



March 6, 2025

Environment, Climate, and Legacy Committee
Minnesota State Legislature
95 University Avenue W.
Saint Paul, MN 55155

RE: SF 1690 - Stewardship program establishment for circuit boards, batteries, and electrical products

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

We write with urgent concern regarding SF 1690 - Stewardship program establishment for circuit boards, batteries, and electrical products. While we support the bill's intent to promote safe, responsible battery recycling, we believe the current proposal does not fully leverage the expertise and capabilities of specialized battery recyclers or the well-established e-waste and metal recycling infrastructure in Minnesota. **Consequently, we must oppose the bill unless it is amended to better harness these existing resources and innovative collection models.**

As drafted, the bill risks stifling effective, market-driven solutions by monopolizing battery collection to a single third-party entity that does not actually recycle the materials they receive. We advocate for a stewardship model that upholds the proposed collection framework yet integrates and strengthens both Minnesota recyclers and America's domestic battery recycling industry.

As a member of the Minnesota Critical materials Recovery Advisory Task Force, we are committed to advancing the domestic recovery of critical materials. Redwood Materials is developing the first U.S.-based closed-loop supply chain for lithium-ion batteries, encompassing collection, recycling, and re-manufacturing batteries into high-value components like cathode materials. Our goal is to support Minnesota and the nation's transition to sustainable energy by achieving recycling rates above 95% and substantially reducing both the carbon footprint and cost of producing new batteries. We do not manufacture batteries ourselves but instead provide—and partner with—consumer-facing and industry collection programs to ensure these materials are recovered and reintroduced into a domestic supply chain, lowering reliance on foreign sources.

A strong EPR program can build on the private sector's success while expanding collection and consumer education efforts. Together, we are capturing unwanted end-of-life batteries and refine them into critical battery materials to meet emerging domestic production and recycled content needs. However, the proposed language in SF 1690 could limit the ability of recyclers like Redwood to directly acquire feedstock through diverse collection channels and partnerships, thereby undermining an essential piece of the closed-loop ecosystem.

Stewardship organizations and recyclers are not mutually exclusive; an effective EPR framework should harness the expertise and broad reach of both. By reinforcing existing and future battery collection pathways, banning the landfilling of batteries, and promoting robust consumer awareness, SF 1690 can help ensure greater battery recovery rates and improved public safety. We therefore ask that you consider our proposed amendments, outlined below, which we strongly believe will advance Minnesota's environmental, economic, and clean energy goals.

To address these concerns and fully realize the potential of Minnesota's recycling infrastructure, we respectfully propose the following amendments. Each is designed to integrate and strengthen the stewardship model, driving higher recovery rates, safer handling, and a more robust circular economy for batteries.

Our proposed amendments include:

1. Define "Specialized Battery Recycler" and Require Stewardship Organizations to Coordinate with Specialized Battery Recyclers for End-of-Life Management of Lithium-Ion Batteries

To address the unique safety, environmental, and material-recovery considerations of lithium-ion batteries, SF 1690 should explicitly define "specialized battery recyclers"—entities with the expertise and technology required to process these batteries responsibly. The bill should also acknowledge the important roles of other recycling stakeholders, such as electronic waste and metal recyclers, who often encounter lithium-ion batteries and may partner with specialized battery recyclers like Redwood Materials for safe and efficient downstream processing.

Critically, the legislative framework should require stewardship organizations to partner with specialized battery recyclers for the end-of-life management of collected batteries, rather than merely collecting them without ensuring full recycling. By holding stewardship programs to the same standards as the private sector, Minnesota can guarantee that recovered materials are truly reintroduced into a domestic, closed-loop supply chain—lowering reliance on foreign sources of critical minerals, reducing clean energy costs, and advancing the state's sustainability goals.

2. Allow Direct Collection and Inventory Ownership by Specialized Battery Recyclers and E-Waste/Metal Recyclers

Recyclers should be permitted to collect batteries directly from consumers and maintain inventory of those batteries especially if they are covering their own collection and logistics costs, as well as reporting required data to the state. Unfortunately, the current draft of SF 1690 lacks the clarity recyclers need to continue operating independently and retain ownership of collected materials. By enabling recyclers to establish direct collection pathways for consumers, Minnesota benefits from a more streamlined and efficient recycling process that boosts convenience, increases recycling rates, and ensures safety and environmental compliance. Most importantly, this approach complements—rather than competes with—the proposed battery stewardship program by preserving an important avenue for market-driven innovation when we all agree that collection rates need to increase drastically.

Recognizing the essential role of electronic waste, metal recyclers, and specialized battery recyclers within the broader recycling ecosystem is paramount. These entities are not “free riders” on any stewardship program; on the contrary, they do not produce batteries but instead provide a vital public service by processing and recovering battery materials that would otherwise be landfilled. Through partnerships with downstream innovators like Redwood Materials, recyclers capture used batteries at the end of their life cycle and refine them into new materials, bolstering both sustainability and economic growth.

3. Do Not Restrict the Program to a Single 501(c)(3) Stewardship Organization

Limiting the program to a single nonprofit stewardship organization can hinder competition, stifle innovation, and reduce the overall effectiveness of Minnesota’s battery recycling efforts. Allowing multiple for-profit and nonprofit entities to form stewardship organizations helps draw on a broader range of expertise, funding opportunities, and operational models—ultimately strengthening the recycling ecosystem. By diversifying the types of organizations eligible to oversee end-of-life battery management, the state ensures it does not rely too heavily on a narrow pool of organizations, increasing resilience and improving long-term outcomes for consumers, recyclers, and the environment alike.

4. Clearly Define Small and Medium Format Batteries and Exempt Large Format from the Bill’s Requirements

The definition for a covered battery within SF 1690 currently states: *(h) “Covered battery” means a battery of any type, physical size, or energy capacity except a lead-acid battery with a*

free liquid electrolyte. We believe that small and medium format batteries should be clearly defined within this legislation and collection sites should not be required to collect both. Additionally, the bill states that “a motor vehicle, as defined in section 168.002” is excluded from the list of covered products. We would like to see the definition of a large format battery from an electric or hybrid vehicle more clearly defined and excluded from the requirements of this program. Such large format batteries are not the same as consumer batteries and should not be treated the same. Redwood Materials has resources regarding the recycling of large format batteries that we would be happy to share.

We remain firmly committed to keeping consumer batteries out of landfills and advancing a robust battery recycling ecosystem. However, the current framework outlined in SF 1690 risks stifling the innovative approaches already driving high recovery rates and quality recycling outcomes. We therefore urge you to amend SF 1690 to incorporate these essential changes—aligning the bill with the realities of modern end-of-life battery management, evolving recycling technologies and collection methods, and the nation’s clean energy and recycling goals.

Thank you for your consideration of our testimony and recommendations.

Sincerely,



Ashley Seaward

Manager of State Policy & Government Relations

Redwood Materials

ashley.seaward@redwoodmaterials.com