

**2. UPDATE ON THE PROVINCIAL BLUE BOX PROGRAM TRANSITION TO
INDIVIDUAL PRODUCER RESPONSIBILITY**

**MISE À JOUR SUR LA TRANSITION DU PROGRAMME PROVINCIAL DES
BOÎTES BLEUES VERS UN MODÈLE DE RESPONSABILITÉ
INDIVIDUELLE DES PRODUCTEURS**

COMMITTEE RECOMMENDATIONS

That Council:

- 1. Receive this update on the Provincial Blue Box Program transition to Individual Producer Responsibility; and,**
- 2. Delegate authority to the General Manager of Public Works and Environmental Services Department to begin negotiations with Producer Responsibility Organizations in preparation for the transition.**

RECOMMANDATIONS DU COMITÉ

Que le Conseil :

- 1. prenne acte de la présente mise à jour sur la transition du programme provincial des boîtes bleues vers un modèle de responsabilité individuelle des producteurs;**
- 2. donne au directeur général des Travaux publics et de l'Environnement le pouvoir d'amorcer les négociations avec les organismes assumant les responsabilités d'un producteur en prévision de la transition.**

DOCUMENTATION

1. Acting Director's Report, Solid Waste Services, Public Works and Environmental Services, dated 4 November 2021 (ACS2021-PWE-SWS-0006).

Rapport de la directrice par intérim, Services de déchets solides, Direction générale des travaux publics et de l'environnement, daté le 4 novembre 2021 (ACS2021-PWE-SWS-0006).

**STANDING COMMITTEE ON
ENVIRONMENTAL PROTECTION,
WATER AND WASTE MANAGEMENT**

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**COMITÉ PERMANENT DE LA
PROTECTION DE
L'ENVIRONNEMENT, DE L'EAU ET
DE LA GESTION DES DÉCHETS
RAPPORT 20
LE 24 NOVEMBRE 2021**

**REPORT 20
24 NOVEMBER 2021**

**Subject: Update on the Provincial Blue Box Program Transition to Individual
Producer Responsibility**

File Number: ACS2021-PWE-SWS-0006

**Report to Standing Committee on Environmental Protection, Water and Waste
Management on 16 November 2021**

and Council 24 November 2021

**Submitted on November 4, 2021 by Shelley McDonald, Acting Director, Solid
Waste Services, Public Works and Environmental Services**

**Contact Person: Andrea Gay-Farley, Program Manager, Program Planning, Public
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Ward: Citywide

**Objet : Mise à jour sur la transition du programme provincial des boîtes
bleues vers un modèle de responsabilité individuelle des producteurs**

Dossier : ACS2021-PWE-SWS-0006

**Rapport au Comité permanent de la protection de l'environnement, de l'eau et de
la gestion des déchets**

le 16 novembre 2021

et au Conseil le 24 novembre 2021

**Soumis le 4 novembre 2021 par Shelley McDonald, directrice par intérim, Services
de déchets solides, Direction générale des travaux publics et de l'environnement**

**Personne ressource : Andrea Gay-Farley, Gestionnaire de programme,
Planification de programmes, Direction générale des travaux publics et de
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Quartier : À l'échelle de la ville

REPORT RECOMMENDATION(S)

That the Standing Committee on Environmental Protection, Water and Waste Management recommend that Council:

- 1. Receive this update on the Provincial Blue Box Program transition to Individual Producer Responsibility; and,**
- 2. Delegate authority to the General Manager of Public Works and Environmental Services Department to begin negotiations with Producer Responsibility Organizations in preparation for the transition.**

RECOMMANDATION(S) DU RAPPORT

Que le Comité permanent de la protection de l'environnement, de l'eau et de la gestion des déchets recommande au Conseil :

- 1. de prendre acte de la présente mise à jour sur la transition du programme provincial des boîtes bleues vers un modèle de responsabilité individuelle des producteurs;**
- 2. de donner au directeur général des Travaux publics et de l'Environnement le pouvoir d'amorcer les négociations avec les organismes assumant les responsabilités d'un producteur en prévision de la transition.**

BACKGROUND

The Resource Recovery and Circular Economy Act, 2016 and the Waste Diversion Transition Act, 2016 were enacted in June 2016 as part of an overall strategy put in place by the Government of Ontario to attempt to ensure that all waste that can be used as a resource is diverted from landfills and harnessed for beneficial use. This enactment has resulted in all municipalities across the province moving away from the traditional waste management model and towards a circular economy model, where formerly discarded materials will be reused or recycled into new products and reintegrated into the market.

The Province's move towards a circular economy model is being embodied by the concept of Individual Producer Responsibility (IPR) which sets to make the producers of products and packaging environmentally accountable and financially responsible for recovering resources and reducing waste associated with their products and packaging after consumers have finished using them – with many of these materials currently collected through municipal programs. As Council is aware, a total of five recycling programs are transitioning across the Province to IPR. Three programs have already transitioned with the impact to municipal residents still being analyzed. The Hazardous and Special Products Programs, and the Provincial Blue Box Program, are still to be fully transitioned.

On June 3, 2021, the Ministry of the Environment, Conservation and Parks (MECP) released the final regulation for the transition of the *Blue Box Regulation, 2021* ([Ontario Regulation 391/21](#)) to Individual Producer Responsibility. On August 31, 2021, City staff provided a report ([ACS2021-PWE-SWS-0004](#)) to Council on the regulation and its potential impacts to the City of Ottawa's existing blue and black bin recycling programs. Solid Waste Services staff established a team of multi-departmental staff in early 2021 to oversee the significant transition from a stewardship-funded model to the producer-led provincial model that will require producers to be responsible for the collection and processing of recycling materials across the Province of Ontario, beginning in 2023.

The transition schedule released by the MECP as an attachment to the final Blue Box regulation specifies that the first larger municipalities to transition on July 1, 2023 include the City of Ottawa, the City of Toronto and the City of London, with other municipalities transitioning in 2024 and 2025. By December 31, 2025, all municipalities will complete the transition period when producers of products and/or packaging would have been required by the province to make best efforts to implement recycling programs as established in each municipality (i.e., collection frequency and collected materials) for eligible sources as determined by the province. As of January 1, 2026, a standardized Provincial Blue Box Program will be implemented across Ontario where producers will have to meet regulatory requirements under the rules of the common collection system, that will be developed by the Producer Responsibility Organizations (PROs) and approved by the Province. Obligated producers may wish to enlist the services of a PRO to meet their regulatory requirements under the Provincial Blue Box

Program on their behalf. A PRO would provide collection, management and administrative services to assist producers in meeting their regulatory obligations

DISCUSSION

The purpose of this report is to provide an update on the Provincial Blue Box Program transition to Individual Producer Responsibility and seek delegated authority to begin negotiations with Producer Responsibility Organizations for the Provincial Blue Box Program being transitioned across Ontario.

Since the report on final Blue Box Program regulations ([ACS2021-PWE-SWS-0004](#)) was provided to Council on August 31, 2021, staff have continued consulting both internal and external stakeholders such as the Association of Municipalities of Ontario (AMO), the Municipal Resource Recovery and Research Collaborative (M3RC), the Continuous Improvement Fund (CIF), and other municipalities transitioning in 2023, in order to fully understand the impacts of the Provincial Blue Box Program on the City of Ottawa's integrated waste management system and associated policies and programs. Progress on key considerations and deliverables for the successful transition of the Provincial Blue Box Program for the City of Ottawa is described below.

Data Submission Reports

Eligible municipalities must provide the Resource Productivity and Recovery Authority (RPRA) information regarding their individual established waste and recycling collection systems through an Initial Report and a Transition Report. As the City of Ottawa will be one of the first municipalities to transition to the Provincial Blue Box Program in 2023, data submission reports were due and submitted to RPRA by September 30, 2021

The information collected as part of the Provincial Blue Box Program data submission will help detail for producers and their delegated Producer Responsibility Organizations (PROs) existing municipal recycling programs that will need to be replicated as part of their responsibility under the regulation during the transition period. PROs will need to collaborate together to establish the Common Collection System that will determine how they service all eligible sources as of July 1, 2023. This information will be detailed as part of the Allocation Table, to be developed through a set of rules determined by the PROs and submitted to RPRA for approval between January 1 and July 1, 2022. The

Allocation Table will determine who will be responsible for ensuring collection happens at a given location (currently the responsibility of a municipality) and identify which producer, or their delegated PRO, is responsible for meeting collection standards in a given area.

Transition and Post-Transition Period

During the roll out of the final Blue Box regulation, the Province stated that it expected little to no impacts on residents of Ontario during the transition period. The City of Ottawa's transition from July 1, 2023 to December 31, 2025 will see many of the City's existing residential blue and black bin recycling programs transition to the Provincial producer-led Blue Box Program. Eligible sources under the Provincial regulation include recycling collected from residents living in single-family homes, multi-residential buildings, and long-term care homes owned and operated by the City, as well as recycling collected in public spaces. It is important to note that long-term initiatives being reviewed for possible implementation as part of the City's Solid Waste Master Plan may also impact the City's transition to the Provincial Blue Box Program and will need to be factored into the recommendation brought forward for Council approval.

During Ottawa's transition period, producers are regulated to maintain the level of collection service currently established by each municipality for all eligible sources. However, sources that are not eligible for collection by producers under the Provincial Blue Box regulation that are currently serviced under the City's recycling program will need to be considered as staff develop scenarios for the City's future role in recycling for Council's consideration. Sources that are ineligible under the Provincial Program include 150 City facilities including but not limited to libraries, community centres, and arenas, and to 550 small businesses participating in the Yellow Bag Program that the City currently provides recycling services. As these ineligible sources are currently co-mingled in the City's waste collection services for both curbside residential collection and multi-residential collection, Council will need to understand the operational and financial impacts of losing the efficiencies gained from this integrated collection system.

An analysis of the City's waste collection costs is being prepared by Financial Services staff to provide cost and revenue estimates for the City of Ottawa's residential recycling services, including the collection, processing, and administration, as well as collection for the Yellow Bag Program and the City's municipal facilities. There may be

opportunities for negotiating terms and conditions with producers to integrate the non-eligible sources with the eligible sources to maintain collection efficiencies, should members of Council wish to continue providing recycling services to these locations or if producers will collect from non-eligible sources on the City's behalf, should the City of Ottawa no longer be required to provide collection of recycling materials.

As noted in the August 31, 2021 report to Council, the Blue Box IPR regulation does not provide municipalities with the first right of refusal for the collection of materials, which means that if Council is interested in continuing to provide collection services on behalf of producers, the City will be required to compete in the private sector to continue to provide these services. The estimates detailed in the financial analysis combined with Ottawa's knowledge and experience in delivering recycling services to Ottawa residents will provide context and support for Ottawa's potential bid as a contract administrator, and/or service provider when discussing collection options with PROs and developing potential scenarios for Council's consideration for the City's role in recycling services.

In addition to the operational impacts of the Provincial Blue Box Program transition, staff must also review and ensure that existing contractual agreements that the City currently has with external providers for the residential curbside waste collection contracts, the multi-residential and city facilities waste collection contract, and the on-street and parks waste collection contract will align with the July 1, 2023 transition date. The processing contract for recyclable materials with Cascades Recovery + was recently extended and will expire on June 30, 2023 in time for the transition period. Final decisions on contracting for the transition between 2023 and 2025 will make up part of the producer's responsibility in taking over the Provincial Blue Box Program.

A wholesome understanding of the potential opportunities and impacts to the City's current collection system will not be known until at least 2022 when the rules for the Annual Allocation Table will be established. The first table must be submitted to RPRA by July 1, 2022 and will set out how PROs will be allocated to all eligible sources requiring blue box services throughout Ontario. With a Provincial election just ahead of the release of the Allocation Table, there is even more uncertainty of when the rules might be established. Until then, it will be difficult to understand the opportunities or challenges of how collection will be undertaken for Ottawa residents. The regulation also allows a PRO representing at least 66 per cent of the materials supplied in Ontario

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that are eligible under the Provincial Blue Box Program to be able to submit the Annual Allocation Table as early as January 1, 2022. To date, five PROs have registered with RPRA: Blue Box Materials Recovery and Marketing Strategies, Canadian Beverage Container Recycling Association, Circular Materials, Resource Recovery Alliance and Ryse Solutions Ontario Inc.

Beginning on January 1, 2026, the standardized Common Collection System will be implemented in all municipalities across the Province of Ontario and producers will need to meet minimum requirements (targets) for recovery rates as prescribed by the regulation. This standardized collection program will require recycling materials to be collected by producers from Ottawa residents at a frequency of at least every other week and to also provide containers sufficient for the storage of the mandated provincial standardized list of blue box materials.

In addition to the Common Collection System, producers will be allowed to establish an Alternative Collection System, such as 'return to retail' or 'mail-back options', allowing them to remove their products or packaging from the list of items collected by curbside service if they can demonstrate that recovery rates are equal or better than through the Common Collection System. Should producers fail to meet their management targets twice in a three-year period, they will lose the right to operate an Alternative Collection System and will need to collect their products or packaging through a Common Collection System.

There is potential that the additional effort required by residents for the Alternative Collection System will see reduced recycling rates and move further away from the goals made under the City's Solid Waste Master Plan to increase waste diversion from the Trail Waste Facility Landfill. Staff will need to monitor diversion rates for recycling materials with the implementation of the Provincial Blue Box Program and ensure regular and frequent feedback is communicated to RPRA who is the Authority and enforcement body for the regulation. Depending on the outcome of the transition and the amount of recyclable materials making its way to the Trail Waste Facility Landfill, Council may consider using policies and regulatory tools to help influence enhanced recycling diversion from landfill with any associated financial implication detailed as part of the enhanced policies.

Municipalities as a Producer

In addition to being a municipality that must oversee the transition of its recycling services to the responsibility of a producer or PRO, the City of Ottawa may also need to fulfill the requirements as a producer of paper products or packaging-like products supplied to Ontario consumers under the Blue Box Program. Under Ontario's *Blue Box Regulation, 2021*, Ottawa could meet the definition of a producer for the paper-type correspondence and information distributed to Ottawa residents, such as water and tax bills, solid waste collection calendars, recreational guides and construction notices.

The regulation provides two exemptions for a producer that:

- 1) generates less than \$2 million gross annual revenue from products and services in Ontario; and/or
- 2) supplies less than 9,000 kilograms per year of paper.

Based on current discussion and guidance received from external stakeholders, the City's gross annual revenue would exceed \$2 million threshold and an initial review of paper products supplied by the City to its residents in 2020 would exceed 9,000 kilograms – as such, the above exemptions would likely not apply to Ottawa.

Further discussions between AMO, the MECP and RPRA will determine if municipal revenue should fall within this criterion specified in the regulation. This criterion would not only capture municipalities across Ontario, but also require ministries, agencies and Crown corporations of the Government of Ontario, colleges and universities, as well as other not-for-profit organizations and businesses to meet producer requirements of the regulation. AMO will draft a letter on behalf of all municipalities for the MECP and RPRA to indicate that municipalities are looking to collaborate on this contentious matter.

Should it be determined that Ottawa is required to meet collection, management, promotion and education requirements detailed in the Blue Box IPR regulation, obtaining the services of a PRO to help meet producer requirements would need to be carefully considered. Enlisting services of a PRO could help provide Ottawa some, though potentially minor, input into the rule-making decisions. With the potential benefit there is also some risk to municipalities signing on with a PRO as the regulation allows for all producers registered with a PRO to be jointly liable for a given area and for the PRO to share liability with these producers. If there are any gaps in collection service

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requirements, RPRA can undertake compliance and enforcement with the liable PRO and its producers.

AMO and the M3RC Council is continuing discussions with the MECP and RPRA on behalf of Ontario municipalities on the interpretation of this requirement and the potential exemption of municipalities and will provide further guidance as more information is obtained, which is expected before the end of this year. In the meantime, RPRA has confirmed, in writing, that the October 1, 2021 registration deadline for producers to register under the regulation, will not be enforced and no final registration deadline has been provided.

NEXT STEPS

Staff will continue to collaborate with internal and external stakeholders on the implications of the Provincial Blue Box IPR Program on the City's integrated waste collection system. Clarification on meeting the definition of a producer of paper products is expected by the end of this year and will determine if Ottawa must register, report and possibly meet management requirements. Should Ottawa meet the definition of a producer under the Provincial Blue Box regulation, staff will collaborate with AMO to determine if the services of a PRO would be beneficial, either individually or collectively with other municipalities.

Additionally, staff will begin to develop potential scenarios for Council's consideration for determining Ottawa's possible role under the Provincial Blue Box Program. This will include detailing the impacts to the current eligible and ineligible sources and will so require the engagement of producers and PROs to determine how they will organize themselves to meet the requirements of the Provincial Blue Box regulation. In 2022, Council will consider staff's strategy recommendation to opt in as a service provider on the producers' behalf or to opt out of the recycling collection business and leave it all to the producers of the products as intended by the Province under the IPR regulation.

In the meantime, staff are recommending that Council delegate authority to the General Manager of the Public Works and Environmental Services Department to begin negotiations with PROs, should the City be given the opportunity and opt to submit a bid as a service provider for recycling services or opt to enlist the services of a PRO to

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support Ottawa as a possible producer under the Provincial Blue Box Program and report back to Council on the status of the discussions as appropriate.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report. Financial and budget implications as a result of the transition to Individual Producer Responsibility will be provided in future updates to Council.

LEGAL IMPLICATIONS

There are no legal impediments to Committee and Council's approval of the recommendations of this report.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a city-wide report.

ADVISORY COMMITTEE(S) COMMENTS

There are no advisory committee comments for this report.

ACCESSIBILITY IMPACTS

Staff will ensure all applicable accessibility standards are adhered to during the execution of the initiatives and activities identified in this report.

RISK MANAGEMENT IMPLICATIONS

The risks have been identified and explain in the report and are being managed by the appropriate staff.

RURAL IMPLICATIONS

There are no rural implications with this report.

TERM OF COUNCIL PRIORITIES

This report aligns with the Term of Council priority: Environmental Stewardship, and the outcome: The City is a leader in energy management and in conserving, recycling and

reusing recourses.

DISPOSITION

Upon Council's approval of this report, staff will continue working with internal and external stakeholders to prepare for the transition of the Provincial transition of the Blue Box Program to Individual Producer Responsibility.