

Proposed Amendments to Four EPR Programs

October 2024



RLG Systems Canada Inc. 175 Bloor Street East, 9th Floor, South Tower Toronto. ON M4W 3R8

Ministry of Environment, Conservation and Parks

Resource Recovery Policy Branch 40 St. Clair Avenue West, 8th Floor Toronto, ON M4V 1M2 Canada

Emailed to: sydney.pothakos@ontario.ca

Re: Proposed amendments to four producer responsibility regulations for tires, batteries, electrical and electric equipment, and hazardous and special products

RLG Systems Canada is appreciative of the opportunity to provide the Ministry of Environment, Conservation and Parks our response and feedback on the proposed amendments to the four EPR programs: tires, batteries, electrical and electric equipment (EEE) and hazardous and special products.

The responses to the amendments are reflective of where RLG has operations, within batteries and EEE. An overarching theme is the timing of the proposed amendments; RLG does propose that the amendments be adopted for the 2026 calendar year in order to give the industry time to adapt and adhere to the regulations.

We would be pleased to organize a follow up meeting to discuss our recommendations in further detail. We look forward to continuing to work with the ministry to advance our mutual objective of a comprehensive, self-sustaining circular economy for Ontario.

Sincerely,

Rachael Graziotto

Director, Circular and Compliance Solutions RLG Systems Canada Inc.





Collection

Add geographic offsetting – allow producers to offset a limited number of required sites in a
given municipality by establishing and operating collection sites in an adjacent local municipality
under the Tires, Batteries, EEE and HSP Regulations.

This will be a beneficial change to the collection activities and assist in minimizing the sites or events taking place close to municipality borders.

2. Add or increase collection events – allow producers to replace more traditional collection sites with collection events than is currently allowed under the Tires, EEE, and HSP Regulations.

This is proposed change is a positive change to the programs.

3. Allow all municipal collection sites to count as permanent sites – allow producers to use all municipal collection sites to count as permanent sites, even those that are open on a seasonal basis or for limited days per week under the Tires, Batteries, EEE and HSP Regulations.

This is proposed change is a positive change to the programs.

4. Adjust timeline for new census data – permit producers a sufficient period of time (for example, one or two years) after population data is updated to adjust the number of collection sites they are required to establish and operate under the Tires, Batteries, EEE and HSP Regulations.

This is proposed change is a positive change to the programs. RLG does suggest limiting the transition to one year in order to ensure the adjustment can be monitored and tracked and there is not too great of a delay between new census data and the number of collection sites.

5. Align population density provision across all regulations – adjust the population-based formula in the Tires Regulation to reflect higher population densities in large municipalities. This adjustment would ensure the number of required collection sites in these communities accurately reflects their higher population densities, aligning with provisions already established in the Batteries, EEE, and HSP Regulations.



RLG is in agreement with the proposed change.

6. Align "take-back" provisions – allow producers under the HSP Regulation who offer closed-loop collection services to consumers to replace or reduce the number of required collection sites.

This would align with options in other producer responsibility regulations.

RLG is in agreement with the proposed change.

HSP Regulation:

7. Establish and operate a collection network based on the size of municipal populations.

N/A

8. Establish and operate the same number of collection sites and events that were operated by municipalities in the previous year.

N/A

Add new performance requirement for large producers of automotive HSP when creating
alternative collection networks – require these producers to demonstrate the alternative
network can achieve results at least as good as the population-based collection network under
the HSP Regulation.

N/A

Burden reduction

10. Remove recycling efficiency rate (RER) requirements – remove RER requirements for materials with management targets under the Batteries, EEE and HSP Regulations. For HSP materials without targets, require PROs/producers to manage collected material at a rate equivalent to the existing RER.



The removal of recycling efficiency rate (RER) requirements has the potential to reduce administrative burden on the recyclers via the removal of the need to audit. This does contradict with the way that management targets are determined, through the recovered value of the materials. By maintaining the target as the recovered amount, recyclers, processors and PROs will still need to understand their respective RER to determine the recovered rate of the recycled material.

By not having a requirement in place for the auditing and verification process of the RER's it allows for recyclers, processors and PROs to provide an RER rate that is not verified by another party, and subsequently, lacking transparency to the industry. The auditing and verification are a key function to operating these programs transparently and in a manner that requires recyclers, processors and PROs to maintain standards to their operations. RLG proposes using an industry standard of <u>R2 certification</u> to ensure the recycling rate used is accurate and holds those using the recycling rate accountable.

11. Adjust small producer exemptions – change the basis for calculating small producer exemptions from collection or management requirements to supply tonnage under the Tires, Batteries and EEE Regulations.

N/A

12. Revise collection site record keeping – remove the requirement for certain collection sites to keep records related to large amounts of material brought to sites under the Tires,

Batteries, EEE and HSP Regulations.

RLG is supportive of maintaining the requirements as data collection at the source of collection is an effective way to ensure materials are compliant from consumers. The record keeping ensures traceability throughout the lifecycle of the material. It also ensures that materials are coming from eligible sources.

13. Remove registration and reporting for tire collectors – remove registration and reporting requirements specified in the Tires Regulation.

N/A

14. Reduce tire hauler reporting – reduce reporting requirements for tire haulers to only cover two specified tire types.



N/A

Regulation-specific Changes

Proposed changes to the Tires Regulation

15. Adjust performance target – remove the current collection target and introduce a revised management target based on producers' historic supply starting in 2025.

N/A

16. Increase threshold for regulated tires – raise weight threshold for regulated tires from one kilogram to five kilograms. This means that small tires would not be included in a producer's supply reporting; however, producers would still be required to ensure that these tires are managed appropriately when collected.

N/A

Proposed changes to the Batteries Regulation

17. Extend management target – push back the increase of the management target for primary and rechargeable batteries to 50 per cent by five years, from 2025 to 2030.

RLG is supportive of pushing back the increases of the management targets but not until 2026. Given the potential implementation date of these regulatory changes, it is not feasible to implement within 2025. The management targets were determined in April 2024 for producers. For PROs much of this volume has already been secured for 2025 in order to ensure compliance for producers.

Additionally, if the historical collected volumes of batteries are reviewed, it can be noted that the available volumes to meet the targets set out is achievable by the industry. If the target is kept at 45%, the industry, through collaboration can meet this target for obligated producers.

Proposed changes to the Electrical and Electronic Equipment (EEE) Regulation

18. Change requirements for ITT/AV replacement parts – remove reporting requirements for replacement parts from information technology, telecommunications, and audiovisual (ITT/AV)



equipment so they are not included in a producer's supply reporting; however, producers would still be required to ensure that these materials are managed appropriately when collected.

N/A

19. Revise allowable reuse – remove the option for producers to count two times the actual weight of EEE managed by an Ontario-based refurbisher for meeting a producer's management requirement. Instead, producers would report only the actual weight of EEE reused or refurbished in Ontario.

The removal of the option for producers to count two times the actual weight of EEE managed by an Ontario based- refurbisher is a proposed financial change that benefits recyclers, processors and PRO's. It is imperative that we focus on the producer and ensure that the financial burden is not placed back on to them. This clause gave the ability for some financial relief to comply, while working towards more circular products.

This may lead to producers and PROs looking outside of the province for recycling and managing their materials. The clause was a critical motivator to direct producers to source local refurbishers and support Ontario's development of refurbishment market. The development of this market, in addition to, the reuse market is critical to ensure that Ontario continues to lead the way in embodying and encouraging a circular economy. Alternatively, if Ontario was to work with other provinces and territories to ensure that this could be a federal program it may begin to see economies of scale for the producers.

This proposed revision would inadvertently incentivize a shift toward the wrong direction in the waste hierarchy, recycling or disposal, rather than promoting refurbishment and reuse, sitting above recycling and disposal on the waste hierarchy. By removing the ability to double-count refurbished EEE, producers may opt for less resource-intensive activities like recycling, which, while important, does not fully support waste prevention or product lifecycle extension. This shift contradicts the fundamental principles of resource conservation and waste minimization.

Internationally, leading EPR programs like those in the EU integrate incentives for refurbishment and repairability into their sustainability frameworks. This proposed change to remove the double-counting incentive places the province at odds with global best practices. If this proposed clause is implemented, Ontario's policy shift may be seen as backtracking on sustainability commitments, alienating both local producers and global partners.

A key objective of EPR is to encourage Design for Environment (DfE) principles. By removing this incentive, producers may deprioritize essential design considerations (product durability, repairability, and reusability), which are key to reducing waste. The long-



term consequence would be more waste and fewer durable and sustainable product options for consumers.

20. Remove waste reduction incentives – remove the provision that allows producers to reduce their obligated supply tonnage based on the amount of recycled content, extended warranties, and repair incentives offered. This revision would remove the complexity of calculating reductions and would simplify reporting.

RLG would like to see this proposed change either removed or altered to be implemented with more ease by producers. There may be alternatives to achieve a reduced administrative and auditing burden and not sacrifice the objective of EPR, to reduce environmental impacts of the materials brought into the market. Could the incentive be revised rather than removed? It could be applied to producers above a determined threshold (ex. 200,000 kg) for their supply data audit, where at that time their reductions would be audited

To remove a waste reduction incentive altogether would conflict with core principles of EPR, such as designing for the environment and the push for producers to innovate their products. Alternatively, if Ontario was to work with other provinces and territories to ensure that this could be a federal program it may begin to see economies of scale for the producers. Without the opportunity to reduce their tonnage obligations on a larger scale, producers lose motivation to invest in recycled content, product durability, and repairability. The simplification of the programs should not come at the expense of undermining the process towards a circular economy that these programs are aiming to achieve. Long-term waste reduction requires continuous innovation, which can be supported by incentives. Examples of this success can be seen within France's Electronics scheme, that includes a 20% bonus/ malus based on products durability and repairability, and the increasing requirement for reductions in single use plastics and increased use of recycled materials within California's proposed AB 793 and the EU Single-Use Plastics Directive.

21. Extend management target – push back the increase of the management target for ITT/AV equipment to 70 per cent by five years, from 2025 to 2030.

RLG is supportive of pushing back the increases of the management targets but not until 2026. Given the potential implementation date of these regulatory changes, it is not feasible to implement within 2025. The management targets were determined in April 2024 for producers. For PROs much of this volume has already been secured for 2025 in order to ensure compliance for producers.

It is RLG's understanding that the required 70% target is achievable and previous year targets have been met for producers.

Registered Business No. 780 911 301 GST/HST Registration No. 780911301RT0001



22. Consult on expanding types of regulated EEE – seek initial feedback on expanding collection and management obligations to include additional types of EEE to mitigate fire hazard potential posed by batteries in those products.

RLG is in agreement with the proposed change.

Proposed changes to the Hazardous and Special Products (HSP) Regulation

23. Revise producer hierarchy for antifreeze and oil filters – brand holders, importers and marketers of new vehicles would become the obligated producers for the collection and management of antifreeze and oil filters that are supplied in new vehicles.

N/A

24. Revise requirements for refillable pressurized containers – reclassify refillable pressurized containers from category B to category E, which would align them with refillable propane containers.

N/A

