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Submitted online and via email to Mark.Peverini@ontario.ca

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RE: Amendments to the *Resource Recovery and Circular Economy Act, 2016*, and the Blue Box Regulation.

The City of Guelph (the “City” or “Guelph”) appreciates the opportunity to provide feedback on the proposed [Blue Box Regulation updates](#) (ERO 025-0009) and the [amendments to the *Resource Recovery and Circular Economy Act, 2016*](#) (ERO 025-0536). Below you will find the overall comments from the City of Guelph, as well as feedback on the specific proposed legislative and regulatory amendments.

Overall Comments:

The City understands the province’s concern with the cost of the blue box system and its impact on affordability. Like many others, municipal governments have also been hit with many unanticipated cost increases driven by supply chain disruptions, labour market issues, and other market volatility, including tariffs.

The City is supportive of select changes proposed as part of this package, namely the push to maintain recycling collection for small businesses, and clarifying provisions in the Blue Box regulation which will ensure consistency in implementation from producers. However, we believe that the proposed delay of material recovery target enforcement, and the pause in the expansion of the blue box program are likely to result in increased landfilling, shifting of costs to municipalities, and overall fragmentation of the blue box program, leading to an inconsistent experience for customers while doing little to reduce overall costs for waste management. Additionally, these changes remove regulatory incentive for producers to develop cost-effective and innovative waste diversion solutions, and unfairly disadvantage those producers who have already made major investments to meet these targets.

For ease of assessment, we have provided feedback on each of the proposed amendments to the Blue Box regulation and the Resource Recovery and Circular Economy Act (RRCEA). Our comments are aligned with the shared comments submitted on behalf of Regional Public Works Commissioners of Ontario (RPWCO) and the Municipal Waste

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Association. Below you will find some additional context, comments, concerns, and recommendations from the perspective of the City of Guelph.

Amendments to the Resource Recovery and Circular Economy Act, 2016 (ERO number 025-0536)

Item 1: Gathering information to assess system effectiveness and plan future changes

This proposal would allow the Minister of the Environment, Conservation and Parks to order the Resource Productivity and Recovery Authority to gather specified information from specified parties regarding the operation of the blue box system.

The City of Guelph supports improving transparency, cost disclosure, and collection of materials. The proposed changes would allow Ontario's producer responsibility framework to be more responsive to the needs of businesses and identify savings to help drive blue box costs down. The City supports information gathering exercises to ensure consistency and efficiency in the blue box collection system.

Item 2: Increasing transparency on costs and system data

This amendment would allow the Ministry to require Producer Responsibility Organizations (PROs) to provide additional information on bills, invoices, and other documents to producers paying into this system.

The City of Guelph supports these changes that would help increase trust and transparency for participating producers.

Item 3: Maintaining collection for small businesses

This amendment would allow the province to require PROs to enter into negotiations with municipalities to arrange blue box collection for small businesses. Currently, municipalities pay PROs to provide small business curbside collection outside of the producer responsibility framework, however, these arrangements are scheduled to end once the blue box system has fully transitioned to the producer responsibility model in 2026.

The City of Guelph supports this proposal, and greatly appreciates the Ministry's attention to previous advocacy by Guelph and other municipalities related to this topic.

Small industrial, commercial, and institutional (IC&I) properties have traditionally been served by municipal recycling collection services given their location along residential collection routes. In Guelph, these small commercial and institutional customers generate roughly 9 per cent – or 2,500 truck loads annually of recyclable waste. While the City has already ended waste collection services for businesses outside the downtown core based on the implications of the currently approved regulation, the City still services small institutional properties located

on residential routes, as well as small businesses within the downtown core. Having a recycling collection service readily available is essential to ensure waste diversion by small businesses, since there are otherwise no legislative requirements for these properties to separate waste, and no viable incentives or options to arrange their own recycling pickup services.

With that, we encourage the Ministry to also include not-for-profit and institutional customers in this legislation and future regulations governing PRO-municipal agreements on waste collection. These customers face the same barriers to recycling collection as small businesses, and diverting waste generated at these locations is important to achieve waste diversion targets.

The City also recommends that future regulation clearly outline the circumstances, terms, conditions, and requirements related to PROs entering into agreements with municipalities. Furthermore, the regulation should ensure that any commercial contracts between PROs and municipalities have considerations to manage cost escalation, as the costs of these curbside collection services will be borne by the municipalities.

Finally, we encourage the Ministry to ensure a seamless transition between current IC&I recycling collection arrangements and future arrangements under future regulations. For any remaining smaller IC&I properties to be able to continue receiving blue box collection services, the commercial contracts would need to be executed and in place well before January 1, 2026.

Amendments to the Blue Box Regulation (ERO number 025-0009)

Item 1: Delay Recovery Targets for Select Material Categories

Currently, the Blue Box regulation (O.Reg 391/21) sets out recovery targets for various recyclable materials, which require producers to recycle a certain proportion of materials that they supply each year. Currently, these targets will start being enforced in 2026, and increase starting in 2031. The Ministry is proposing to postpone this timeline by 5 years, which would mean that these targets will not be enforced until 2031.

The City of Guelph does not support this amendment to delay recovery targets. Delaying targets would have several negative consequences including:

- Shifting the focus of blue box programs on high-value recyclables only, with producers potentially encouraging residents to only recycle high-value materials, leaving municipalities to manage the costs of residents placing all other recyclables in the garbage waste stream.
- Removing regulatory pressure and incentives to drive end market development for recyclable materials and to improve Material Recovery Facility sorting abilities.
- Unfairly penalizing producers and PROs which have done considerable work to meet current targets, while rewarding those who did not prepare for compliance.

Based on previous data collected ([2021 Municipal Datacall](#)), the current common collection system should already be able to capture the amount of materials necessary to meet the recovery targets for glass, paper, rigid plastic, and metal. This would be helped in part by previous amendments that exempted newspaper and allowed for greater material deductions.

We do, however, understand that the recovery requirements for beverage containers (if away from home containers remain included) and flexible plastics in 2026 may be difficult to meet. With this understanding, we encourage the Ministry to instead adjust existing recovery targets based on updated data, while keeping them in place and maintaining the phase-in timelines to ensure that these targets drive system improvements. Additionally, if the Ministry is seeking to ease pressure on producers and PROs, it could instead take a relaxed approach to enforcement under the Administrative Penalties Regulation.

Item 2: Remove planned expansion for multi-residential buildings, schools, and specified long-term care homes and retirement homes

Starting January 1, 2026, the Blue Box regulation requires PROs to provide blue box collection services to multi-residential buildings, schools, and long-term care and retirement homes that were not previously serviced by municipal blue-box services. The Ministry is proposing to remove this requirement as part of the proposed Blue Box regulation amendments.

While the City understands that there may be additional time needed to allow producers to onboard new facilities, we do not support the removal of this requirement altogether. Ontario's 3R's regulations (O.Reg. 102/94 and 103/94) which govern waste diversion for multi-residential and IC&I properties have historically not achieved strong diversion for multi-residential and institutional sectors. Modern instruments, such as the Food and Organic Waste Policy Statement, have more comprehensive application and clear diversion targets, but have not created diversion in multi-residential and institutional sectors due to a lack of compliance support and enforcement. In the absence of strong legislation, compliance support, and enforcement, there is no incentive to privately contract blue box collection for any sites that do not already do so, and recyclable material would likely end up in landfill.

In anticipation of the transition to the Producer Responsibility Framework, the City has disinvested in Guelph's municipal recycling infrastructure, reducing fleet size, closing the Material Recovery Facility, and otherwise downsizing recycling program operations. Multi-residential properties and institutional facilities have also been preparing for the transition, with the expectation that recycling collection will continue to be provided in 2026. Since 2019, the City of Guelph has onboarded 96 multi-residential properties with 6,368 total units to provide garbage and organics collection services as their private contracts have ended. The City is expecting to onboard 14 more properties with a total of 519 units in 2025. Of these 14 properties, 13 of them are existing buildings with a total of 338 units that would now no longer be eligible for blue box collection, and the City has already communicated to these properties that they will be eligible for

recycling collection at no cost starting in 2026 through the producer responsibility framework. This change will mean that these properties will have to rapidly pivot if they are to continue recycling, or experience gaps in recycling service coverage, creating a service inequity when established service levels were to be respected as part of the transition.

Aside from operational challenges, these changes are likely to place additional costs on Guelph:

- Today, approximately 10,000 existing apartment units in Guelph are awaiting eligibility under the Blue Box regulation until completion of the transition period at the end of 2025. Onboarding these properties to the new blue box program had been a key element of the City's strategy in recruiting these properties to City organic waste and garbage collection to ensure all residents have access to three-stream waste disposal, in compliance with O.Reg 103/94 and the Food and Organic Waste Policy Statement where applicable. If these properties are not provided access to the blue box program in 2026 as originally intended, properties would need to pay approximately \$150,000 to \$380,000 per year to provide recycling to these units.
- Additionally, by 2051, Guelph's housing stock is expected to include 32,700 single and semi-detached homes, 19,200 townhomes and 33,700 apartments. This represents nearly 15,000 new apartment units (about 550 more each year). The exclusion of these new multi-residential properties will effectively eliminate blue box collection from a significant portion of Guelph's new homes – approximately 50%. Serving these additional 15,000 apartments is expected to cost these properties an additional \$230,000-560,000 per year by 2051 in collection and disposal costs. These costs include third party contracting, which is now necessary given the City's divestment of resources during the transition to the producer responsibility framework.
- Guelph has approximately 60 schools that were not serviced by City collection prior to the transition that would have been eligible for blue box collection in 2026, at which time the City was also going to provide organics collection. Several schools have expressed interest in this collection service, as they operate on stretched budgets and free collection of both blue box and organics helps them achieve their sustainability targets with minimal funds. If schools are excluded from the regulation, recycling collection for existing schools in Guelph is estimated to cost \$60,000 annually, rising to \$85,000 with projected growth into 2051.

Beyond the additional costs of providing recycling services, and increased diversion of recyclables to landfills, this proposal ultimately creates a two-tiered system, where some residents do not have equal access to recycling services. This two-tier system would be felt by property owners and tenants when paying for recycling services, and through the experience of residents who may experience different diversion opportunities or sorting lists based on the eligibility of the building they happen to live in, or which institution they attend. The

consumer experience will ultimately be fragmented and that undermines the compliance and efficiency of the province-wide program.

Access to recycling services in schools is also essential. Collection in schools not only supports diversion targets, but more importantly provides the basis for education of future generations at critical influential points in a person's life. It fosters environmental awareness, promotes responsible waste management, and instills lifelong sustainability habits.

While the current proposal would potentially lower costs for producers, it would make recycling less consistent, less accessible, and ultimately less used by Ontario's residents. Recognizing producer-side challenges with onboarding new properties, the City encourages the Ministry to consider ways to continue providing recycling services to these properties while ensuring that it does not place a financial burden on property managers, residents, and municipalities.

Item 3: Remove requirement to collect beverage containers "away from home"

The Blue Box regulation currently requires producers to manage and collect beverage containers, and does not provide exemptions for containers disposed "away from home". Effectively, this means that producers will be required to manage and recycle beverage containers disposed both at residences and at all other IC&I locations starting January 1, 2026. The Ministry is proposing to amend the regulation to specify that beverage containers supplied for business purposes do not count towards a producer's waste management obligation.

The City of Guelph does not support this amendment. Removing this requirement is likely to shift cost of managing these materials onto other producers, as well as well as IC&I properties, and other proposed non-eligible sources such as multi-residential buildings, schools, long-term care homes or public spaces.

If the intent is to reduce costs for beverage container recycling, the City echoes RPWCO's recommendation to reconsider beverage container deposit systems. Beverage container deposit systems are currently employed in all but two provinces, and were the solution originally proposed by producers to manage beverage containers.

Item 4: Remove expansion of public space collection

The Blue Box regulation currently requires producers to operate blue box bins in public spaces where they were previously provided under the municipal blue box program. Starting January 2026, the regulation would require producers to expand the number of public blue boxes under a per-capita formula for the amount of collection boxes. The Ministry is proposing to remove this expansion requirement.

The City of Guelph does not support this amendment in its current form. If this proposal is adopted, the City will incur an estimated additional \$20,000 per year to undertake public space recycling collection that was otherwise scheduled to transition to the producer responsibility framework.

However, we understand that this expansion will come with additional costs for producers. As such, we urge the Ministry to reassess the number of containers that communities actually need, rather than removing this expansion altogether. The number of public space containers prescribed to Guelph under the per-capita formula for 2026 is around 240 – that number is higher than what we currently have (around 130 containers, 50 of which would be serviced through the proposed Blue Box Regulation). The prescribed number could likely be reduced to manage producer costs without causing service interruptions in our community.

In our experience, it is possible to collect high quality blue box material from public spaces – particularly in sports fields. Public space collection is important to provide a cohesive recycling experience to residents, and we encourage the Ministry to seek solutions which maintain and improve public space recycling collection in a cost-effective manner.

Item 5: Reduce and delay flexible plastic recovery target

Under the current blue box regulation, the recovery target for flexible plastics and packaging is set at 25% for 2026. The Ministry is proposing to reduce this target to 5% given low current diversion rates.

The City of Guelph does not support this proposal. Similar to our comments on the delay of overall recovery targets, we believe that this reduction in targets goes counter to the purpose of producer responsibility programs. Instead of pushing for innovation and finding ways to recycle flexible plastics or use alternative materials, this target reduction will effectively incentivise the use of flexible plastics, since the 5% target is significantly lower than any other materials.

Reduced targets will mean more materials ending up in the disposal stream at the cost of municipalities and taxpayers, placing increased pressure on already dwindling landfill capacity. Additionally, reduced targets undermine investments already made to meet established targets.

Item 6: Allow energy recovery to count towards diversion targets

Currently, the Blue Box regulation prohibits producers from including materials used for energy recovery (i.e. recyclables used as fuel or incinerated) towards their recovery targets. The Ministry is proposing to remove this prohibition, and allow energy recovery to count for up to 15% of recovery targets, provided that the material collected cannot be otherwise recycled.

The City of Guelph does not generally support this amendment. This was noted as an area of consensus between municipal and industry stakeholders in the [final blue box mediation process report](#):

- *"Regulations should make reduction, reuse, and recycling the only activities that count towards diversion."*

- *"Regulations should use the principle of "keeping the molecule in play". "Keeping the molecule in play" is about extending the life and use of materials as long as possible. Technologies and processes that "keep the molecule in play" to create new products should be recognized as diversion."*
- *"Incineration and energy-from-waste should not count as diversion because these technologies involve the destruction of the molecule."*
- *"All parties acknowledged that energy recovery will have a role to play in reducing the amount of waste that is sent to landfill after all efforts have been made to achieve reduction, reuse, and recycling."*

Understanding that this proposal would apply to "non-recyclable" materials, the City encourages the Ministry to provide more robust definitions within the regulation to ensure that energy recovery is only used as a last resort, and so that this does not incentivise energy recovery as a primary waste diversion method. Additionally, we urge the Ministry to mandate the use of innovative energy recovery technologies with robust pollution control features. The current proposal does not differentiate between traditional, mass burn style incineration and more modern advanced thermal treatment technologies like pyrolysis and gasification that may better support circular economies.

Overall, we have concerns around relaxing the use of incineration. While we understand that this is a necessity in some cases, we believe that the proposed amendments could potentially incentivize an over-reliance on energy recovery instead of other waste diversion activities.

Item 7: Consider the best ways to ensure collected materials are sent for processing

The Blue Box regulation currently requires producers to make "best efforts" to achieve recovery targets until 2026, when the targets will be enforced. As the recovery targets are proposed to be delayed by 5 years, meaning enforcement will not begin until 2031, the Ministry is considering the inclusion of language in the regulation to specify "best efforts" and to require that all materials collected by producers be sent to a registered processor and not directly to a landfill.

The City of Guelph greatly appreciates the Ministry's efforts to ensure that waste continues to be diverted as the targets are delayed. However, even with requirements to send collected waste to registered processors, there is no guarantee that the diversion targets will be met. Without enforceable targets, economic factors will inevitably result in some materials simply being disposed of by processors, and there will remain no incentive to drive investment or innovation until 2031. This will likely lead to a common collection system that is focused on only addressing the bare minimum and undermines the progress that has already been made. As such, the City echoes RPWCO in calling for the diversion targets to remain in place and come into effect as previously scheduled.

Item 8: Clarify definition of a facility

The Blue Box regulation currently differentiates between residences and facilities, with only residences eligible for blue box collection, and facilities onboarded after transition proposed to be excluded from the producer responsibility framework. The Ministry is proposing to specify the definition of a facility to include any multi-residential building with 6 or more units, and specify the definition of a residence to include any building with 2-5 residential units.

The City of Guelph supports this amendment for clarification, however, as mentioned above, we do not support removal of the planned facility expansion for 6 or more units. .

Item 9: Clarify collection requirements for schools

The Ministry is proposing to amend the definition of a facility to explicitly include school buildings.

The City supports this amendment. This will ensure that all schools and all other uses of school buildings that are currently serviced by municipal blue box collection continue to be provided with blue box services starting January 1 2026.

Item 10: Maintain depot access for residents in unorganized territories

The Ministry is proposing to amend the Blue Box regulation to require producers to accept blue box waste from residents of unorganized territories at producer-run depots.

The City of Guelph supports this amendment.

Item 11: Update timelines for providing blue box services

The Ministry is proposing to amend the Blue Box regulation to set out timelines for when PROs must service new residences, facilities, and extend service offers to First Nation communities after 2026.

The City of Guelph supports this amendment.

Item 12: Provide more flexibility on printed promotion and education materials

The Ministry is proposing to amend the Blue Box regulation to allow producers to only provide print informational materials on the blue box system when requested to do so by a municipality or resident.

The City of Guelph supports this amendment.

Item 13: Provide flexibility on French language requirements

The Blue Box regulation currently requires producers to provide all informational materials in both English and French. The Ministry is proposing amendments to only require French language materials in areas designated under the *French*

Language Services Act, unless otherwise requested by residents or a municipality.

The City of Guelph supports this amendment, although it is likely that gaps exist in other common languages spoken in Ontario that should be addressed. For example, Guelph makes materials available in English and French as well as Arabic, Chinese, Farsi, Nepali, Punjabi, Spanish, Tagalog, Tigrinya, and Urdu in response to local requirements. Promotional and educational materials should be accessible upon request in languages based on regional considerations and populations in some form.

Closure:

We appreciate this opportunity to provide input on this proposal. Should you have any questions about the feedback provided, or require additional details please do not hesitate to contact the City at intergovernmental.relations@guelph.ca.

Sincerely,

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