



April 8, 2026

Environment, Climate, and Legacy Committee
Minnesota State Legislature

RE: SF 1690 – Redwood Materials – Oppose Unless Amended

Chair Hawj, Vice Chair McEwen and Members of the Members of Environment, Climate, and Legacy Committee:

On behalf of Redwood Materials, we write to express our concerns with SF 1690. We strongly support the bill's intent to enhance battery safety and promote responsible environmental stewardship by keeping batteries and devices out of landfills. **However, while the legislation technically permits multiple battery stewardship organizations (BSO), its operational requirements would make it economically irrational for more than one BSO to ever form—creating a de facto monopoly that will reduce competition, limit innovation, and ultimately result in fewer batteries collected. We therefore must oppose this legislation unless it is amended.**

We believe that with a few targeted amendments, this legislation – and the battery collection program it establishes – will unlock the full potential of a competitive, multi-BSO system that achieves higher battery collection rates, delivers meaningful improvements to battery safety across Minnesota, and creates a framework that bolsters our nation's domestic recovery of critical minerals.

About Redwood Materials

Redwood Materials is the largest lithium-ion and rechargeable battery recycler in North America and operates across the full lifecycle of end-of-life batteries. Given our extensive experience and trusted role in this space, Redwood performs multiple functions under battery responsibility laws such as this one. We recycle the batteries collected under stewardship programs, serve as a BSO or stewardship partner for producers that self-represent, and operate independent battery collection programs outside of stewardship organizations.

As part of Redwood's consumer battery collection program, we provide free battery collection to the public across the country. To date, we have recovered more than 100,000 pounds of batteries for recycling, returning them to the domestic battery supply chain. Redwood's consumer battery collection program includes:

- **Battery Bins** – Redwood operates hundreds of battery collection locations nationwide in partnership with public and private organizations. Our Battery Bins are a patented, first-of-its-kind public-facing collection system that safely stores and monitors mixed batteries and battery-containing devices with no preparation required—no taping, sorting, bagging, or disassembly. The system uses automated sensing and real-time monitoring to enable fire-safe, scalable collection across all battery chemistries and device types.
- **Producer Partnerships** – Redwood partners with producers nationwide as a trusted stewardship partner for the safe and responsible end-of-life management of battery-powered products. These partnerships span large-format automotive battery OEMs and small- and medium-format producers across e-mobility, power tools, and consumer electronics, supporting compliant collection, logistics, and downstream recycling or repurposing.

- **Community Collection Events** – Consumers may also recycle end-of-life batteries through community collection events hosted in partnership with Rotary Clubs, K–12 schools and universities, local governments, and other civic organizations.
- **Education and Outreach** – Redwood’s Advocate Toolkit and partner-led education campaigns provide practical guidance on battery and device recycling, helping communities safely participate in battery recovery efforts and the clean energy transition.

The Benefit of Multiple Battery Stewardship Organizations Operating Collectively and Equitably

The evidence is clear that competition among stewardship organizations produces better outcomes for the environment and for consumers. A 2021 study commissioned by the European Recycling Platform, found that EPR schemes with multiple competing producer responsibility organizations consistently outperform monopoly systems.¹ The study concluded that organizations operating in competitive environments show a stronger focus on driving innovation, improving services offered to producers, and ensuring cost-efficient implementation of waste management activities including collection, sorting, and recycling. Monopolistic systems, by contrast, tend to rely on costly approaches to compliance and carry a higher risk of market power abuse when transparency is insufficient. Similarly, a joint analysis found that monopolistic EPR schemes are particularly prone to distorting competition in collection, sorting, and treatment markets, and noted that competition authorities across the European Union have challenged existing monopoly systems and demanded revisions to support market competition.² A 2023 roundtable on competition in the circular economy further reinforced that competitive market structures are essential for the transition to circularity.³

This is not merely theoretical. Vermont’s Product Stewardship Council, drawing on that state’s extensive EPR experience, has recommended that stewardship systems allow for compliance by individual producers as well as multiple PROs, and that PROs may be either nonprofit or for-profit entities.⁴ Vermont’s framework recognizes that where multiple PROs exist, they should coordinate to produce a single stewardship plan and provide consistent services statewide—but that the existence of multiple competing organizations is itself a driver of program quality. The lesson from both U.S. and international experience is consistent: more stewardship organizations means more competition, more innovation in collection methods, greater consumer convenience, and more batteries diverted from landfills.

Proposed Amendments to SF 1690

We appreciate several strong elements of this legislation as amended. The bill defines and utilizes “specialized covered battery recyclers” and does not limit battery stewardship organizations to nonprofit entities—opening the

¹ Adelphi, “Competition in Extended Producer Responsibility: Assessing the Performance of Competitive EPR Schemes,” commissioned by European Recycling Platform, July 2021. Available at: <https://erp-recycling.org/en-se/news-and-events/2021/07/study-finds-competition-is-beneficial-to-circular-economy/>

² Global Alliance on Circular Economy and Resource Efficiency (GACERE) and OECD, “Circular Economy and Extended Producer Responsibility,” Webinar Report, June 2022. Available at: https://www.unido.org/sites/default/files/unido-publications/2023-11/GACERE_Circular%20Economy%20and%20Extended%20Producer%20Responsibility_webinar%20report.pdf

³ OECD, “Competition in the Circular Economy,” OECD Roundtables on Competition Policy Papers, No. 298, OECD Publishing, Paris, 2023. <https://doi.org/10.1787/4b829cf6-en>

⁴ Vermont Product Stewardship Council, “Elements of EPR Legislation: Packaging and Paper Products,” presented to the Vermont House Committee on Natural Resources, Fish, and Wildlife, January 20, 2021. Available at: <https://legislature.vermont.gov/Documents/2022/WorkGroups/House%20Natural/>

door to greater diversity in collection programs, cost efficiency, and ultimately more batteries collected. These are critical design choices, and we commend Minnesota’s leadership for including them.

Another important element of this bill is the operation of multiple BSOs. Although the bill allows for multiple BSOs, the independent convenience standard requirement, the equally assigned administrative fees makes the economics of forming multiple BSOs untenable. Equal responsibility is not synonymous with equitable responsibility. For years, a single battery stewardship organization has operated in the United States, and policies that treat all BSOs identically risk reinforcing that dominance. While there is clear interest from additional providers to offer stewardship services, many current EPR frameworks create structural barriers to entry. Experience in European EPR markets demonstrates that enabling multiple stewardship organizations—including for-profit entities—fosters competition, reduces costs, improves operational efficiency, and more effectively advances the policy’s intended outcomes.⁵

To ensure Minnesota’s battery EPR does not lead to a monopolized framework, we recommend the following amendments be adopted:

1. Allow Battery Stewardship Organizations to Collectively Satisfy Statewide Convenience Standards

Section 115A.1335, Subdivision 3(b) states:

“A covered battery stewardship plan submitted by a covered battery stewardship organization must independently meet the convenience standards in paragraphs (c) to (e) without cost sharing, collaboration, or consideration of activities of another covered battery stewardship organization.”

This is the single most significant barrier to a competitive multi-BSO system. If two BSOs exist, Minnesota doesn’t get one statewide network—it gets two redundant ones while doubling program costs. Producers should be responsible for the end-of-life management of their products, but that means contributing program costs proportional to the products they put on the market. Stewardship programs should reflect the producers they represent; as such, the program’s contribution to the state’s convenience standards should also reflect the producers they represent.

No producer that wants to self-represent, and no smaller stewardship organization, could independently build a statewide collection network of this scale. With this requirement, the rational economic choice for every producer is to therefore join the single dominant BSO—eliminating the competition that drives higher collection rates and better outcomes. We strongly urge that this provision be amended to allow multiple BSOs to *collectively* instead of individually meet statewide convenience standards, with each BSO responsible for its proportionate share of the collection infrastructure based on the market share of the producers it represents. This preserves full statewide coverage for consumers while enabling the multi-BSO competition that will maximize the number of batteries collected.

2. Allocate Administrative Fees Proportionally Rather Than Equally

Section 115A.1339, Subdivision 1(b) states:

⁵ OECD (2023), Competition in the Circular Economy, OECD Competition Policy Roundtable Background Note, www.oecd.org/daf/competition/competition-in-the-circular-economy-2023.pdf.

“By December 1, 2027, the commissioner must assess an administrative fee and equally split among all covered battery stewardship organizations at an amount that is adequate to reimburse the agency’s costs calculated under paragraph (a).”

Subdivision 1(d) applies the same equal-split approach to ongoing semiannual fee assessments. This compounds the monopoly problem: a single-producer BSO would pay the same administrative fee as a BSO representing 50 producers with far greater combined market share. For a producer considering whether to self-represent or join a smaller BSO, this means bearing a disproportionate share of state administrative costs on top of the already-prohibitive infrastructure costs required by the independent convenience standards. The equal fee split is, in effect, a tax on competition—punishing any producer that chooses an alternative to the dominant BSO.

Fees should instead be allocated proportionally based on the market share of the producers each BSO represents. This ensures the cost of administering the program is borne equitably and removes one more structural barrier to the multi-BSO competition that will drive higher collection rates and better program outcomes.

Taken together, these amendments would transform SF 1690 from a framework that inadvertently guarantees a single monopoly BSO into one that enables genuine competition among stewardship organizations. More competition means more innovation in collection methods, greater consumer convenience, and ultimately more batteries diverted from landfills and returned to the domestic supply chain. Minnesota has the opportunity to lead in battery stewardship—not by concentrating authority in a single organization, but by creating the conditions for multiple organizations to compete to collect the most batteries.

Redwood remains committed to keeping batteries out of landfills and building a robust domestic battery recycling ecosystem. We stand ready to partner with the State of Minnesota to develop the most effective battery recovery program possible. We respectfully urge the adoption of these amendments to **SF 1690**.

Sincerely,



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