers and dealers for that month. The unclaimed deposits in the Cooperative’s accounts can be credited to IODs and made available for payments of both deposits and handling fees to redemption centers and dealers.
- ii. Regardless of the start date of a single-payer system, each IOD will be required to make a start-up payment into the Cooperative’s accounts for its payment share of the additional funding needed to ensure the account has sufficient funding to cover the first month of redemption center and dealer payments. The amount of additional funding will be determined by the Cooperative Board by reviewing balances in the Cooperative accounts, reviewing information from pick-up agents on anticipated outlays, and accounting for the cash needs of the Cooperative.

(b) The Cooperative will collect deposits, handling fees, and plastic bag reimbursement funds, as detailed in Sections 2(B), 2(E), and 2(F) of this Plan, and maintain that money for use in paying redemption centers and dealers.

(c) Entities picking up material will send the Cooperative a copy of the dated receipt provided to the redemption center or dealer at the time of pick-up. The Administrator or the Cooperative Board will identify and communicate the timeline for receiving receipts. Upon receiving this receipt, the Cooperative will remit payment to the redemption center or dealer.

<sup>12</sup> Section 3106 subsection 9 refers to 38 M.R.S. § 3106(9).

- (d) Timely reporting of pick-ups is the responsibility of the IOD's belonging to the commingling group to which a pick-up is assigned.
- (2) Commingling group payment and reimbursement option. The Cooperative Board may vote, on an annual basis, to have commingling groups pay the redemption centers they pick up directly and seek reimbursement from the Cooperative.
  - (a) If using this method, commingling groups will first provide information to the Cooperative on deposits initiated and containers picked up. Information required, its timing, and the extent to which it will be verified will be determined by the Cooperative Board.
  - (b) After receiving the required documentation from all commingling groups and performing the required verification, the Administrator will calculate the deposits and handling fees owed by each commingling group, as determined in accordance with Section E(1) of this Plan, unclaimed deposits for the month or months in question, and each commingling group's total payments to redemption centers and dealers.
  - (c) The Administrator will invoice each commingling group for handling fees and, if deposits are being submitted to the Cooperative via commingling groups, any deposits owed. All commingling groups will deposit the invoiced amount to the Cooperative by the date required by the invoice. As soon as possible after payment is received, the Administrator will refund commingling groups for payments made to redemption centers and dealers on its behalf, taking care to properly segregate and account for unclaimed deposits in the process.
  - (d) This process will occur monthly unless the Cooperative Board votes to pay on a quarterly basis during a given calendar year.
  - (e) Timely payment is the responsibility of the IODs belonging to a commingling group.
- I. 38 M.R.S. § 3107(3-B)(B)(9) "Information on how the cooperative will ensure that each commingling group and each initiator of deposit that is a member of the commingling group maintains ownership over the commingling group's and initiator of deposit's share of the beverage containers redeemed, collected, and processed for recycling under the program;"

- (1) To allow for free flow of commodity to buyers and accommodate IODs who have difficulty furnishing sales data on an immediate basis, each commingling group is responsible for processing and entitled to sell or return to IODs in its commingling group all of the material it picks up. IODs, via their commingling groups, will pay pick-up agents and processing providers for pick-up and processing based on their own negotiated contracts. Commingling groups will allocate material or its value among IODs according to payment share by material group and must allow each IOD to retain its share of redeemed containers.
- (2) Beginning with full commingling, the material-specific pick-up allocation process described in Section 2(G) of this Plan will allow each commingling group to maintain ownership over its approximate share of beverage containers redeemed. However, this process will not result in commingling groups picking up, processing, and selling their exact shares of beverage containers. Beginning with full commingling, the Cooperative will reconcile actual material picked up with payment shares on a quarterly basis, as follows:
  - (a) Forty-five days after the close of a quarter, commingling groups will report their containers picked up, by material group, for the previous quarter and the weight and value of material sold.
  - (b) The Administrator will use total redemptions by material group and commingling group allocations to calculate how much each commingling group's redemptions were over or under its payment share for each material group to determine the pounds each commingling group must reconcile. For the purposes of calculating commingling group allocations, the Administrator will adjust a commingling group's allocation to account for movement of IODs in and out of commingling groups during the program year. The Administrator will include units initiated by IODs entering the program after the calculation of payment shares, multiplying units initiated by the most recently calculated redemption rate if calculating payment shares in accordance with Section 2(B)(4)(b) of this Plan, recalculating payment shares for all current IODs, and summing the payment shares of the IODs that currently belong to each commingling group.
  - (c) Commingling groups will pay each other accordingly, at the prices described in Section 2(I)(2)(d) of this Plan, thereby ensuring each commingling group pays for its share of containers redeemed by material grouping.

- (d) The Cooperative Board will negotiate and vote on the rates commingling groups will pay each other for pick-up, processing, and scrap revenue associated with beverage containers reallocated during the reconciliation process.
  - i. Reconciliation rates for scrap revenue will reflect the actual revenue generated through the sale of the relevant commodity, as reported by commingling groups. The Cooperative Board will vote on the appropriate weight-to-unit conversion factor for each material group, and the Administrator will calculate the rate to be paid for each unit of a material group a commingling group is over by dividing revenue generated by the weight of material sold and multiplying by the agreed upon weight/units conversion factor.
  - ii. Reconciliation rates for pick-up will be set by radius band to account for longer driving distances. They will be expressed as a cost per unit under,<sup>13</sup> proposed by the Administrator, and decided through a vote of the Cooperative Board.
  - iii. Reconciliation rates for processing will be expressed as a cost per unit under, proposed by the Administrator, informed by the base rates identified in accordance with Section 2(J) of this Plan, and decided through a vote of the Cooperative Board.
- (e) Commingling groups will credit or charge member IODs for the net income or loss realized through this reconciliation process.
- J. 38 M.R.S. § 3107(3-B)(B)(10) “Information on how the cooperative will calculate the base rates offered for the processing of beverage containers using an account-based bulk processing program or pick-up agents;”
  - (1) On an annual basis, the Cooperative Board will put out a Request for Information for the processing of beverage containers in the State, asking would-be service providers to identify existing processing capacity, potential processing locations, and proposed pricing structures. Processing capacity will be defined to include any ability to wash refillable beverage containers.

<sup>13</sup> Cost per unit under is a cost to be paid for each beverage container that a commingling group should have collected in accordance with its payment share but did not collect as a result of imperfect allocation of collection responsibilities.

- (2) The Administrator will collect per pound prices proposed, by material type, and post price information and information on the location of processing capacity on its website for use by commingling groups, IODs, and other interested parties.
- K. 38 M.R.S. § 3107(3-B)(B)(11) “A certification that the cooperative will not share, except with the department as necessary, information provided by a commingling group or IOD that is proprietary information and that is identified by the commingling group or IOD as proprietary information. The certification must include a description of the methods by which the cooperative intends to ensure the confidentiality of that information;”
  - (1) The Cooperative hereby certifies that it will not share, except with the Department in cases where the Department or the Cooperative Board determines it is necessary, information provided by a commingling group or IOD that is proprietary information and that is identified by the commingling group or IOD as proprietary information. The Administrator will be responsible for holding and maintaining all proprietary information and will not disclose such information to entities other than the Department, including to the Cooperative Board, without first aggregating it or removing information that can be used to determine its source.
- L. 38 M.R.S. § 3107(3-B)(B)(12) “Information on how the cooperative will maintain a publicly accessible website regarding the program that includes, at a minimum, the following: (a) A searchable list of all initiators of deposit and beverage container label registrations, including for beverages sold directly to consumers in the State, in a manner that allows redemption centers, dealers and consumers to obtain up-to-date information regarding whether a particular beverage is authorized for sale and redemption in the State; (b) A search function through which consumers can identify nearby dealers or redemption centers offering redemption services based on information made available to the cooperative by the department; and (c) The base rates for the processing of beverage containers by container type as determined in accordance with subparagraph (10);”<sup>14</sup>
  - (1) The Cooperative Board will approve the Cooperative’s website by June 30, 2026.
  - (2) The website will include the following:

<sup>14</sup> Subparagraph 10 refers to 38 M.R.S. § 3107(3-B)(B)(10), which corresponds to Section 2(J) of this Plan.

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- (a) Information on the Cooperative's mission and programs including a copy of this Plan, communications to IODs and other program participants, current base rates being offered for the processing of beverage containers as described in section 2(J) of this Plan, and updates on program implementation;
  - (b) Redemption center guidelines and programs;
  - (c) Information on how to join a commingling group and register labels;
  - (d) A search function allowing consumers to find local licensed redemption centers and dealers;
  - (e) Advisory Group information, including current members and their contact information, a mechanism for expressing interest in joining, and links to any Advisory Group publications or communications;
  - (f) Consumer education materials, including a mechanism for requesting copies of existing materials and suggesting new materials; and
  - (g) A search function allowing redemption centers, dealers, and consumers to check whether a label is registered with the Cooperative.
- (3) The Administrator will be charged with maintaining the website, including ensuring that all materials are updated and any new materials are uploaded within 30 days.
- M. 38 M.R.S. § 3107(3-B)(B)(13) "A proposed timeline for implementation of the program plan, if approved, designed to ensure implementation of the plan on or before January 15, 2026, and a description of how the cooperative will notify commingling groups, initiators of deposit, dealers, distributors, pick-up agents and other affected entities regarding program implementation, which must include, but is not limited to, posting of information relating to program implementation on the website described in subparagraph (12)."<sup>15</sup>
- (1) Implementation timeline
- (a) Upon approval of this Plan, the Cooperative will set up a cash account and all necessary general ledger accounts, as described in Section 2(A) of this Plan.

<sup>15</sup> Subparagraph 12 refers to 38 M.R.S. § 3107(3-B)(B)(12), which corresponds to Section 2(L) of this Plan.

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- (b) As soon as possible after the approval of this Plan, the Cooperative will contract with an Administrator, as described in Section 2(A) of this Plan.
- (c) By February 1, 2026, the Cooperative will inform IODs of its plan for the collection and analysis of sales data; the process by which responsibilities will be determined, communicated, and implemented; and the process by which payment shares can be contested.
- (d) By March 31, 2026, the Cooperative or Administrator will convene a meeting of the Advisory Group.
- (e) On April 15, 2026, the Cooperative will begin to collect unclaimed deposits, in accordance with Sections 2(E) and 2(F) of this Plan.
- (f) On or around April 15, 2026, and within 90 days of receiving approval of this Plan from the Department, the Cooperative will issue a request for proposals and select and contract with an independent third-party to conduct the study required by 38 M.R.S. § 3107(3-B)(F).
- (g) By May 1, 2026, IODs will provide sales data for 2025 via commingling groups. Sales data will include UPCs reported, total sales by deposit value, total sales by material type, total sales weight by material type, total sales by beverage type.
- (h) By June 1, 2026, commingling groups will report on containers picked up in 2025 by location, material type, redemption method, and deposit value.
- (i) By June 30, 2026, the Cooperative will set up and begin ongoing maintenance of its website.
- (j) By July 1, 2026, the Administrator will provide an analysis of the adequacy of sales data and the previous year's redemption rate calculations to the Cooperative Board.
- (k) By July 15, 2026, the Cooperative will complete the study described in Section 2(N) of this Plan.
- (l) By July 15, 2026, the Cooperative will begin ongoing registration of beverage container labels in accordance with section 1 of this Plan.

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- (m) By July 15, 2026, the Cooperative Board and Administrator will determine where IOD sales data are adequate and where alternative methods for allocating payment share will be used during the upcoming program year. The Cooperative will communicate payment shares to the Department and, upon hearing back, to IODs via their commingling groups.
  - (n) By August 1, 2026, IODs will be informed of their payment share for the partial program year beginning October 1, 2026, and the manner in which this payment share was determined.
  - (o) By August 1, 2026, the Cooperative Board will place a grant application on its website, making available remaining funds to support refillable containers.
  - (p) By August 15, 2026, IODs must register any complaint about payment share allocation and provide supporting documentation to the Cooperative.
  - (q) By September 1, 2026, the Cooperative will create sorting guidelines for redemption centers and dealers and communicate these guidelines in accordance with the communication procedures outlined in this Section 2(M)(4) of this Plan.
  - (r) By September 1, 2026, the Cooperative Board will vote to determine whether any changes should be made to IOD payment share determinations.
  - (s) By September 15, 2026, the Cooperative Board members representing the various commingling groups will determine pick-up responsibilities in accordance with Section 2(G) of this Plan. Commingling groups will report pick-up plans to the Administrator and the Department to be checked against statutory and regulatory requirements.
  - (t) On October 1, 2026, payment share allocations will be in effect.
  - (u) On October 1, 2026, commingling groups or their contracted pick-up agents will begin picking up beverage containers that have been fully commingled.
- (2) Beginning in 2027 and for every subsequent year, Cooperative activities will occur on the following annual timeline.
- (a) In January, the Cooperative Board will contract a third-party auditor to audit Cooperative finances over the previous calendar year, as required by 38

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M.R.S. § 3107(3-B)(E)(6); and, when data is fully submitted, the redemption rate, as required by 38 M.R.S. § 3107(3-B)(B)(3), and sales data, in accordance with Section 2(B) of this Plan.

- (b) By January 15, commingling groups or their agents will report on the value and weight of scrap sold during the fourth quarter.
- (c) By February 1, the Administrator will calculate fourth quarter reconciliation payments owed by and to each commingling group.
- (d) By March 1, commingling groups will make all fourth quarter reconciliation payments.
- (e) By March 1, IODs will provide sales data for the previous calendar year via commingling groups. Sales data will include UPCs reported, total sales by deposit value, total sales by material type, total weight sold for each material type, and total sales by beverage type.
- (f) By March 1, commingling groups will report on containers picked up by location, material type, redemption method, and deposit value during the previous calendar year.
- (g) By April 1, the Administrator will provide the Cooperative Board with an analysis of the adequacy of sales data and the previous year's redemption rate calculations.
- (h) By April 1, the Administrator will provide a Board Report to the Advisory Group.
- (i) By April 15, the Cooperative Board and Administrator will determine where IOD sales data is adequate and where alternative methods for allocating payment shares will be used during the upcoming program year. The Cooperative will communicate allocations to the Department and, upon hearing back, to IODs via their commingling groups.
- (j) By April 15, commingling groups or their agents will report on the value and weight of scrap sold during the first quarter.
- (k) By May 1, the Administrator will calculate first quarter reconciliation payments owed by and to each commingling group.

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- (l) By May 1, IODs will be informed of their payment share and the method by which this payment share was determined.
- (m) By May 15, IODs must register any complaint about payment share allocation and provide supporting documentation to the Cooperative.
- (n) By June 1, commingling groups will make all first quarter reconciliation payments.
- (o) By June 1, the Cooperative Board will vote to determine whether any changes to payment shares should be made, and the Cooperative Board members representing the various commingling groups will determine pick-up responsibilities in accordance with Section 2(G) of this Plan.
- (p) By June 15, commingling groups will report pick-up plans to the Administrator and the Department to be checked against statutory and regulatory requirements.
- (q) On July 1, new payment share allocations and pick-up responsibilities will be in effect.
- (r) By July 15, commingling groups or their agents will report on the value and weight of scrap sold during the second quarter.
- (s) By August 1, the Administrator will calculate second quarter reconciliation payments owed by and to each commingling group.
- (t) By September 1, commingling groups will disburse all second quarter reconciliation payments.
- (u) By October 15, commingling groups or their agents will report on the value and weight of scrap sold during the third quarter.
- (v) By November 1, the Administrator will calculate third quarter reconciliation payments owed by and to each commingling group.
- (w) By December 1, commingling groups will disburse all third quarter reconciliation payments.

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(3) Communication

- (a) The Cooperative will provide notice to commingling groups, IODs, dealers, distributors, pick-up agents and other affected entities regarding program implementation by:
    - i. Contacting the members of each group directly whenever they are affected by a change or update to program operations via their preferred mailing and/or email address, as on file with the Department.
    - ii. Maintaining a list of stakeholder notifications on the Cooperative's website.
  - (b) In order to promote consistent communication and identify any potential inconsistencies with this Plan or applicable statutes and rule, the Cooperative may provide stakeholder notices to the Department for review prior to disseminating them to stakeholders.
  - (c) The Cooperative will provide formal notice to the Department in the event of changes to:
    - i. Cooperative filing status with the Secretary of State,
    - ii. Cooperative bylaws, and
    - iii. Cooperative board members.
  - (d) Formal communications with the Cooperative should be sent to, and will be received from, the Board. The Administrator is authorized to perform day-to-day education and outreach and provide clarifications on Cooperative communications.
  - (e) The Administrator will be available to manage phone calls and email from 9 a.m. to 5 p.m. Monday through Friday and will communicate questions and concerns it is unable to answer to the Department or Cooperative Board, as appropriate.
- N. 38 M.R.S. § 3107(3-B)(B)(14) "A description of how the cooperative will support the development of infrastructure throughout the State for the collection and sanitization of refillable beverage containers and for the return of those refillable beverage containers to initiators of deposit of refillable beverage containers for

refilling and sale. That infrastructure development may involve redemption centers, centralized washing and sanitization facilities and other methods;”

- (1) The Cooperative will consult with the Department and interested parties to develop the study required by 38 M.R.S. § 3107(3-B)(F-1).
  - (2) The Cooperative will engage a third-party advisor to develop methods to support the use of refillable beverage containers. The advisor will be asked to suggest the least costly methods of collecting refillable containers without damaging them, the most efficient ways to redistribute them to the appropriate IODs or other manufacturers, and a variety of sanitization options. It will design an optimal framework for spending \$500,000 per year toward this end.
  - (3) By August 1, 2026, after accounting for the cost of consulting with interested parties and contracting with the third-party advisor, the Cooperative Board will make the remainder of the \$500,000 annual allotment for 2026 available by placing a grant application on its website. The Cooperative will establish clear criteria for successful grant applications, including how grant applications will be prioritized if requests for funds exceed funds available.
  - (4) After improving its understanding of this issue via the third-party recommendation, the Cooperative Board will submit an update to this Plan with a process by which the Cooperative Board will annually allocate \$500,000 annually toward reuse. Until the Plan has been updated to provide an alternative process, the Cooperative will make funds available through the grant process described above.
- O. 38 M.R.S. § 3107(3-B)(B)(15) “Information regarding the advisory group formed by the cooperative board in accordance with paragraph A, including, but not limited to, its membership and the length of the terms of its members, a proposed meeting schedule and a description of the role and responsibilities of the advisory group, which may include, but are not limited to, advising the cooperative board regarding the development of the plan submitted under this paragraph;”<sup>16</sup>
- (1) The Advisory Group will consist of members representing the range of beverages and beverage container material types, as defined in 38 M.R.S. § 3107(2-3); and at least one member representing each of the following stakeholder groups: dealers, pick-up agents, recycling facilities, redemption centers that primarily

<sup>16</sup> “Paragraph A” and “this paragraph” refer to 38 M.R.S. § 3107(3-B)(A) and 38 M.R.S. § 3107(3-B)(B)(15), respectively. “This paragraph” corresponds to Section 2(O) of this Plan.

sort containers manually, redemption centers that primarily sort containers using reverse vending machines, entities operating account-based bulk processing programs, and environmental advocacy organizations.

- (2) To obtain members, the Cooperative Board will use contact lists provided by the Department and contact information of anyone that has contacted the Cooperative expressing interest. The Cooperative Board will first ask for those willing to participate to identify themselves and the group they wish to represent and then vote on one or more members to represent each group. Advisory Group members will serve two-year terms, unless they miss two consecutive meetings, at which point the Cooperative Board will replace the member by either adding another person from that stakeholder group who had initially expressed interest or by repeating the selection process.
  - (3) The Administrator will facilitate meetings for the Advisory Group. The Advisory Group will determine its meeting schedule but must meet at least once per year and no more than quarterly. Annually by April 1, beginning April 1, 2027, the Administrator will provide a Board Report to the Advisory Group, which may include, and is not limited to: a summary of sales data, a summary of redemption rates, the number of IOD's reporting sales and in compliance, label registration metrics, copies of any communications sent by the Cooperative, legislative updates, commodity pricing over the last year, changes in bag pricing, a summary of money spent toward reuse, the results of any third-party audits, any programmatic changes the Cooperative Board is considering, and a summary of changes to the number and location of operating redemption centers and dealers.
  - (4) The Advisory Group will provide a response to Board reports and may bring other issues to the Cooperative Board's attention. It will provide input to the Cooperative Board regarding any proposed changes to this Plan or program operations. Information submitted to the Cooperative Board from the Advisory Group may identify the members in support of and opposed to varying positions if not all members are aligned on feedback provided to the Cooperative Board.
- P. 38 M.R.S. § 3107(3-B)(B)(16) "A description of how the cooperative will operate the program in a manner designed to achieve an overall statewide redemption rate for all beverage containers subject to the requirements of this chapter, as determined in accordance with subparagraph (3) of 75% by January 1, 2027; of

80% by January 1, 2032; and of 85% by January 1, 2037;”<sup>17</sup>

- (1) The Cooperative will fund education to help Maine residents, visitors, and workers understand how to redeem beverage containers purchased in the State and the benefits of doing so. The Cooperative Board will adjust the direction of spending annually in response to the third-party assessment of its effectiveness.
- (2) The Cooperative will work with CLYNK, ecomaine, redemption centers, and municipal recycling programs and seek additional strategic partnerships where appropriate to increase the use of bottle drives for fundraising.
- (3) In the event goals for the overall redemption rate are not being met, the Cooperative Board will examine available information on redemption patterns, provide this information on redemption patterns to the Advisory Group, and ask for input from the Advisory Group regarding actions that might be taken to improve redemption rates. The Cooperative Board will use this information and its expertise to define actions likely to increase the overall rate of redemption and will report on these actions, and the information on redemption patterns and Advisory Group input it used to identify these actions, to the Department as part of its annual report.

Q. 38 M.R.S. § 3107(3-B)(B)(17) “Any other information required by the department.”

- (1) The Department requires the submission of bylaws to establish the Cooperative’s status as an appropriate responsible entity both upon initial approval of the Plan and within 10 days of any update.
- (2) The Department also requires specification of requirements for the Cooperative’s annual report. As required by 38 M.R.S. § 3107(3-B)(E), on or before April 1, 2026, and annually thereafter, the Cooperative shall submit to the Department and make available on its publicly accessible website a report that includes, but is not limited to:
  - (a) Contact information for the cooperative and a list of all initiators of deposit and beverage container label registrations, including for beverages sold directly to consumers in the State;

<sup>17</sup> Chapter refers to 38 M.R.S. Chapter 33; subparagraph 3 refers to 38 M.R.S. § 3107(3-B)(B)(3), which corresponds to Section 2(C) of this Plan.

- (b) Information on the rates of redemption for beverage containers calculated in accordance with plan requirements under 38 M.R.S. § 3107-B(B)(3) and Section 2(C) of this Plan. The report must include information regarding the total number of beverage containers subject to the requirements of 38 M.R.S §§ 3101-3109 sold or distributed in the State during the previous calendar year by the members of each commingling group, aggregated within each commingling group to provide only a total, aggregated number for each commingling group. If the calculated overall statewide redemption rate for beverage containers is less than the applicable redemption rate goal described in 38 M.R.S. § 3107(3-B)(B)(16) and Section 2(P) of this Plan, the report must include recommendations for changes to the operation of the program that are designed to achieve the required rate, which may include, but are not limited to, recommended increases in the deposit and refund value for beverage containers;
- (c) Detailed information on the calculation and expenditure of unclaimed deposit funds in the previous calendar year in accordance with 38 M.R.S. § 3108-A and Section 2(F) of this Plan;
- (d) A description of the education and outreach efforts implemented under the program in the previous calendar year to encourage participation in the beverage container redemption program, reduce instances of fraud in redemption and educate businesses and consumers on the value and safety of refillable beverage containers. The report must include the results of an assessment, completed by an independent third party, of the effectiveness of the efforts;
- (e) Any recommendations for changes to the program to improve the convenience of the collection system under the program, consumer education or program evaluation and any goals for supporting the use of refillable and reusable containers;
- (f) A financial report on the program, as determined through a third-party financial audit, that identifies the total cost of implementing the program and the specific administration, collection, transportation, disposition and communication costs for the program, including all costs associated with payment of handling fees, and an anticipated budget for the subsequent program year; and
- (g) Any other information required by the Department, including but not limited to, a review of the Plan discussing any required or recommended changes to the Plan for Department review and approval.

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- (3) For the annual report due April 1, 2026 only, the report will be limited to a summary of the Cooperative's progress toward completion of the steps outlined in Section 2(M)(1) of this Plan.