

Ministry of the Environment, Conservation and Parks

# New Producer Responsibility Regulation for Blue Box

Public Webinars/ Stakeholders

November 2020

# Goals of Today's Meeting

- Provide an overview of the proposed core regulatory components for the transition of municipal Blue Box services to producer responsibility i.e., where producers will be responsible for providing Blue Box services.
- Seek feedback on the draft regulation and whether additional provisions are needed to support producer responsibility and an effective Common Collection System (CCS).

# The Current Blue Box Program

- Municipalities are mandated by O. Reg. 101/94 under the Environmental Protection Act to establish and operate curbside Blue Box programs.
- To assist municipalities in funding their Blue Box programs, the Waste Diversion Transition Act 2016 (WDTA) requires shared industry funding for the municipal Blue Box system.
  - Producers supplying Blue Box items (i.e. residential printed paper and packaging) must pay 50% of municipal net operating costs.
  - Funding started in 2004 through the Blue Box Program Plan run by Stewardship Ontario (SO).
- On June 6<sup>th</sup>, 2019, Mr. David Lindsay was appointed as a Special Advisor to engage with key parties and provide the government with recommendations on how to move forward with producer responsibility for Ontario's Blue Box services.
  - Mr. Lindsay delivered his final report on July 20<sup>th</sup>, 2019, which provided recommendations regarding materials, targets, collection requirements, and timing.

# A New Producer Responsibility Blue Box Program

- The Made-in-Ontario Environment Plan commits to shifting to a waste management approach where producers are responsible for the waste generated from their products and packaging.
- On August 15<sup>th</sup>, 2019, the Minister directed Stewardship Ontario to develop a plan to transition the Blue Box Program Plan to a full producer responsibility model, which is expected for approval by the Resource Productivity and Recovery Authority (RPPRA) on December 31<sup>st</sup>, 2020.
  - RPPRA is responsible for overseeing diversion programs and producer responsibility.
- The ministry has developed a proposed Blue Box regulation under the Resource Recovery and Circular Economy Act, 2016 (RRCEA), which was posted for public comment on the Environmental Registry on October 19<sup>th</sup>.
- To inform the development of the regulation, the ministry established three working groups composed of members from industry; municipalities; and packaging manufacturers and service providers.
  - The working groups met between November 2019 and July 2020.
  - MECP also initiated engagement with First Nation communities.

# Benefits of Producer Responsibility in the Blue Box Program

## Cost Savings for Municipalities and First Nations

- Producer responsibility for the Blue Box is expected to save municipalities and First Nations at least \$135 million per year based on 2018 costs.
  - Upon completion of transition to the new producer responsibility regulation in 2026, no community would be obligated to provide Blue Box collection to their residents.
  - Municipalities may choose to work with producers to provide collection services. This is not a requirement and would only be done through a mutually agreed upon contract.

## Improved diversion

- Starting in 2026, the improved Blue Box will have some of the highest diversion targets in North America, diverting an additional 200,000 tonnes of waste from landfill each year.
- It will expand service to new communities, more facilities, and new materials – making it more comprehensive and accessible for residents, and more fair and effective for producers.
- Producers would be required to collect from locations where Ontarians generate residential materials, e.g.:
  - Permanent and seasonal dwellings
  - Multi-unit residential buildings
  - Public and private schools
  - Long-term care and retirement homes
  - Parks and public spaces

# Benefits of Producer Responsibility in the Blue Box Program (2)

## Flexibility for Producers

- During the working groups the Ministry heard from stakeholders that they did not want to delay the transition to producer responsibility.
- Studies prepared for the ministry project that producer responsibility could help reduce net costs by up to 20% through improved contracting, collection, and processing efficiencies.
  - To mitigate cost impacts on producers, responsibility for programs will be transferred through a graduated approach starting in 2023 and lasting three years before they are fully responsible.
- The proposed regulation would be outcomes-focused, reducing reporting burden for producers while delivering reliable, verified diversion results.
  - There will also be small business exemptions for producers with small quantities and revenues in order to reduce burden.

## Promoting innovation and job growth

- Higher diversion levels can create sustainable economic opportunities for waste collection, recycling and producing packaging materials with recycled content in Ontario.
  - More waste diversion means more investment and jobs for Ontario.
  - Ministry studies calculate that every 1,000 tonnes of waste diverted from landfill creates seven full time jobs, \$360,000 in wages, and more than \$700,000 in GDP.

# Key Elements and Benefits of a Blue Box Regulation

- The draft producer responsibility regulation for the Blue Box Program:
  - Defines the **responsible producers** and **roles** for those producers and their service providers
    - Producers resident in Canada are the primary obligated party followed by first importers (which captures online retailers).
  - Defines an expanded **scope of materials** that must be diverted through the Blue Box
    - The Blue Box will now include single-use packaging-like products (foils, wraps, trays, boxes, bags) and single-use items supplied with food and beverage products (straws, cutlery, plates, straws, cutlery, plates, and stir sticks).
  - Provides for a convenient and accessible **common Blue Box collection system** for all communities outside of the Far North in Ontario, including First Nation communities.
    - There will be no disruption in services – all communities that have Blue Box services today will continue to get service, including communities under 5,000.
  - Sets some of the highest **diversion targets** in North America and defines acceptable diversion outcomes that producers must achieve (e.g. energy from waste does not count as diversion).
  - Identifies when each municipality would **transition** from the old Blue Box program to the new producer responsibility system between 2023 and 2025.
  - Has no impact to Ontario's alcoholic beverage deposit return program (e.g. for beer, wine, alcohol).

# Regulation: Proposed Responsible Producers

- The intent of the regulation is to make those that design, distribute or market products and packaging responsible for collecting these materials and diverting them from landfill.
- As proposed, the regulation would establish a hierarchy of producers to ensure that the person with the closest connection to the designated products and packaging is made the responsible producer.



- Because of their role in designing, marketing, or distributing products and packaging to residents, brand holders are best placed to take responsibility.
- Producers would register with RPRA and report on the amount of products and packaging they marketed in Ontario.
- Producers with less than \$2 million in sales annually would have no requirements except to keep records.
- Producers with over \$2 million in sales that supply less than minimum thresholds for each blue box material must register and report their supply, but have no collection, management, or promotion & education requirements.



# Regulation: Proposed Designated Materials

To ensure people can put more products in their Blue Box and make recycling as easy as possible, the ministry is proposing a consistent list of materials that residents can recycle at more locations.



## DESIGNATED

The following items, where made from paper, metal, glass, plastic, or any combination of those materials:

- Packaging, including aerosol containers
- Printed and unprinted paper
- Single-use packaging-like products, such as foils, wraps, trays, boxes, and bags
- Single-use food and beverage service items such as straws, cutlery, plates, and food service ware

\* Compostable materials are also designated, but only incur reporting requirements



## NOT INCLUDED

- Packaging, single-use packaging-like products, and single-use food and beverage service products that are made primarily from other materials, such as wood, textiles, wax
- Any materials designated under a different diversion regulation (e.g. automotive oil containers)
- Materials designed for containment of waste destined for landfill, such as bags used to collect garbage, recycling, or food and organic waste
- Books and hardcover periodicals
- Paper fibres used for sanitary purposes (e.g. tissues, paper towel)
- Items intended for disposal in a sewage works (e.g. toilet paper)
- Biomedical or hazardous waste (e.g. pressurized containers)

# Regulation: Collection Requirements During Transition

- During the transition period (2023-2025), producers must collect from transitioned communities and must collect from the sources in those communities that received blue box services prior to transition.
- The date each community is to transition will be identified on a Blue Box Transition Schedule.
  - The proposed list currently being consulted on does not yet include First Nation communities as the ministry will work with those communities to determine appropriate transition dates.
- To reduce program disruption, producers would be required to collect from locations and provide service standards that equal or exceed what is being provided in that community on August 15, 2019.
- Producers would be required to provide collection services in all First Nations and municipalities outside the Far North.
- For First Nation communities, producers would be required to offer collection services to all First Nations that currently operate Blue Box programs. First Nations must agree to accept the services before producers provide them.
- Producers would be required to provide either curbside or depot collection to single-family homes, according to regulated service standards.
- The regulation would also allow producers to create supplemental and alternative collection systems.

# Regulation: Collection Requirements After Transition

- Starting in 2026, the proposed regulation would expand Blue Box collection to more communities, locations and sources, including First Nations and municipalities with populations under 5,000.
- Producers would be required to collect from locations where Ontarians generate residential materials, e.g.:
  - Permanent and seasonal dwellings
  - Multi-unit residential buildings
  - Public and private schools
  - Long-term care and retirement homes
  - Outdoor parks, public spaces, and streetscapes where garbage collection is also provided.
- Producers and PROs would need to comply with regulated service standards that determine the type and frequency of collection for eligible residences and buildings to make recycling as convenient as garbage collection.

Residence or Facility Type	Blue Box Service Standard	Blue Box Frequency Standard
Households with curbside garbage collection	Curbside Blue Box collection	No less than every other week
Households with depot garbage collection	Depot Blue Box collection	When operators indicate depot bins are full
Apartments, schools, other eligible facilities, public spaces	Collect Blue Box materials directly from the building or eligible space e.g., park	According to agreed-upon schedule or when operators indicate bins are full

- In all instances, producers would be required to provide initial receptacles free-of charge, including one free replacement per year (within a specified time-frame to reduce disruption.)
- Producers would need to provide promotion and education material to help residents understand how to participate in and maximize diversion.

# Regulation: Allocation Table and Common Collection System

- The regulation creates a framework for a single coordinated, “common collection system” for blue box materials across the province, including in small and remote communities.
- Producers would be allocated residences, facilities, and public spaces that they must collect from. This will be done through an annual allocation table.
  - Producers would be obligated to participate in the common collection system (unless they have established an alternative collection system) and must provide collection services for sources allocated to them.
- Rules must be created to develop the annual allocation table. Only producers and registered Producer Responsibility Organizations (PROs) of sufficient size can develop the rules.
  - Eligible producers or PROs must represent at least 10% of the market.
  - All parties must agree to the rules and submit them to the Resource Productivity and Recovery Authority (RPRRA).
- The allocation table must be finalized by July 1, 2022 in order to ensure all parties have enough time to organize to ensure a smooth transition of blue box programs in 2023.
- If eligible PROs and producers are unable to develop the rules, the minister would develop them instead (see next slide for proposed graduated approach).

# Regulation: Proposed Backstop

- The government intends that eligible Producer Responsibility Organizations (PROs) and producers will successfully negotiate a set of rules to be used to establish the annual allocation table.
- Every effort would be made to allow PROs and producers the time they need to come to an agreement on the rules, and the ministry will monitor the negotiations closely.
- If PROs are unable to agree on the rules for the allocation table, the regulation would allow the Minister to draft the rules if required. The regulation also allows the Minister to revise existing rules in order to ensure that the Blue Box Common Collection System functions as intended.
  - The Minister's exercise of these powers would be treated as a last resort since the ministry wants to encourage producers and PROs to retain control over the system.
- To ensure that rules to establish the annual allocation table are in place in a timely manner, the ministry supports a progressive approach which could include measures outside the regulation to help reach consensus, such as mediation or arbitration.
  - The ministry is seeking feedback on these mechanisms through the Environmental Registry of Ontario (ERO) posting.

# Regulation: Proposed Management Methods

- Blue Box should focus on extending the life of materials – collection, recycling, and other related measures.
- Producers could use any of the following management methods toward their diversion targets:
  - Re-Use
  - Recycling (mechanical or chemical)
  - Composting/Anaerobic digestion used to supplement soil
  - Limited use of materials as aggregate (e.g. road building)
- The following management methods would not count toward diversion targets:
  - Landfilling
  - Landfill cover
  - Incineration and energy from waste
- Use of materials to generate energy or fuel is not considered diversion but would be encouraged for wastes that cannot be recycled (e.g. Blue Box residuals).

# Regulation: Proposed Management Targets

- Producers would have to meet management targets for the proportion of products and packaging they market.
- Producers would be required to report on their supply and diversion outcomes for each target category. Producers that do not achieve targets could be subject to administrative penalties.
- Producers of beverage containers would be obligated for all containers – including those in the industrial, commercial and institutional sectors – driving collection outside the home.
  - Note: Alcohol beverage containers are being exempted from the regulation (as per the following slide).
- The proposed targets would be among the highest in North America and would achieve diversion outcomes.

Target Category	Stage 1: 2026-2029 Proposed Target	Stage 2: From 2030 Proposed Target
Paper	90%	90%
Rigid Plastic	55%	60%
Flexible Plastic	30%	40%
Glass	75%	85%
Metal	67%	75%
Non-Alcoholic Beverage Containers	75%	80%
Compostable packaging	No target – register and report on supply from 2022-2026; ministry will use this information to create management requirements that could begin in 2026	

# Regulation: Exempting Alcohol Beverage Containers

- Alcohol beverage containers, and their associated packaging, have high rates of recycling through long-running, established deposit-return systems that are governed by regulations and contracts overseen by the Ministry of Finance.
- The Beer Store runs these programs in Ontario, and this will not change as a result of the Blue Box regulation.
- In recognition that alcohol beverage containers are being recycled through these programs, alcohol containers and their associated packaging would be exempt from the proposed Blue Box regulation.
- The Beer Store would still be required to provide a report to RPRA on the performance of the deposit return programs - as they do today.
- The annual report would need to be audited, consistent with audit requirements that would apply to other producers. This would ensure that the Beer Store is held to the same performance standards as other producers.
- Alcohol producers would not be subject to registration, reporting, or audit requirements.
- The government intends to maintain or improve these results by setting aspirational targets for the systems run by the Beer Store that align with the diversion results being currently achieved.

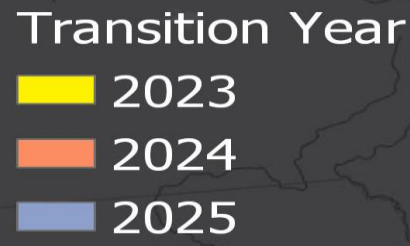
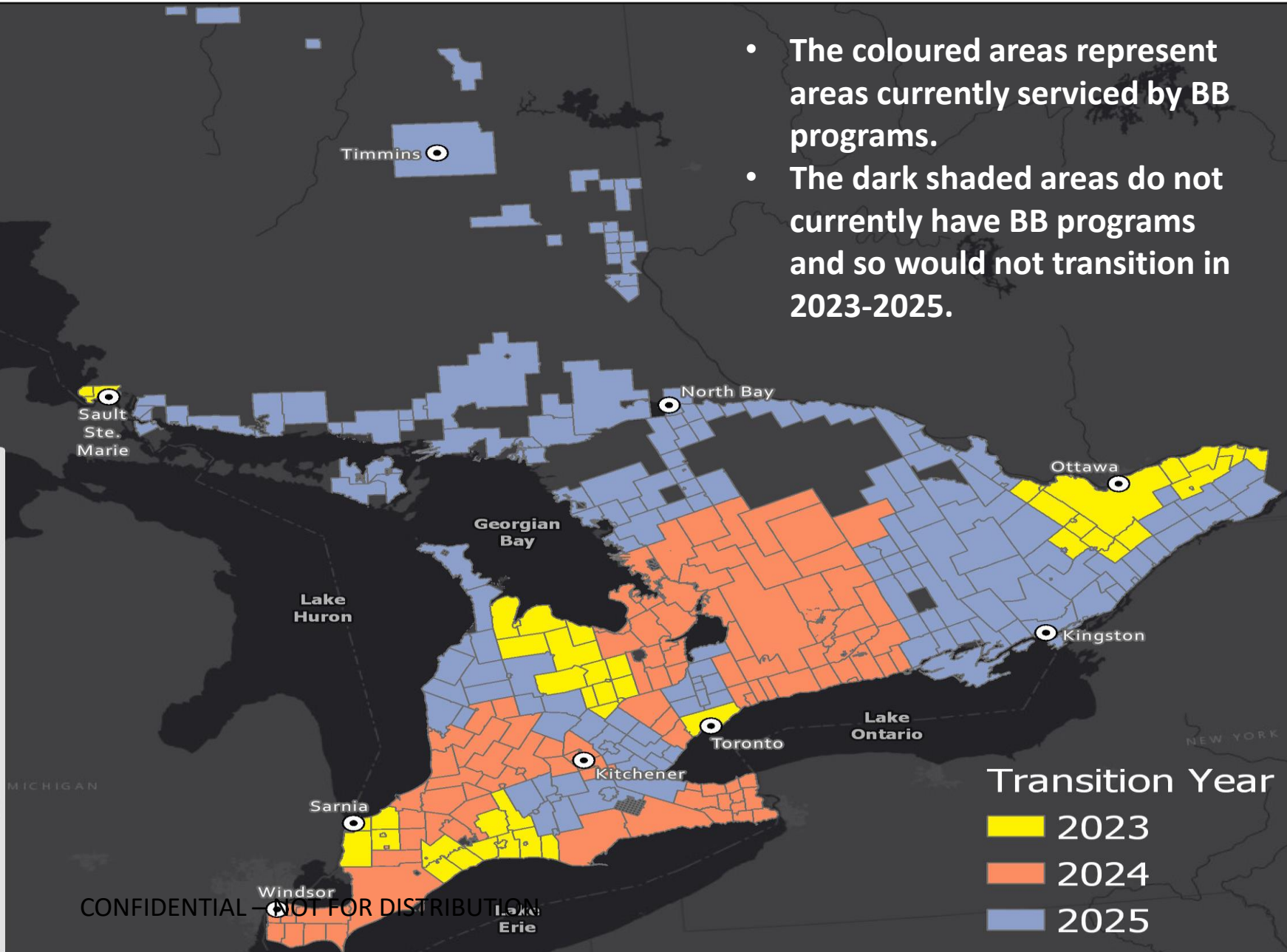
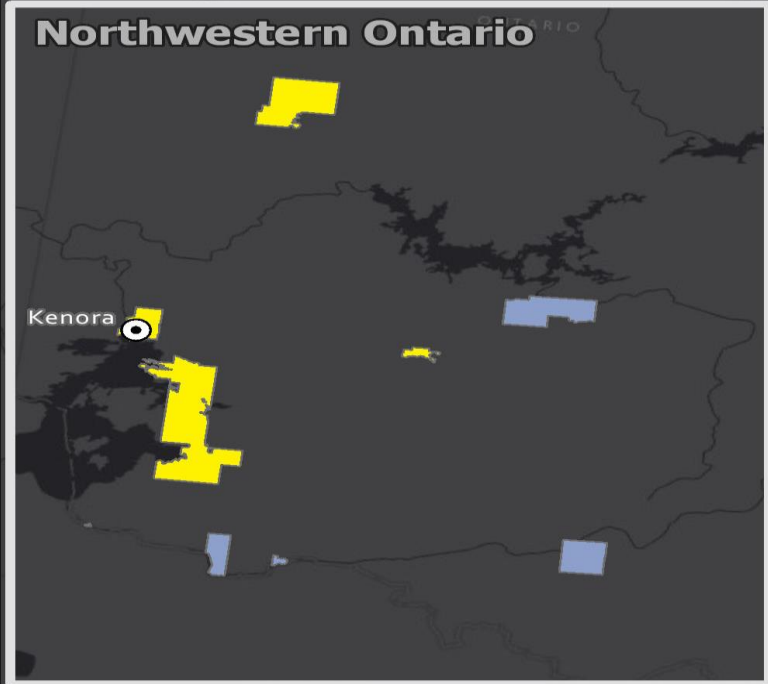


# Transition of Municipal and First Nation Programs

- The ministry's proposed approach to transition is to balance cost, tonnes, population and geographical catchments to promote a smooth transition process and manageable cost transfers to producers.
- The ministry released a transition list along with the draft regulation that identifies the municipal programs that would transition in 2023, 2024 and 2025 (see Appendix for groupings).
- Where possible, the ministry took into consideration a municipality's preferred transition year.
  - The Association of Municipalities of Ontario canvassed all municipalities, sought their input on their preferred transition year, and relayed that preference to the ministry.
- Producers would be responsible for transitioning communities on or before the dates contained in the schedule.
- According to the 2018 RPRA Datacall, 24 First Nation communities operated Blue Box Programs. The ministry's best estimate is that up to 30 additional First Nation communities operate Blue Box services.
- The proposed transition list currently being consulted on does not yet include First Nations communities.
- The ministry intends to conduct further outreach with First Nation communities while the draft regulation is posted for consultation to better understand the preferred order of transition and update the transition list with First Nation communities in each of the three transition years.

# Blue Box Residential Recycling Program Lower / Single Tier Municipalities

- The coloured areas represent areas currently serviced by BB programs.
- The dark shaded areas do not currently have BB programs and so would not transition in 2023-2025.



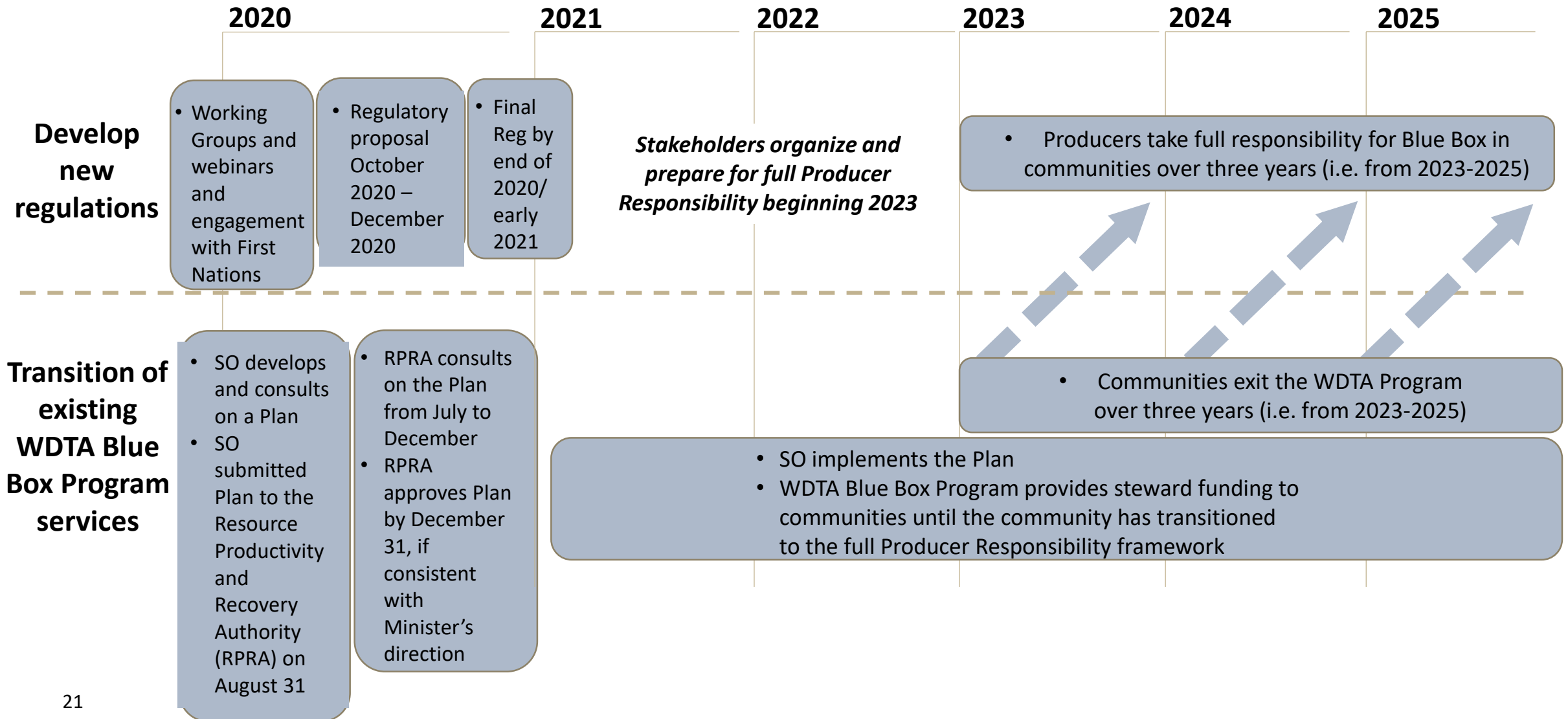
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# Next Steps

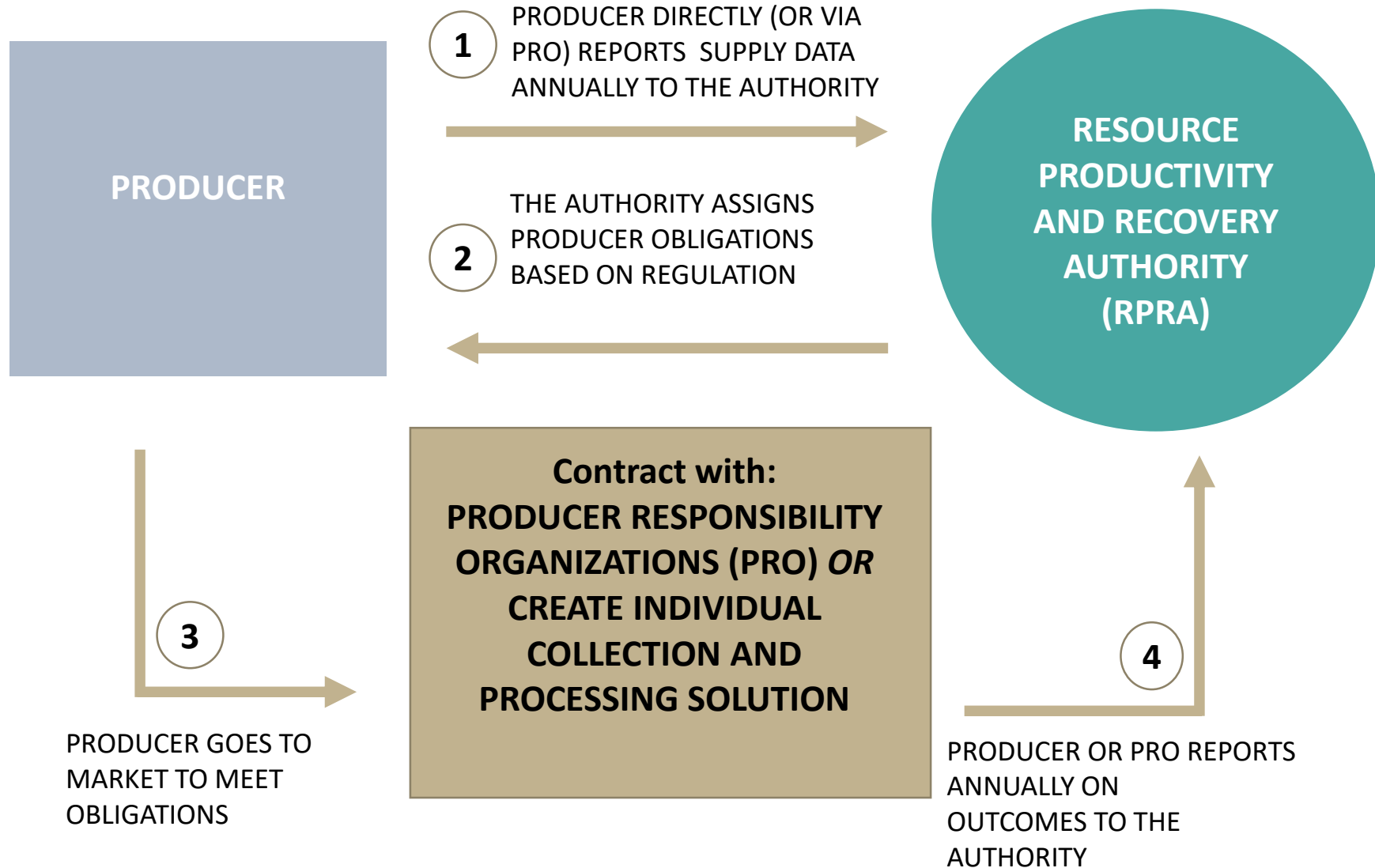
- The proposed regulation was posted on the Environmental Registry on October 19<sup>th</sup>, for a 45-day comment period ending on December 3.
- While the draft regulation is posted on the Environmental Registry for feedback from all Ontarians, the ministry will consult with stakeholders and undertake additional engagement with First Nation communities.
- The ministry is aiming for a finalized regulation by January/February 2021 , after which:
  - Municipalities would plan for the transition of their services and decide whether to bid as service providers for local collection contracts.
  - Producers would organize themselves and decide whether to establish their own PROs to provide collection services.
  - PROs would begin the work of planning for the common collection system.
- Municipal and First Nations Blue Box Programs would transition between 2023 and 2025.
- By 2026, producers would have full responsibility for Blue Box services province-wide and be obligated to provide collection to eligible sources and to meet regulated diversion targets.

# Appendices

# Towards a New Producer Responsibility Blue Box



# Regulation: How Producers Will Fulfill Responsibilities



# Recommended Municipal Transition Groupings

- The ministry’s recommended approach balances cost, tonnes, and population to promote a smooth transition process and manageable cost transfers to producers.
- Where possible the Ministry accommodated preferred municipal transition dates.
- First Nation communities will be added to each transition year after engagement with First Nations.

2023	2024	2025
<ul style="list-style-type: none"> <li>• <b>Total Programs:</b> 47</li> <li>• <b>Total Net Costs:</b> \$93,243,246</li> <li>• <b>Total Tonnes:</b> 302,572 T</li> <li>• <b>Total Population:</b> 4,644,813</li> <li>• <b>Total Households:</b> 1,729,143</li> </ul> <p><u>Includes (full list in next slides):</u>  <b>GHA:</b> City of Toronto  <b>Central:</b> Sault Ste. Marie, County of Dufferin  <b>East:</b> City of Ottawa  <b>South:</b> City of London, City of Sarnia</p>	<ul style="list-style-type: none"> <li>• <b>Total Programs:</b> 31</li> <li>• <b>Total Net Costs:</b> \$100,553,617</li> <li>• <b>Total Tonnes:</b> 367,769 T</li> <li>• <b>Total Population:</b> 4,899,052</li> <li>• <b>Total Households:</b> 1,904,318</li> </ul> <p><u>Includes (full list in next slides):</u>  <b>GHA:</b> Region of Peel, Durham Region, Niagara Region  <b>Central:</b> County of Simcoe, Region of Waterloo, City of Barrie, District of Muskoka  <b>East:</b> City of Peterborough, County of Peterborough, City of Kawartha Lakes, County of Northumberland  <b>South:</b> Essex-Windsor Solid Waste Authority, Bluewater Recycling Association, County of Norfolk, Chatham-Kent  <b>North:</b> City of Thunder Bay</p>	<ul style="list-style-type: none"> <li>• <b>Total Programs:</b> 147</li> <li>• <b>Total Net Costs:</b> \$96,412,433</li> <li>• <b>Total Tonnes:</b> 290,475 T</li> <li>• <b>Total Population:</b> 3,987,631</li> <li>• <b>Total Households:</b> 1,630,592</li> </ul> <p><u>Includes (Full list in next slides):</u>  <b>GHA:</b> York Region, Region of Halton, City of Hamilton, City of Brantford  <b>Central:</b> City of Guelph, Bruce Area Solid Waste Recycling, County of Wellington  <b>East:</b> City of Kingston, Oxford County, Quinte Waste Solutions  <b>North:</b> City of Greater Sudbury, City of North Bay</p>

# Appendix – List of programs to transition in 2023

Alfred and Plantagenet	Dufferin County	Mississippi Mills	Sioux Narrows Nestor Falls
Arnprior	Dutton-Dunwich	Montague	Southgate
Aylmer	Enniskillen	Newbury	Southwest Middlesex
Bayham	Georgian Bluffs	North Grenville	Southwold
Beckwith	Grey Highlands	Ottawa	St. Clair
Carleton Place	Goulais Local Service Board	Owen Sound	St. Thomas
Casselman	Hawkesbury Joint Recycling	Petrolia	Thames Centre
Central Elgin	Kenora	Plympton-Wyoming	The Blue Mountains
Chatsworth	London	Prince	The Nation
Clarence-Rockland	Malahide	Red Lake	Toronto
Drummond-North Elmsley	McNab-Braeside	Sarnia	West Elgin
Dryden	Meaford	Sault Ste. Marie	
	Merrickville-Wolford		



# Appendix – List of programs to transition in 2024

Algonquin Highlands

Barrie

Bluewater Recycling Association

Chatham-Kent

Conmee

Durham Region

Dysart et. Al

Essex-Windsor Solid Waste  
Authority

Gillies

Haldimand County

Hastings Highlands

Highlands East

Howick

Kawartha Lakes

Minden Hills

Muskoka District

Neebing

Niagara Region

Norfolk County

Northumberland County

O'Connor

Oliver Paipoonge

Orillia

Peel Region

Peterborough City

Peterborough County

Shuniah

Simcoe County

Stratford

Thunder Bay

Waterloo Region

# Appendix – List of programs to transition in 2025 (1)

Addington Highlands	Brudenell, Lyndoch and Raglan	Elizabethtown-Kitley	Hamilton
Admaston/Bromley	Burk's Falls	Elliot Lake	Hanover
Armour	Callander	Emo	Harley
Armstrong	Calvin	Englehart	Head, Clara And Maria
Ashfield-Colborne-Wawanosh	Carling	Espanola	Hearst
Assignack	Carlow Mayo	Evanturel	Hilliard
Athens	Casey	Faraday	Hilton Beach
Atikokan	Central Frontenac	Fort Frances	Horton
Augusta	Central Manitoulin	French River	Hudson
Baldwin	Charlton and Dack	Front of Yonge	Huron Shores
Bancroft	Chisholm	Frontenac Islands	James
Billings	Cobalt	Gananoque	Kapuskasing
Blind River	Cochrane	Gauthier	Kearney
Bonfield	Coleman	Greater Madawaska	Kerns
Bonnechere Valley	Cornwall	Greater Napanee	Killaloe, Hagarty, and Richards
Brant County	Deep River	Greater Sudbury	Killarney
Brantford	Deseronto	Guelph	Kingston
Brockville	East Ferris	Halton Region	Kirkland Lake
Bruce Area Solid Waste Recycling	Edwardsburgh Cardinal		Laird

# Appendix – List of programs to transition in 2025 (2)

Lanark Highlands	Nipissing	Renfrew	Temiskaming Shores
Larder Lake	North Bay	Rideau Lakes	Terrace Bay
Latchford	North Dundas	Russell	The Archipelago
Laurentian Hills	North Frontenac	Sables-Spanish Rivers	Timmins
Leeds and the Thousand Islands	North Glengarry	Seguin	Tri-Neighbours
Limerick	North Huron	Sioux Lookout	Tudor and Cashel
Loyalist	North Stormont	Smiths Falls	Wellington County
Macdonald, Meredith & Aberdeen Additional	Northeastern Manitoulin & Islands	South Dundas	West Grey
Machar	Northern Bruce Peninsula	South Frontenac	West Nipissing
Madawaska Valley	Ottawa Valley Waste Recovery Centre	South Glengarry	Westport
Magnetawan	Oxford County	South Stormont	Whitestone
Marathon	Papineau-Cameron	Spanish	Whitewater Region
Matachewan	Parry Sound	St. Charles	Wollaston
Mattice-Val Cote	Perry	St. Joseph	York Region
McDougall	Perth	Stone Mills	
McGarry	Powassan	Strong	
McKellar	Prescott	Sundridge	
McMurrich/Monteith	Quinte Waste Solutions	Tarbutt and Tarbutt Additional	
Nairn and Hyman	Rainy River	Tay Valley	