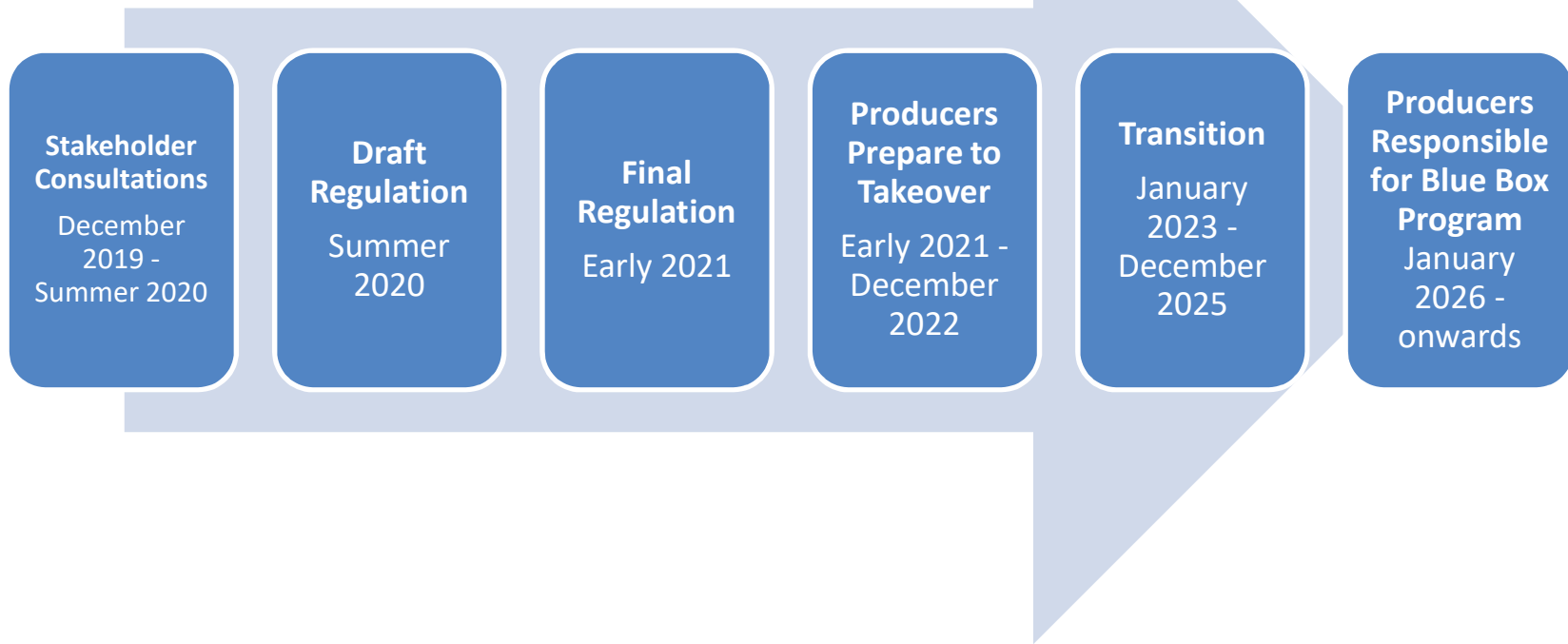


# **Transition of the Blue Box Program to Full Producer Responsibility – June 2020 Update: Preferred Transition Year**

Waste Management Strategic Advisory Committee  
June 18, 2020

Norman Lee, Director, Waste Management

# Ministry Regulation & Transition Timeline



# Ministry Stakeholder WG Schedule

Date for each Working Group	Meeting	Discussion Topics
Dec 16-18	1 <sup>st</sup> Round of separate Working Group sessions	<ul style="list-style-type: none"> <li>Collection and accessibility</li> <li>Definition of Blue Box materials</li> </ul>
Jan 20-23	2 <sup>nd</sup> Round of separate Working Group sessions	<ul style="list-style-type: none"> <li>Management of materials</li> </ul>
Feb 20-24	3 <sup>rd</sup> Round of separate Working Group sessions	<ul style="list-style-type: none"> <li>Common Collection System</li> </ul>
Thursday April 9	Joint meeting of all Working Groups	<ul style="list-style-type: none"> <li>Scope of Producer Responsibility</li> </ul>
Friday May 8	Joint meeting of all Working Groups	<ul style="list-style-type: none"> <li>Common Collection System</li> </ul>
Friday May 15	Joint Follow-up meeting (optional)	<ul style="list-style-type: none"> <li>Common Collection System</li> </ul>
Friday May 22	Joint meeting of all Working Groups	<ul style="list-style-type: none"> <li>Transition and Targets</li> </ul>
Friday May 29	Joint Follow-up meeting (optional)	<ul style="list-style-type: none"> <li>Transition and Targets</li> </ul>
Thursday June 25	Joint meeting of all Working Groups	<ul style="list-style-type: none"> <li>Core Policy Components</li> </ul>
Monday July 6	Joint Follow-up meeting (optional)	<ul style="list-style-type: none"> <li>Core Policy Components</li> </ul>

# Ministry Consultation Update

- Preliminary Proposals by the Ministry:
  - Wide swath of materials will be designated (from newspapers to flower pots to stir sticks to compostable packaging)
  - Producers must meet recovery targets for broad categories but not for individual materials
  - Producers to collect from retirement homes and long term care facilities but not from parks, public spaces and schools
  - Producers must provide collection services to residents free of charge
  - Producers must provide curbside collection receptacles for free
  - Regulation will require promotion and education (P&E) during transition but not post transition (i.e. after December 31, 2025)

# Transition Options Methodology

- Staff considered multiple options and narrowed down to three logical options for more detailed evaluation:
  - January 1, 2023; October 1, 2024; October 1, 2025
- Staff conducted a scenario modelling exercise, considering:
  - The above transition dates
  - Whether or not Peel provides collection services
  - Various other assumptions including:
    - Early termination costs
    - Producer contribution level (% of Peel's costs paid by Producers)

# Evaluation Criteria

- Staff used evaluation criteria endorsed by Committee:
  - **Financial:** evaluates the revenue and expenditure implications of the multiple scenarios
  - **Control Over Operational Decisions and Customer Service Levels:** evaluates the pros and cons that residents may experience from Peel having all, some or no control over service delivery
  - **System Integration and Other Risks:** evaluates the major benefits and challenges stemming from the integration of the options with the Region's other waste services

# Transition Options (1)

- **Option 1 – January 1, 2023 transition**
  - Peel could realize approximately \$5-\$25 million in net savings and avoided costs for the 21 month period from January 1, 2023 until October 1, 2024, then approximately \$15 million per year in net savings and avoided costs
  - Degree of savings and risk are dependent on whether the Region is able to provide collection service to Producers
  - If Peel provides service:
    - Peel would still have control over the service level and quality of services
  - If Region does not provide service:
    - Peel would not have control over the service level and quality of services
    - Requires amendment or early termination of curbside collection contracts

## Transition Options (2)

- **Option 2 – October 1, 2024 transition**
  - Peel could realize up to approximately \$15 million per year in net savings and avoided costs beginning October 1, 2024
  - Coincides with end of collection contracts
  - Simplest and least disruptive
  - Does not require amendments or termination of major contracts
  - Gives Peel control of collection for first 21 months of 3-year transition period
  - Can learn from experience of those who transition in 2023



## Transition Options (3)

- **Option 3 – October 1, 2025 transition**
  - Peel could realize up to approximately \$15 million per year in net savings and avoided costs beginning October 1, 2025
  - Latest practical transition date
  - With collection contract extensions, this option extends the time that Peel would have control over collections until almost the end of the transition period (i.e. until October 1, 2025)
  - Provides extra year to learn from others

# Risks and Unknowns

- Language of draft or final regulation
- Whether Producers will expect service level changes
- Whether Producers will use the Region for collection services

## Preferred Transition Date

- October 1, 2024
- The simplest and least disruptive date
- Coincides with end of current collection contracts and avoids the financial and operational implications of early contract terminations
- Waiting until this date provides 21 months for the Region to learn from already transitioned municipalities before making changes in Peel



# Thank you

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