



ASSOCIATION CANADIENNE DE L'INDUSTRIE DE LA CHIMIE DIVISION DES PLASTIQUES

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Ontario Ministry of the Environment, Conservation and Parks

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RE: ERO Notice 025-0009 – Proposed Amendments to the Blue Box Regulation

Dear Mr. Peverini,

The Chemistry Industry Association of Canada (CIAC) appreciates the opportunity to provide comments on the proposed amendments to <u>Ontario Regulation 391/21 (Blue Box Regulation</u>) under the <u>Resource Recovery and Circular Economy Act, 2016.</u>

Representing a \$35 billion industry, CIAC's members encompass the entire plastics value chain, including resin and raw material suppliers, processors/converters, equipment manufacturers, recyclers, and brand owners. Our members are committed to advancing a circular economy for plastics through innovation, infrastructure investment, and regulatory cooperation. In that context, we offer the following comments:

Delays to Recovery Targets

CIAC supports the proposed five-year delay to the enforceable recovery targets for key material categories. This delay is a pragmatic response to inflationary pressures, labour shortages, and infrastructure challenges, allowing producers to plan responsibly without risking system stability. Targets provide necessary structure and accountability; without them, the only discussion point becomes cost allocation rather than system performance. However, targets set must be science-based, attainable, and conscious of technological and economic realities.

Accordingly, CIAC supports delaying recovery targets for rigid plastic and other materials to 2031; this provides additional time to stabilize recycling systems in the province while sending a clear signal that targets are essential to drive data collection, investment, and improve recovery outcomes.

Reduced and Deferred Targets for Flexible Plastics

CIAC supports the proposed reduction of the flexible plastic recovery target to 5% and the deferral of its enforceability to 2031. This change rightly reflects the market limitations that continue to constrain the recyclability of flexible packaging today. The primary challenge in recycling of flexibles is not a lack of viable technologies, but a problem of scaling up. Moving from pilot or demonstration to commercial operations is constrained by limited investment support, insufficient feedstock access, and weak demand-side requirements. We encourage the Ministry to clearly signal that flexible plastics remain a priority for future circularity efforts, and to consider regulatory mechanisms that support the development of technologies and infrastructure capable of handling these materials at scale. This could take the shape of a provincial Innovation fund to support technological solutions that are already available.

We reiterate that the delayed targets for flexible packaging recovery are a welcome step to stabilizing extended producer responsibility in Ontario but must be data-based and under continuous parallel review to ensure that they are attainable by producers.

Inclusion of Energy Recovery

CIAC welcomes the proposed allowance for up to 15% of the recovery target to be met through energy

recovery. This provides producers with a practical tool to manage the segment of blue box materials that are not currently recyclable due to contamination or inherent design limitations (e.g., small plastic tags, film wrappers). While reduce, reuse, recycle remains the foundation of waste management, in cases where there is no viable end market or technology to recycle certain materials, energy recovery is a viable step in the waste management hierarchy. The accepted definition of energy recovery used by the Ministry should exclude processes that convert plastic waste into usable products through advanced recycling, such as feedstock used to produce fuel. Any material labelled as 'non-recyclable' should exclude material that can is technologically feasible to be sent for mechanical or advanced recycling.

CIAC believes that when following the waste hierarchy energy recovery should be the last resort. There are many forms of energy recovery, some are better known than others such as thermal treatment (incineration). However, there is promise in some of the newly emerging technologies that when deployed could help not only contribute to circularity and increase the life of landfills but also generate valuable renewable fuels. As an example, CIAC members are pioneering renewable technologies capable of breaking down landfilled plastics into benign organic material and natural gas.

Support for Recycling Infrastructure

CIAC is encouraged that the proposed amendments carve out a stronger recognition for energy recovery. However, this does not diminish the need to support and incentivise investment in mechanical and advanced recycling technologies. We urge the Ministry to adopt and use the definition of 'recycling' to include both mechanical and advanced recycling processes (e.g. pyrolysis to generate usable products such as fuels, lubricants, chemicals and plastics). This approach would recognize both technologies as separate and higher-value forms of resource recovery than incineration-based energy recovery. The Ministry should encourage that the energy recovery option only be applied to materials that cannot feasibly be recycled by mechanical or advanced recycling.

Closing Comments

CIAC appreciates the Ministry's balanced approach to managing cost escalation while maintaining core service levels for Ontarians. The proposed amendments reflect responsiveness to real-world implementation challenges and recognize the evolving capabilities of the recycling system. We support continued efforts to improve the regulation's clarity, feasibility, and flexibility as Ontario transitions to a producer-led model. CIAC would also welcome further engagement on how reporting, verification, and auditing requirements will reflect the inclusion of energy recovery in management obligations. We appreciate the Ministry's responsiveness to industry input and support efforts to ensure the Blue Box system remains cost-effective, credible, and focused on outcomes.

Sincerely,

Peter Mirtchev, Ph.D. Policy Manager, Plastics