



STAFF REPORT

Title: Extended Producer Responsibility (EPR) System - Update

Meeting Date: September 17, 2024

Executive Summary:

At the November 28, 2023 Council meeting, Administration provided a report on Alberta's Extended Producer Responsibility (EPR) System to seek Council approval to register the Community and Material Recovery Facility (MRF) with the Alberta Recycling Management Authority (ARMA) as part of the Extended Producer Responsibility (EPR) Phase 1 implementation program.

Alberta's Extended Producer Responsibility (EPR) Regulation took effect on November 30, 2022, mandating obligated producers to establish province-wide, producer-operated EPR systems for single-use products, packaging and paper products (PPP), and hazardous and special products (HSP) by April 1, 2025.

Extended Producer Responsibility (EPR) marks a significant shift for municipalities, making producers responsible for products through their post-consumer life cycle. This policy relieves local governments and taxpayers of the physical and financial burden of waste collection, sorting, processing, and recycling.

The purpose of this report is to update the Corporate Priorities Committee of the Council on the EPR program progress and timelines

Background:

EPR fundamentally changes how materials are collected for recycling in Alberta, transferring operational responsibilities for recycling from communities to producers. Producers may establish contracts with communities for recycling services, leveraging existing municipal assets.

Alberta will have two EPR systems:

- Single-use products, packaging, and printed paper products (PPP)
- Hazardous and special products (HSP)

Materials regulated under existing stewardship programs (beverage containers, tires, paint, electronics, and used oil) are not included in EPR PPP or HSP to avoid duplicating requirements.



Single-use Products, Packaging, and Paper Products (PPP)

EPR for PPP includes residential products only, encompassing paper products, plastics (rigid and flexible), metal, and glass. Industrial, commercial, and institutional sector PPP are not included in Alberta's EPR framework.

Benefits of EPR

- Reduce costs for municipalities- producer responsible for costs
- Increased recycling products
- Steps toward a circular economy – redirection of waste to new products and reuse

EPR Roles

ARMA (Alberta Recycling Management Authority)

- The oversight body, will be the central information hub for EPR. Oversee Alberta's new PPP and HSP EPR systems. Bylaws will govern the overall EPR framework, facilitating community and producer registration.
 - ensures everyone undertakes roles & achieve results of regulations
 - accountable to government of Alberta Environment and Protected Areas

Circular Materials (CM)

- CM is a not for profit organization representing producers and helping the producers meet their obligations under the extended producer responsibility regulations
 - Producer registration & reporting
 - Costing and fee setting
 - Financial & Administrative Services
 - Promotion and Education
 - Project management

Communities- Voluntary participation via registration- Curbside Collection

Opt-In Service Model

- Community will continue to manage current recycling collection
- Payment provided by Circular material based on cost per stop
- Community will manage customer service under contract with Circular Material
- Community will manage promotion & education with support from Circular Material

Opt-Out Service Model

- Circular material will manage collection and post collection responsibilities for the recycling program
- Circular Material will select contractor and administer the contract



- Contractor will be responsible for customer service with escalated inquiries managed by Circular Materials
- Circular Materials will lead promoting and education

Transition for PPP

The EPR transition for PPP will have two separate phases:

- Phase I will start April 1, 2025, and includes communities that had existing recycling service (depot or curbside) in place as of November 30, 2022. Producers will provide EPR system services to registered communities at no charge.
- Phase II will start October 1, 2026 (18 months after Phase I) and will expand EPR to include communities not covered under Phase I. In Phase II, EPR system services will mirror the communities' waste collection service (i.e., depots or curbside).

Phase I Progress Updates and Current Identified Timelines:

- **November 28, 2023** Decision to proceed with registration with ARMA
- **December 2023** City of Cold Lake Registered with ARMA for Phase 1
- **February 13, 2024** Introduction Meeting with Circular Material
 - Three (3) separate Contracts are required for following services:
 - Collection, (*collection* to be first)
 - Depots and
 - Processing (MRF)
 - Product Collection list still needing to be finalized for items like glass, Styrofoam etc.
- **June 11, 2024** Draft Master Service Agreement (MSA) and Statement of Work (SoW) templates (attached for reference) for Collection Services were provided for review and feedback. A response was required by July 10, 2024
 - **Potential Concerns/ Operational Impact as per City's review:**
 - How are the municipal bylaws for collection applied and incorporated?
 - Termination: Circular Materials (CM) can terminate immediately if legislation changes
 - Route Approval by CM
 - Contamination being defined at 4% which will impact operational cost as currently we operate at 10%.
 - Receiving location for the collected materials – unknown at this time. CM advised that to assume MRF as the receiving location for developing collection costs.
 - 4-Wing will not be included in the EPR program being on federal lands.



- **June 25, 2024** - Circular Materials toured the Cold Lake MRF
 - **Potential Impacts to MRF's current Operations to be considered/evaluated:**
 - Materials collected through EPR program have to be processed separately from the commercial materials received at the MRF.
 - Each stream of materials needs to be weighed and logged separately.
- **July 17, 2024** Draft Statement of Work template for the Depot operations provided for review and feedback (attached for reference). Response was required by August 6, 2024
- **July 29, 2024** Inquiry on Depots operated by the City- July 30, 2024 answers provided to Circular Materials
- **August 1, 2024** deadline to opt- in or opt-out. Confirmation email submitted on Aug 21, 2024 opting-in for Collection Services contingent upon approval and acceptance of City Council. NO agreement has been accepted or signed at this time.
- **September 16, 2024** - Compensation offers will be issued to opt-in communities with existing curbside services.
- **October 31, 2024** Deadline for opt-in communities to attain council approval on curbside collection agreements.
- **November 30, 2024** Deadline for opt-in contracts to be finalized with communities.
- **April 1, 2025** Launch EPR Phase 1

Items that May Impact Opt-In and Opt-Out Service and Agreements:

- Response from Circular Materials on City concerns on Service Agreement and Statement of Work, submitted July 10, 2024 is still not been received
- List of products that have to be collected collection is not finalized
- Processing and Receiving Location for collected materials is not finalized. If the City's MRF is not the designated location, it will impact our decision to opt-in.
- Expectations for Separation of Streams – received and processed
- Compensation offers for services to provide recycling services
- Producers/PROs are not obligated to use communities as service providers.
- Clarity on City's ability to charge or not charge monthly recycling utility fee from the residents and any tipping fee related to recycling at the scale.

Conclusion

Through the EPR program, Producers will bear the costs of curbside recycling, resulting in potential cost savings for the city and reduced fees or no fee for residents. This can be achieved through:



- Opt-In Service – The City can Opt-In and enter into a contract with the Producer for curbside collection, depots and processing, if offered to provide services.
- Opt-Out Service – Producers will hire a third party for curbside collection, depots and processing

The City of Cold Lake is currently registered with ARMA as a community interested in participating as an Opt-In Service for collection, depots and processing. Based on current information available, the City of Cold Lake has the following options for the future of curbside recycling:

1. Go for an Opt-In Service and continue to operate curbside recycling service, provided that the corresponding agreements and compensation offers are in alignment with the City's financial and diversion objectives, and promised service levels; or
2. Go for an Opt-Out Service where the Producers will provide and cover the costs of all the curbside recycling services for the community according to the Extended Producers Responsibility regulations and bylaws (may not be as per the City of Cod Lake program or service levels); or
3. Continue to operate as we currently are and wait until Phase II Implementation slated for October 2026 when the process is more understood and streamlined in Alberta; or
4. Continue to operate our collection services as we currently are and not participate in the EPR program,

As the EPR program is new to Alberta, there are ongoing steps in the transition and there are still many unknowns that can impact the option the City would like to pursue for the curbside recycling in our community. Administration will provide periodic updates as more information becomes available.

For additional information and further reading on the EPR initiative, following resources are recommended.

<https://www.alberta.ca/regulated-extended-producer-responsibility-programs>
<https://www.albertarecycling.ca/>

Alternatives:

For discussion and feedback

Recommended Action:

For discussion and feedback.



Budget Implications (Yes or No):

Yes

Submitted by:

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