

# Residential Blue Box Program – Final Producer Responsibility Regulation

Public Works Committee

July 13, 2021



# Regulation Recap

- Niagara Region has been advocating for the transition of the Blue Box to a producer responsibility framework for many years and both municipalities and producers desire change and support the shift.
- On June 3, 2021, the Ministry released the final regulation.
- While not all municipal comments were addressed with the final Blue Box regulations, the Province did respond to many of the concerns identified by municipalities.

# Regulation Recap cont'd

MECP has addressed the following the final regulation:

1. Definition and scope of designated materials;
2. Collection and accessibility requirements;
3. Determining responsible producer;
4. Management requirements that producers must meet; and
5. Transition Schedule

# Regulation Recap cont'd

- Niagara Region to transition no later than January 1, 2024.
- During transition (January 1, 2023 – December 31, 2025) producers are obligated to maintain existing service levels in Niagara region (i.e. collection frequency).
- Post-transition (i.e. starting January 1, 2024) Niagara Region will have no operational program or financial control over the residential Blue Box program

# Considerations & Decision Points

## Provision of Collection and Haulage Services on Behalf of Producers

- It is expected that producers will be interested in having municipalities provide Blue Box services on their behalf, should mutually agreeable terms be negotiated.
- Primary factors influencing decision to enter into an agreement for collection services on behalf of a producer:
  - Full payment by producers
  - Reasonable and quantitative measures for standards and requirements
- Estimated annual savings (based on 2021 budget and current funding model) for collection and processing of the residential Blue Box program is \$7.8 million.
- Year 1 savings would be reduced due to compensation to contractors for partial early exit of contract by approx. \$6 million (based on 2021 budget).

# Considerations & Decision Points cont'd

## Transition Schedule

- Niagara Region could engage with producers to transition at an earlier date.

## Material Recovery Facility

- Completion of the MRF Opportunity Review is required to finalize decisions related to the processing of Blue Box materials.

## Service for Non-Obligated Materials

- Niagara Region would be solely responsible for collection, haulage and processing costs of non-designated materials (ex. food storage bags, books (hard cover removed)).
- Removal of currently accepted materials may generate confusion for residents but it may be difficult to find a processor for non-obligated material.

# Considerations & Decision Points Cont'd

## Servicing Additional Property Types

- Service to IC&I properties is not covered under regulation.
- Separate regulations related to IC&I properties will also impact how this service is provided longer-term.
- A C/B analysis must be completed.
- Decision to service these properties may hinge on:
  - Niagara Region's decision to bid on collection and haulage; and
  - Potentially availability of a processing facility to take material (dependent on outcome of MRF Opportunity Review).
- Based on several assumptions and the 2021 budget, the collection and processing costs for the IC&I sector is approximately \$3.7 million. Further refinement of assumptions may impact this cost.

# Considerations & Decision Points Cont'd

## Service at Depots

- Producers are not obligated to provide depot service if curbside collection provided; however, may choose to if required to meet diversion targets.
- May choose to continue with the service for community benefit but may need to find processor.
- Potential costs related to depot reconfiguration requirements based on producer requirements.
- As per PW 23-2020, if Niagara Region retains curbside collection, depot locations should also be retained as part of a comprehensive program.
- In the event that Niagara Region does not manage a curbside program, it is recommended that depots continue to be operated for an interim/transition period and then re-evaluated.
- The portion of depot costs associated with the residential Blue Box program is approximately \$342,000 based on the 2021 budget.



# Considerations & Decision Points Cont'd

## Promotion and Education

- Niagara Region could negotiate with producers to provide promotion and education functions related to the Blue Box.
- Allows for the continued integrated promotion and education programs and pieces
- The 2020 actual residential Blue Box promotion and education costs were approximately \$250,000.

## Set Out Service

- Producers are not obligated to provide set out service to residents; however, Niagara Region may be able negotiate with producer to continue set out service for Blue Box material (at our cost).
- The 2021 budgeted costs for set out service is approximately \$35,000.

# Considerations & Decision Points Cont'd

## Special Events Recycling

- Producers not required to provide Special Events Recycling which is currently mainly provided by Niagara Region and Niagara Recycling staff
- 2019 special events costs which reflect pre-pandemic activity were approximately \$32,000.
- Continued provision of Special Events Recycling by Niagara Region would be contingent upon Niagara Region securing a processor and securing new service provider when contract with Niagara Recycling ends.

# Considerations & Decision Points Cont'd

## Public Space Recycling (PSR)

- Producers will be required to maintain service levels during the transition period, including collection from existing PSR locations collected on a residential route.
- After January 1, 2026, producers are only required to supply and collect the number of PSR bins as per the density formula
- LAMs will no longer have a say on location, bin type and collection frequency (Producers required to collect prior to becoming full).
- If LAMs wish to have more PSR bins than required under the regulation, it would be at their sole cost.
- The 2021 budget costs for PSR is approximately \$101,000 which is paid directly by those municipalities requesting this service.

# Next Steps

## Niagara Region

- Many of the above considerations / decision points will require further detailed analysis (ex. financial implications), negotiations and/or Council approval.
- Attend webinars hosted by the Ministry on Blue Box Regulations.
- Participation in industry sessions and subcommittees related to Blue Box transition.
- Report back to Committee and Council
- Work with municipal partners/stakeholders

## Blue Box Transition

- 2021 - 2022 – Stakeholders organize and prepare for producer responsibility
- 2023 - 2025 – Producers take full responsibility

# Questions?