

January 14, 2022

EPR Team
Water and Waste Policy Branch, Policy Division
Alberta Environment and Parks
Government of Alberta

Sent by email to: <u>AEP.RecyclingRegulation@gov.ab.ca</u>

RE: Alberta Environment and Parks Consultation on EPR

Dear EPR Team.

For over 30 years, the Recycling Council of Alberta (RCA) has been Alberta's 'go to' organization for EPR information, advocacy, and advice. Our work is informed by our membership, which enables us to tap into the expertise of the entire resource recovery value chain, including municipalities, the waste management industry, small and large businesses, governments and not-for-profit industry and environmental associations. Together, with our membership, we are committed to helping the Government of Alberta (GoA) develop a made-in-Alberta approach to EPR that is efficient, effective, and credible. EPR done right will enable Alberta to create a highly prosperous, zero waste economy that capitalizes on Alberta know-how and makes the best uses of Alberta's precious resources. We, like you, imagine Alberta as a Centre of Excellence in resource conservation and recycling.

The GoA has requested concise advice on its What We Heard report and the questions posed during its November 2021 municipal and producer consultation sessions. Our advice can be summarized as follows:

1. Set ambitious and granular targets. EPR is not an end in and of itself. EPR is a policy approach intended to create the incentive necessary to spur a system that can achieve specific desired outcomes. The outcome the Alberta government has communicated, and that the RCA supports, is that it aims to achieve a circular economy, including for plastic materials. In an outcomes-based system, the government should expect producers will achieve the minimum outcomes regulated at the least cost. This is the nature of business. If the minimum outcomes regulated are the status quo, then producers will become adept at achieving the status quo at the least cost. If the aim is to achieve a circular economy, then Alberta needs to achieve more than the status quo.

It is new targets and standards that will drive achievement, investment, and innovation. As a result, targets and standards set in an outcomes-based regulation should be ambitious (i.e., not yet achieved) and granular. Producers should not be able to reach targets by simply taking over existing systems or by focusing on 'easy to recycle' materials in low-cost areas of the province. They should be encouraged to expand services where none exist and innovate solutions for difficult to recycle materials. Low targets that maintain the status quo will do little more than shift the management of materials from municipal control to producer control.



2. Enable a flexible oversight agency. In an outcomes-based regulation, it is high targets backed by a real threat of consequence for not achieving those targets that drives change. Producers, like any business entity, need to have incentive to innovate, invest, and continually improve. As a result, the oversight agency must have the flexibility and direction to use education or penalties, as appropriate. There should be punitive consequences for free riders and sham program operators, including financial and reputational consequences. For the regulation to be meaningful and achieve outcomes, the consequence of inaction needs to be greater than any benefit that could be realized by trying to skirt responsibility.

However, we, like you, have heard that producers are reasonably concerned with the costs and consequences of enforcement. Specifically, 1) that the enforcement agency is able to ensure a level playing field, where all producers are paying their fair share of system costs and 2) that enforcement is fair financially and reputationally. The GoA can ease some of the concerns raised by producers by releasing an intentions paper alongside the regulation that explains the range of powers it intends to grant the oversight agency. This includes intention for the oversight agency to develop systems and other incentives that recognize and reward 'best efforts', testing of novel approaches like new recycling innovations, and investments in new systems. Producers also shouldn't be held liable for issues that are beyond their control -e.g., market collapses, natural disasters. Collaboration and communication between producers and the oversight agency will be needed as Alberta innovates its way to becoming a Centre of Excellence. To set the stage for performance, best efforts directions could be provided to the oversight agency in a mandate letter.

We are providing our specific recommendations on EPR regulations for packaging, paper products and single-use plastics (PPP-SUP) and hazardous and special products (HSP) in a brief table format. We welcome the opportunity to elaborate on all of the information provided below.

Question Input Rationale Questions to Municipalities for PPP-SUP

- From a municipal perspective, how long should producers have to meet the first target and then the second target in the following phased management targets?
 - Paper 80% increasing to 90%
 - Rigid plastic 50% increasing to 60%
 - Flexible plastic 25% increasing to 40%
 - Metal 67% increasing to 75%
 - Glass 75% increasing to 80%

- Harmonize with Ontario's (ON) targets.
 - Adopt the most ambitious targets in Canada.
 - Provide 5 years from the date of implementation to achieve the targets.
 - Ensure the term

 'management' refers to reuse or recycling (i.e., materials marketed for reuse for their original purpose or marketed for use in new products and reflects material leaving the processors as a raw commodity.)
- Ensure the GoA has the ability to raise the regulated targets through streamlined regulatory processes if those targets prove to be too low, especially for challenging materials like flexible plastics. E.g., Minister notification, Annual or bi-

- The waste and recycling industry is rapidly progressing, especially regarding plastics collection and recycling. These targets, while progressive now, could be moot or insufficient by the time Alberta implements its regulated system.
- The experience in BC and ON has shown producers aim to reach the ceiling set by targets but not exceed it. So, there is a need to create levers that ensure producers strive for continual improvement beyond the ceiling.
- See question #7 below for rationale on definition of 'management' and position on downcycling.



Question	Input	Rationale
	 annual Minister review and approval of new targets. Ensure regulation encourages continual improvement beyond the 'ceiling' created by the target by enabling the oversight agency to direct PROs to collect and process their fair share of material above the target. 	
2. Alberta proposed all producers would provide, at minimum, the same type of service residents currently receive (e.g., curbside where curbside, depot where depot). Are there any residences in Alberta that do not currently receive waste collection either through collection from households or drop off locations where residents can deliver waste? Where are they located and why don't they currently receive household or drop off waste collection? If there are areas that don't currently receive household or drop off waste collection, can you share any ideas on how an EPR program could be rolled out in these areas?	 Ensure all areas of Alberta have the right to the same access to reasonable services regardless of their current state. Ensure all Albertans have the same level of access to recycling as they do to garbage disposal. If garbage is collected at curbside, then recycling should be collected at curbside. If garbage is self-hauled to landfill, then recycling depots should have similar accessibility. Work towards ensuring equal access to garbage and recycling access in multi-residential buildings 	 The proposal to leave un-serviced areas un-serviced does not meet the standard of equal access to service for all citizens. There are many areas of the province that do not provide recycling services to all or part of the residential sector. The inability of a 'poorer' jurisdiction to be able to afford to provide recycling services through taxpayer funding should not preclude it from receiving services in a producerfunded system in the future. An EPR system should be designed to capture materials in a greater quantity and better quality than pre-EPR from all areas of the province unless a community determines it does not want to be part of the system. The aim of the EPR system should be to improve, not maintain, existing collection systems.
3. What are your thoughts on producers being obligated to collect from schools, long-term care facilities and retirement homes? To what degree do municipalities already collect from these facilities?	 Continue with AB's traditional approach of regulating the 'waste' and not where the waste is disposed. Define 'residential' PPP-SUP as materials generated in the course of day-to-day living activities such as meal preparation and personal care and include single and multifamily residences, schools, long-term care facilities and nursing homes, vacation 	 (See table analysis in the next section of eligible generators in British Columbia (BC) and Ontario (ON.) Alberta has always treated 'a pop can as a pop can'. Other PPPSUP should be treated in the same manner. One of the issues identified in BC and ON is that the same soup can or cereal box or fruit tin that is recyclable at home, suddenly is not locally recyclable if generated at vacation properties and rentals, timeshare condos, long-term care



Question	Input	Rationale
	properties, and home-based businesses.	homes, retirement homes, churches, schools, or in-home offices. In BC, the provincial recycling system excludes these materials, and the unintended consequence is that there isn't enough economy of scale left in many smaller communities for recycling services to be purchased commercially.
4. Secondary question: In regards to transitioning to an EPR program for single-use plastics, packaging and paper products, what factors should Alberta Environment and Parks take into account in terms of timing? Are there any operational or contractual considerations?	 Release a statement that strongly discourages new municipal investments in recycling infrastructure. For example, Quebec passed a regulation that "prevents municipalities from acquiring new assets that could be "stranded" following the EPR implementation. Allow for a maximum of two years to begin transitioning the system. Publish a transition 'vision' alongside the upcoming regulation. Include education that helps municipalities understand that if they continue to provide services that they may not have all recycling costs covered (the system will continue to be taxpayer subsidized) and that some recycling services may need to end or be completely taxpayer / customer funded (e.g., unstaffed depots, services to SMEs). Provide producers with one year to develop their plans and PROs and allow the oversight agency to ramp up its services, and one year to negotiate with municipalities to implement the system. 	 Full EPR (i.e., producers facing the full operational and financial consequences of their decision making) is an essential cornerstone for achieving a circular economy. It is those consequences that drive changes beyond the status quo. If producers can reduce their liability for system outcomes by pointing to issues with municipal collection efficiency, promotion and education, or performance then they have less incentive to initiate the changes needed to attain a circular economy. Because of this, municipalities ideally will transition to full EPR as soon as is feasible. However, there is the need for a carefully planned transition in the interim that protects the public interest and public-sector investments. Municipalities may have existing contracts that they cannot easily exit and amortize existing infrastructure.

¹ Recycle BC, 2019. Packaging and paper product extended producer responsibility plan. p.8. Available at: http://recyclebc.ca/wp-content/uploads/2019/07/RecycleBCStewardshipPlan_16July2019.pdf (viewed January 9, 2022). Footnote 16: Vacation facilities, such as rental, co-operative, fractional ownership, time-share or condominium accommodation associated with sports and leisure facilities (e.g., ski resorts), are considered commercial operations. Footnote 17: Residences at which medical care is provided, such as nursing homes, long-term care facilities and hospices, are considered institutions."



Qu	estion	Input	Rationale
5.	Secondary question: Should municipal governments be designated as producers for the PPP/SUP materials they provide to residents or be exempt? And why?	Municipalities should be designated as producers, however the de minimus should apply to tonnages generated only, not 'sales'.	 The purpose of EPR is to encourage change that results in less waste generation (through different decision making on what is produced) and better management of collected materials in a circular economy. EPR stimulates this change through a financial signal. That signal is muted if freeriders, even governments, are allowed to add costs to the system that must be covered by other producers. If municipalities are causing materials to be generated, then they should be accountable for that material alongside every other producer. Municipalities can reduce their costs by moving to electronic calendars and billing systems and they can recoup these costs by providing financial incentives to their ratepayers. Municipalities that fall under the de minimus would be exempt.
6.	Secondary question: Could municipalities report information on their current recycling and waste services and infrastructure to government to ensure producers have the information necessary to plan for and provide PPP collection services to residents? Are there any comments on the best approach and timing to do so?	 The transition planning needed to move Alberta's current system is insufficient to provide both municipal education and support a municipal transition. The GoA should consider asking the future oversight agency to develop and deliver an effective transition, including municipal education and a comprehensive tracking system (e.g., datacall). Implementation should not be delayed in communities where required information is not available. Instead, accessing the required information can occur in parallel. 	It is in municipalities' best interests to provide data and assist in transition planning and maximizing the use of existing infrastructure.
7.	Secondary question Should use of PPP materials as aggregate or for fuel be counted towards management targets? And why?	Harmonize with ON definition of 'management'. Ensure the term 'management' refers to materials marketed for reuse for their original purpose or marketed for use in new products. I.e., reflects material leaving	There are many ways to ensure the beneficial use of materials that result in less environmental harm than landfilling. However, Alberta's aim with EPR should not be 'harm reduction' as an end-goal, but rather a circular economy that provides dividends to Albertans economically and environmentally.



Question	Input	Rationale
	the processors as a raw commodity. Ensure the waste hierarchy is upheld by encouraging management to strive for maximum reuse, followed by true recycling. Encourage producers to invest in new solutions and innovations -from recycling systems to packaging and product redesign. Consider adopting the EU approach to exclude counting items used as "fill" as recycled.	 Downcycling is a 'harm reduction' measure not a circular economy measure. For example, the use of material as roadbed or alternative cover in landfill, 'fill', or for energy recovery (all of which is permitted in some BC programs), would not enable Alberta to capitalize on the benefits of a circular economy by maximizing environmental benefits. Downcycling activities like use of materials as landfill aggregate or cover or energy recovery should be considered 'better than landfilling' in the waste I management hierarchy, but ultimately a form of disposal because it does not contribute to a circular economy.
8. Secondary question: If the province establishes a not-for-profit, non-crown regulator governed by a Board of Directors that is independent from producers, service providers and municipalities to oversee the EPR regulation and systems for PPP and HSP, what suggestions do you have for the province in order to 1) hold this entity accountable for regulatory oversight (e.g., policy tools) and 2) ensure efficiency?	 Ensure the oversight body is fully empowered to enforce the regulations from the point of system implementation. Establish a new, independent oversight agency as a delegated agency or organization of the GoA (i.e., DAA or DAO). This will ensure that the entity is accountable to the government through existing DAA / DAO requirements. The RCA supports the GoA's proposal that the oversight body should be overseen by a Board of independent directors that would not financially benefit from the decisions made by the oversight body and that there be clear separation between the overseer and any entity that operating a recycling system. For this reason, neither the Beverage Container Management Board nor the Alberta Recycling Management Authority should be transitioned or expanded to provide this service unless there were to be a wholesale change in their Board structure, their mandate 	 Credible enforcement is required as a backbone of effective EPR. Alberta has a long history of credible DAA/DAO accountability. These entities are bound by serving the public and ensuring their activities meet public scrutiny.



Question	Input	Rationale
	changed, and those entities ceased to operate recycling systems. Set the organization's mandate, its expected outcomes, and the targets it must meet. The mandate of the organization should include creating and documenting financial incentives for compliance, including rewarding those wi a history of good performand and ensuring those out of compliance pay the full costs of enforcement activities. The sunshine list should app to all DAA/DAO employees the ensure transparency. Require the organization to the transparent in its budget and spending, including making it books available for public scrutiny. Require the organization to meet, exceed and document how its enforcement activities compare to best practices. Ensure oversight body has adequate budget to perform its required functions. It may be possible for the ne oversight agency to coopera with or purchase the service Ontario's oversight body to create a single national data entry portal for producers to minimize their administrative burden and reduce any duplication of infrastructure.	ele si si si si w te of



Qu	estion	Input	Rationale
Qu	estions to Municipalities	s for HSP	
1.	What types of products in addition to pesticides, non-refillable pressurized containers, antifreeze, solvents, batteries (excluding lead acid batteries), gasoline, fuels, fuel additives / treatments, lubricants and adhesives are you currently collecting?	 n/a for the RCA Other materials known to be collected in Alberta Insecticides Fertilizers Herbicides Weed control Insecticides Refillable pressurized containers Mercury containing devices (alarms, thermostats, lighting) Empty HSP containers 	Alberta's list of materials should aim to collect all the materials collected in other programs across Canada. See table below.
2.	If the following service level was regulated for HSP depots and events, does this increase, maintain or decrease your current service level? (See chart provided).	 The GoA should aim to maintain or improve service. There should be a clear pathway to add service in communities that currently do not have service (i.e., under 1000). Include First Nations as specified communities that will require servicing. 	 There doesn't seem to be rationale for providing one collection site for a community up to 500,000 population when municipalities over 500,000 will get 1 per 250,000. Is one site for communities less than 500,000 enough? This seems insufficient. Presumes there are no specialized municipalities with a population over 10,000 (e.g., Strathcona County). Does not promise to ever phase in collection events for communities under 1000 that did not have a collection event in "20112" – presume that this should have said 2020?
3.	How long should producers have to meet the first target and then the second target in the following phased management targets? - Batteries 40% increasing to 45% - Non-refillable pressurized containers 20% increasing to 25%	See response for PPP-SUP #1. The same rationale and advice apply.	See response for PPP-SUP #1. The same rationale and advice apply.
4.	What benefits and challenges exist for municipalities if an HSP program were to be launched within a year of the regulations being	AEP's narrow list will burden municipalities by requiring they separately manage up to 80% or more of the material they currently manage. This will create a need for two	 The list of materials AEP is proposing to define as HSP is narrow. In the absence of Alberta data, Ontario data suggests that up to 80% of the HSP collected by



Question		Input	Rationale
any sug	e? Do you have ggestions if Environment rks	systems to run in parallel -that run by the PRO and that run by municipalities. Ensure that the GoA has the ability to easily expand the list of materials identified as HSP in a streamlined fashion (e.g., via providing notice vs needing a change in regulation). Set a goal that all HSP currently collected by Alberta municipalities is managed by PROs within 5 years.	municipalities will not be included in the system and will continue to be managed by municipalities. If this is the case, then municipalities will face the burden of separating program and non-program materials and auditing materials collected to establish the portion of costs that will be covered by a future HSP PRO. The GoA should have a goal to enable municipalities to exit HSP management entirely. Without this, the system will never fully transition to EPR.
materia or for fu	use of HSP Is as aggregate lel be counted s management ?	 Material should be managed according to the waste hierarchy. The regulation should clearly define 'management' for each type of material. For HSP, if recycling opportunities are not available, then management should be defined as 'safe disposal' -i.e., then harm reduction activities such as encapsulation of HSP in aggregate or use as fuel should be counted. 	 The purpose of EPR systems is to drive a circular economy. This question presupposes that the regulation will not provide clarity about which activities contribute to a circular economy. It should be clear that this is the primary purpose of implementing the system. A lack of transparency on outcomes can drive distrust of systems. Where options to drive a circular economy exist, then only activities that drive a circular economy should be acceptable as and counted towards 'management' or 'diversion'. Where opportunities do not exist, then the regulation can allow for harm reduction measures as a secondary outcome. However, reporting on the systems success should be very transparent about how different types of materials are handled and why. Where progress towards a 'circular economy' is reported, then only those activities that contributed to a circular economy should be included.
targets		 Yes. For HSP, establish 'diversion' as a management target. Diversion should include reuse, recycling (where possible), and safe disposal 	While it would be inappropriate to encourage increased generation of a material intended to be used up (by establishing a collection target), program success needs to be measured effectively and producers need incentive to implement a robust program



Question	Input	Rationale
	 (where recycling is not possible) Provide the oversight agency with the flexibility to work with producers on means to provide proof of diversion: e.g., landfill or garbage cart audits, consumer awareness. 	capable of capturing available material.
7. Should collection targets be applied to HSP that is not recyclable (where a management target isn't feasible)?	 Management targets are always feasible, if management is defined appropriately. Ensure material is managed according to the waste management hierarchy. A target of 100% of non-recyclable materials collected should be proven to be safely disposed. 	 Government should ensure that material collected is not subsequently disposed of in landfill or this defeats the purpose of the program. Where 'recycling' is not feasible, then management should be defined as safe disposal.
8. If the province establishes a not-for-profit, non-crown regulator governed by a Board of Directors that is independent from producers, service providers and municipalities to oversee the PPP regulation, what suggestions do you have for the province in order to 1) hold this entity accountable for regulatory oversight (e.g., policy tools) and 2) ensure efficiency?	See response for PPP-SUP #8. The same rationale and advice apply.	See response for PPP-SUP #8. The same rationale and advice apply.
Questions to producers Note: questions in this sect	tion that were duplicated above w	ere removed
PPP-SUP 1 Should government entities and charities be exempt? And why?	 There should be no additional exemptions beyond the deminimis exemption. See response for PPP-SUP #5. The same rationale and advice apply. 	See response for PPP-SUP #5. The same rationale and advice apply.



Question	Input	Rationale
PPP-SUP 2 Should producers with more than \$1 million in annual gross revenue but which supply less than a specified tonnes threshold of PPP be obligated to register, report and keep records but exempt from collection and management requirements? Should the tonnes threshold be the same for all materials or be differentiated to reflect proportional volume in the system? (E.g., Ontario uses – 9T paper; 2T rigid plastic, 2T flexible plastic, 1T glass, 1T metal)	 There should be no additional exemptions beyond the deminimis exemption. See response for PPP-SUP #5. The same rationale and advice apply. 	See response for PPP-SUP #5. The same rationale and advice apply.
PPP-SUP 6 Should the regulation require any Producer Responsibility Organizations (PROs) to be corporately wholly unaffiliated with businesses that provide waste management services including PPP collection and management services?	 Ensure the Competition Act applies and that a 'regulated conduct defense' cannot be used to justify anti-competitive behaviour. The government should not dictate whether a PRO is forprofit or not-for-profit or whether it is vertically integrated. Regulation should provide producers with as much freedom as it can to find a business advantage in planning for a circular economy. 	Canada's Competition Act was designed to oversee anticompetitive behaviour including the activities of monopolies and monopsonies. It is not necessary for the GoA to step into this arena as long as it ensures its regulation will not limit the enforcement of the Competition Act.
Questions to Service Provi Note: questions in this sec	ders tion that were duplicated above w	ere removed
Secondary question 2 Should processors be required to register with and report information about processing activities to the regulator? And why?	• Yes	The oversight agency has to have the ability and authority to determine if material is managed as reported by PROs and whether credible recycling is taking place.



Analysis of eligible PPP-SUP sources in BC and ON EPR systems.

Eligible sources	ВС	ON
Single-family	$\sqrt{}$	$\sqrt{}$
Multi-family (appt or condo)	V	√ (eligible facility) excludes temporary accommodation
Retirement home	X	$\sqrt{\text{(eligible facility)}}$
Long-term care	X	√ (eligible facility) -NFP or grandfathered Only material generated by residents
School or private school	X	√ (eligible facility)
Public spaces	√ (i.e., municipal property or streetscape)	√ by formula
First nations		√ -called 'reserves' definition is federal -by offer through RPRA

For added clarity, BC excludes:

- "institutional accommodations"
 - licensed care facilities
 - student residences
 - hospitals
 - hospices
 - correctional facilities
 - other institutional settings in which persons reside, or stay on a temporary basis
- visitor accommodations (e.g., air B&B, timeshare)
- home offices, if possible to prove, which are considered ICI



Analysis of eligible HSP sources in BC and ON EPR systems.

HSP	ВС	ON
Solvents and Flammable Liquids	$\sqrt{}$	$\sqrt{}$
Compressed Gas	X	√ non-refillable √ refillable (e.g., soda stream) √ refillable propane - collect on demand
Fertilizer	X	V
Pesticides (domestic)	$\sqrt{}$	V
Empty Obligated HSP Containers	$\sqrt{}$	$\sqrt{\text{(must managed but no target)}}$
Farm / Commercial Pesticide Containers (EPR regulation in place in MB and PE for containers 23L and less, EPR regulation proposed in QC)	X	X
Pharmaceuticals	$\sqrt{}$	√ separate regulation
Medical Sharps	X (proposed in action plan)	√ separate regulation
Antifreeze	\checkmark	$\sqrt{}$
Consumer Batteries	under WEEE schedule	√ separate regulation
Lead Acid Batteries	\checkmark	√ separate regulation
Electric Car Batteries (QC has proposed draft EPR regulation.)	(proposed in action plan)	X
Used Oil	\checkmark	$\sqrt{}$
Paint	$\sqrt{}$	$\sqrt{}$

Thank you for the opportunity to provide input into AEP's consultation on enabling extended producer responsibility for PPP-SUP and HSP.

The approval of the necessary regulation(s) enabling EPR will be a watershed moment for Alberta, the RCA, and its members. Our members have clearly expressed their hope that they and the RCA continue acting as a resource for AEP over the next several months as many complex decisions are made and draft regulations are written. We look forward to continuing to collaborate with the GoA as it works to roll out this important initiative.

Best regards,

Christina Seidel Executive Director