



TERRAPURE COMMENTS RE: MECP PROPOSED AMENDMENTS TO TIRES AND OTHER PRODUCER RESPONSIBILITY REGULATIONS

Terrapure would like to thank the Ministry of Environment, Conservation and Parks for the opportunity to provide feedback on the *Proposed Amendments to Tires and Other Producer Responsibility Regulations*. We appreciate your commitment to meaningful stakeholder engagement and appreciate the opportunity to continue to engage on this important subject.

Terrapure is an ardent supporter of the Government's priority to reduce red tape and ensure Ontario is 'Open for Business.' We also support Minister McCarthy's objectives in reviewing these Regulations.

We would also like to take the opportunity to reinforce Terrapure's consistent feedback that **regulating lead batteries – which are already diverted and recovered at rates up to 100% -- is causing unnecessary administrative burden and red tape for the lead battery and recycling industry, with no benefit to achieving the province's resource recovery objectives.**

Terrapure would like to provide feedback on the specific elements of the proposed Regulatory amendments that are relevant to it as a registered Processor within the Batteries program, specifically the following:

ITEM 5: Remove the \$1 million cap – Administrative Penalties (AP) Regulation

The draft regulatory amendment proposes to remove the \$1 million cap and allow RPRA to issue AP orders to the full value of economic benefit achieved through non-compliance.

Terrapure is opposed to removing the \$1 million cap. Removing the \$1 million cap would put this regulation even more out of step with the maximum penalties applicable under the Ontario Environmental Protection Act and would undermine the program objectives of resource recovery. Currently, under this Act, the maximum administrative penalty is capped at \$200,000.

Terrapure recommends MECP consider making these two different AP regimes consistent.

Additionally, Terrapure recommends that, regardless of whether the AP is capped, **RPRA should be required to allow for due process to play out prior to announcing a penalty against a party in non-compliance.** Specifically, any party determined by RPRA to potentially be non-compliant should be afforded the opportunity, if they so choose, to contest any alleged non-compliances through an evidentiary-based hearing process. Only upon a final determination of non-compliance should RPRA be permitted to publicly announce such non-compliance and any associated penalty.

Such a process is important to protect against unfair and unwarranted potential reputational damage to any party accused of non-compliance.

ITEM 6: Rules for shared PRO activities – Tires, HSP, Batteries, EEE

Because Terrapure is not involved in the management of collection sites, we will limit our comments to the aspect of this item that addresses performance credits.

The draft regulatory amendment considers either formalizing the existing RPRA Minimum Management Requirements Guidelines (Approach 1) or implementing a new clearinghouse concept (Approach 2) to manage trading of performance credits.

RE: Approach 1

Terrapure believes that the current system is working well with regards to buying and selling of performance credits – that is that the owner of excess recovered battery volumes and the party in need of additional volumes to meet minimum management requirements work directly together to transact on the sale of performance credits. Thus, **we do not recommend formalizing the existing Guidelines. We are concerned that any additional structure risks increasing administrative burden and red tape for program participants.**

Regardless of whether MECP proceeds with Approach 1, we recommend requiring RPRA to make several changes to the *Collection System and Minimum Management Requirements Guideline* to provide clarity and ensure a level playing field for all program participants. This feedback is consistent with that which Terrapure previously provided to RPRA in June 2025, when the guideline was being consulted on in draft form.

Specifically, **all registered parties, including Processors, should have the ability to buy and sell performance credits – not just Producers and PROs.** While RPRA in its 2025 consultations assured Terrapure that all parties may generate excess “recovered weight”, the final guidelines indicate that only producers and PROs can own and, importantly, buy/sell performance credits. The Guideline as written is confusing. Without the explicit mention of the ability for other registered parties, such as processors, to trade recovered weight as performance credits, we are concerned that such parties may be perceived as being ineligible to participate in the performance credit program, which would negatively impact existing commercial relationships that have been built.

To avoid misinterpretation and ensure equitable participation across the stewardship ecosystem, we recommend that the Guideline:

1. Explicitly expand references to the trading of performance credits to also include the trading of unclaimed recovered weight; and
2. Clarify that recovered weight can be traded (i.e. bought and sold) by any registered program participant as performance credits - not just producers or PROs.

Terrapure would be pleased to suggest specific amendments to the text of the Guideline to reflect the above, should the Ministry wish. These clarifications are essential to maintaining a level playing field and ensuring that all recovered materials can be properly counted toward Ontario's diversion goals.

Additional Comments for MECP Consideration RE: RPRA Collection System and Minimum Management Requirements Guideline

Should MECP decide to proceed with Approach 1 and formalize the existing Guideline, Terrapure offers the following additional comments (some of which are currently reflected in the existing Guideline):

- Make April 30 reporting deadline a firm deadline for both reporting and trading of performance credits for the previous year's period.
- Only require PROs to complete performance audits of Processors every 3 years.
- Only require that batteries be **collected** in Ontario to qualify as valid program batteries, as opposed to **used in Ontario, which is virtually impossible to validate**.
- Either **not require batteries to be transported by a registered Hauler** to be considered valid **OR implement a 5-year phase-in period** during which all Ontario batteries can be valid, regardless of whether they were transported by a registered Hauler. This will ensure that the significant volume of batteries currently being transported by unregistered haulers can be counted in Ontario's battery stewardship reporting, while RPRA continues its outreach and education efforts to increase registration of Haulers.

RE: Approach 2:

While Terrapure favours maintaining the status quo under the Guideline without being formalized, we provide the following comments regarding Approach 2, should that be the direction MECP decides to take:

- The government – not RPRA or any program participant – should be responsible for establishing the clearinghouse.
- Any clearinghouse should be operated by an independent 3rd party – not RPRA or any program participant.
- The concept should be equally applied across all non-blue box producer responsibility programs.

Additionally, Terrapure is concerned that **such an approach will increase registration or other costs to program participants** – with no incremental benefits to the program's resource recovery objectives -- as such a clearinghouse will obviously require funding to establish and operate. Any

increased costs to program participants would undoubtedly be passed on to consumers. MECP should take this into consideration when determining how to proceed.

About Terrapure

As you are aware, Terrapure operates the only two lead battery recycling facilities in eastern Canada, at which we recycle both lead and plastic from used batteries. They are strategically located near Toronto and Montreal, in addition to a logistics hub near Buffalo, New York, to facilitate the import/export of products. These locations, along with our extensive network of supply chain and commercial partners, allow us to provide unparalleled service to our battery manufacturing customer throughout North America.

We are the only company in Ontario that processes spent lead batteries, ensuring that virtually all materials sold in the province – over 95% - are recovered and processed sustainably in Ontario. Terrapure is a key pillar of the circular economy of lead batteries and a key contributor to Ontario's local waste diversion and recycling infrastructure.