



COMMUNITY INFRASTRUCTURE & STRATEGIC GROWTH – AGENDA REPORT

Meeting Date: 22 October 2024

Subject: Extended Producer Responsibility Update

Directorate: Community Infrastructure

Issue:

Waste and Recycling Services is providing an update on the Extended Producer Responsibility (EPR) program for information.

Policy / Council Direction:

Provide residents with options for managing their residential/household waste through services and education, considering environmental, social and economic impacts. Waste and Recycling Services endeavours to position Airdrie as a municipal leader in waste diversion.

Background:

Alberta municipalities are currently responsible for the costs associated with collecting and processing recyclable materials. The EPR program shifts the financial burden away from taxpayers and local governments to the product producers. The intent of the program is to encourage companies to produce less waste and recycle more. A Producer Responsibility Organization (PRO) acts on behalf of the producers to help them meet their obligations under the EPR regulation. There are three PROs responsible for the different materials covered under the EPR program. Circular Materials is the PRO for Products, Packaging and Paper, Product Care is the PRO for Hazardous and Special Products, and Call2Recycle is the PRO for batteries.

The Provincial EPR regulations came into effect in November 2022, and the bylaws were approved in September 2023. Waste and Recycling Services (WRS) registered for EPR in December 2023 for Phase 1 implementation, which is set to start April 1, 2025.

In the context of how to deliver the EPR program, the City has the following options:

Curbside recycling:

1. **Opt-in** – WRS maintains control of recycling collection programs and contracts with service providers. The City enters into contract with the PRO to receive compensation for administration and operational costs of the program.
2. **Opt-out** – PRO takes over full responsibility of the curbside recycling program.
3. **Defer to Phase 2** – request participation during the second round of implementation.
4. **Deregistering** – decline participation in EPR.

Recycle Depot:

1. **Opt-in** – WRS maintains control of recycling collection programs and contracts with service providers. The City enters into contract with the PRO to receive compensation for administration and operational costs of the program.
2. **Defer to Phase 2** – request participation during the second round of implementation.
3. **Deregistering** – decline participation in EPR.

Hazardous & Special Products

1. **Opt-in** – WRS maintains control of recycling collection programs and contracts with service providers. The City enters into contract with the PRO to receive compensation for administration and operational costs of the program.
2. **Defer to Phase 2** – request participation during the second round of implementation.
3. **Deregistering** – decline participation in EPR.

Batteries

1. **Opt-in** – WRS maintains control of recycling collection programs and contracts with service providers. The City enters into contract with the PRO to receive compensation for administration and operational costs of the program.
2. **Defer to Phase 2** – request participation during the second round of implementation.
3. **Deregistering** – decline participation in EPR.

Administration's primary focus has been on the curbside recycling and Recycle Depot aspects of EPR due to their complexity and timelines for completion. The Master Services Agreement (MSA) and Statement of Work (SOW) draft documents were released in June

2024, and a report was presented to the Executive Leadership Team (ELT) on August 1, 2024 outlining the program options. ELT supported WRS' recommendation to pursue the Opt-In model for curbside collection and service level information has been provided to initiate conversations with the PRO. To meet obligations under this model, curbside contracts would be extended to continue current service levels until April 2026. Administration is working with the PRO to understand next steps for curbside collection after April 2026.

The opt-out option is only available for the curbside recycling program because service providers are readily available to manage this function. The opt-out option isn't provided for the other programs due to the complexity of day-to-day operations and the need to manage additional services provided at the Recycle Depot that fall outside the scope of EPR.

Discussions with the PROs are ongoing, and WRS is in the process of obtaining clarification on how the agreement terms and program models will impact different aspects of our operations. City staff have also joined an informal working group of municipalities that meet to share information learned during internal discussion and conversations with the PROs.

PRO's timeline to participate in Phase 1:

October 31, 2024: Deadline for community opt-in agreement approval.

November 30, 2024: Deadline to finalize opt-in community contracts.

April 1, 2025: Launch phase 1.

If the PRO's timelines aren't met, the City's participation could be postponed until Phase 2 of the program implementation.

Administration Recommendation:

That the Community Infrastructure and Strategic Growth Standing Committee accepts the report for information.

Alternatives/Implications:

The Standing Committee could choose to table the report and request additional information from Administration.

Budget Implications:

Both the opt-in/out options will result in cost savings for the City. Deferring to Phase 2 will result in residents paying for recycling programs for an additional 1.5 years.

Communications and Engagement:

Waste and Recycling Services will work with Communications, Engagement and Marketing to inform residents of any changes to the recycling programs.

Recommendation:

That the Community Infrastructure and Strategic Growth Standing Committee accepts the report entitled "Extended Producer Responsibility Update", for information.

Staff Presenter:	S. Rice
External Presenter:	N/A
Department:	Waste and Recycling Services
Reviewed by:	L. Stevens
Attachments:	N/A

Steven Rice – Team Leader