

Residential Blue Box Program – Final Producer Responsibility Program

Public Works Committee
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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?