

**Board of Directors Meeting Highlights
Held on May 19th, 2022 at 8:30 AM
as a Virtual Meeting**



Amendments to Ontario's Blue Box Regulation

On April 19, 2022, the provincial government filed amendments to the Blue Box regulation (O. Reg. 391/21) that replace rule making and the allocation table requirements with an alternative process for establishing a collection system for blue box materials in Ontario.

The government chose to pass these amendments, some of them substantial, without posting them on the Environmental Registry of Ontario (ERO) for public consultation.

Earlier, the Association had voiced concerns that changes to the Blue Box regulation were unnecessary at this time and could potentially jeopardize the timely transition of blue box recycling services from municipalities to producers and threaten the emergence of a competitive market for procurement of collection and processing.

While the Association continues to analyze the impact of these amendments on the member municipalities, we have listed some of the key changes below.

Removal of Rule Making and Allocation Table

The amended Regulation removes all references to rule making and the allocation table (Part III of the regulation was revoked in its entirety).

Those sections have been replaced with requirements making every producer responsible for providing curbside collection of blue box materials for every eligible source that receives curbside garbage collection.

Producers must provide depot collection for every eligible source that receives depot collection.

In general, the changes remove a major administrative exercise to assign a producer for every household by making them all responsible for all households.

Less obvious but significant by removing Part III any reference to the Competition Act has been removed opening the door for a potential monopoly which we had fought to exclude. Previous programs operated by a single entity led to predatory procurement practices heavily favouring the producers at the detriment of the service providers. The producers tend to dictate pricing and terms rather than letting the natural market forces dictate the outcome.

Initial Report from PROs

To set up Ontario's new blue box recycling system, the amended Regulation requires the submission of a report to RPRA, no later than July 1, 2022, by a PRO or multiple PROs, through agreement, that represent 66% of the aggregate weight of blue box material supplied to Ontario consumers in 2020.

PROs' market shares will be calculated based on the agreements they have signed with producers prior to April 1, 2022.

If a PRO or PROs, through agreement, meet this threshold, the report they submit must include the following:

- A description of how the collection system will be established and operated.
- A detailed description of how collected blue box materials will be made available for processing, how it will be processed, and where receiving facilities will be located in Ontario.
- A description of how the Regulation's promotion and education requirements will be met.
- If two or more PROs have entered into an agreement, one PRO must submit a single report to RPRA on their behalf.

Newspapers

If in a calendar year more than 70% of the weight of a producer's total blue box materials supplied to Ontario consumers is newspapers, that producer is exempt from the collection, management, and promotion and education requirements under the Regulation for newspapers, as well as any protective plastic wrapping, supplemental advertisements, and inserts that are provided along with newspapers.

The Regulation requires other obligated producers to collect newspapers. They can then count the management of those collected newspapers towards their paper target.

These amendments can be found as [O. Reg 349/22 on the Ontario e-Laws website](#).

Circular Materials Ontario Releases Their Master Service Agreement and Schedules of Work for Blue Box Collection Services

Circular Materials Ontario has published their Master Service Agreement and Schedules of Work for Blue Box collection services. Additionally, they have posted a survey for you to indicate your desire to provide services or not during the transition period (due June 30). The slides they presented in the AMO webinar and a list of responses to the questions posed during the webinar, are also [posted](#).

The published documents are essentially the producer's offer that have signed up with Circular Materials Ontario to have the municipalities continue existing collection services until the end of 2025 when their obligations change and the blue box program will change the most. It is a logical request given the current status of the supply chain making it difficult to get the equipment require on time to take over the programs at a time when their obligations are simply to maintain the current programs until then.

Circular Materials Ontario is widely regarded as the largest Producer Responsibility Organization (PRO) albeit unverified because the PROs market share has not been published and is unlikely to be since the amendments to the regulations were made. Two other PROs have been relatively silent on their position.

Bluewater Recycling Association Initial Take on the Offer

As you know, we have been actively involved in the process to transition to the new blue box regulation and ensuring that the transition is seamless to the residents. This file is now a daily subject in our office.

We have been vocal throughout the process that we did not want just a BC 2.0 program in Ontario. During the consultations and our many meetings since the new blue box regulation was announced, Circular Materials Ontario have regularly confirmed that situations were different in BC and they required an approach that would not be repeated in Ontario.

In our most recent meeting with them, they expressed concerns with the current supply chain issues that would make it difficult if not nearly impossible to procure the services needed during the transition period. As such, they were looking for cooperation from the municipalities to continue “existing collection services” until the end of 2025 when the new requirements would be implemented.

Even though they did not provide any details, the basis of the offer presented at the most recent meeting was not perfect but it had the foundation to initiate discussions that may have met the needs of our member municipalities while others that have renewed or extended their contracts since 2020 may have needed a modified approach to compensate them for the much higher increases they have experienced than the adjustments offered.

Unfortunately, now that more details have been released, we are deeply disappointed with their offer. Our members and the municipalities of Ontario are proud of the blue box program they have delivered for over 40 years in this Province and we were prepared to work collaboratively with the producers to ensure a smooth transition to preserve the integrity of the program while shifting to full producer responsibility seamlessly.



Alas, it seems the promises throughout the consultation were simply stalling tactics to deliver the same rhetoric we did not want. They continue to nickel and dime the municipalities of Ontario by offering less than 100% of the cost while increasing the scope of the work demanding more services with 237 pages of primarily one-sided conditions for us to maintain “existing collection services” on their behalf. Yes, you have read this right, they would like us to maintain “existing collection services” but they have attached [237 pages of conditions](#) and changes.

In its present format, the Association cannot recommend the offer to any of its members as it increases the risks and liabilities to the members vastly exceeding the potential rewards.

We will continue to work with the PROs in an attempt to reach a mutually beneficial arrangements that can help them meet their obligations while delivering the blue box program residents of this area deserve.

As always, we will continue to act in your best interest and respond to their offer before the published deadline. remain open to discussing how we can proceed to collaborate on a successful transition.

Used Battery Recycling Update

RPRA has announced that its Compliance and Enforcement Team is currently reviewing battery producers' compliance with the Batteries Regulation (O. Reg. 30/20). OWMA estimates that a disruption in the collection of used batteries is impacting over 600,000 households across Ontario. In its bulletin, RPRA announced that its inspectors will move to confirm that the required number of sites remain operational and that all batteries from any closed sites are processed within 3 months of being collected. Obligated parties in breach of the requirements outlined in the Batteries Regulation may be subject to compliance orders and fines. This matter highlights the concerns OWMA has persistently raised about the risks to recycling associated with monopolistic behaviour of incumbent PROs, low recycling targets, and lack of compliance with regulatory obligations. OWMA will fully cooperate with RPRA in its efforts to enforce compliance of battery producers with the regulation.

Statement from the Registrar: Used Battery Collection System

A recent contractual dispute between Call2Recycle Canada Inc. (Call2Recycle), a producer responsibility organization (PRO) operating a battery collection and recycling system in Ontario on behalf of its battery producer clients, and Raw Materials Company Inc. (RMC), an Ontario-based battery processor, has resulted in a significant reduction of used battery collection sites in Ontario.

While the contractual dispute itself between Call2Recycle and RMC is a private business matter outside the purview of O. Reg. 30/20 (the Batteries Regulation), the impact of the dispute on the used battery collection system is not.

RPRA's Compliance and Enforcement Team is currently reviewing battery producers' compliance with the Batteries Regulation, including but not limited to the following requirements outlined in Part III (Collection of Batteries), s. 8-11 and Part IV (Management of Batteries), s. 14:

Establish a Public Collection System

The number of sites required in each municipality in the Public Collection System is determined based on population requirements. The Battery Collection Systems Compliance Bulletin identifies the total number of sites in each municipality required under the regulation.

The regulation also allows the number of required sites to be reduced by offering curbside collection, direct collection programs or collection events.

The regulation does not require every community to have a collection site, as battery producers are permitted to replace up to 25 per cent of Ontario's sites with four-hour collection events.

Operate the Public Collection System

The obligation to service a Public Collection System must continue even if the system produces more batteries than is necessary to meet a producer's minimum management requirement.

The Public Collection System must accept all batteries, including batteries previously sold with other products.

Operating a collection system means that when a battery producer closes a collection site, they must recover the remaining batteries. Battery producers cannot strand batteries at a collection site in the Public Collection System.

Process the Batteries Collected

Batteries collected through the Public Collection System must be processed by a registered battery processor within three months of being collected by a hauler.

All batteries collected must be processed by a registered processor that meets the Recycling Efficiency Rates (RER) in the regulation. Registered processors are required to submit a third-party audit to RPRA confirming their RERs by April 30 of this year. Battery producers cannot send batteries to processors that do not meet the RER requirements in the regulation.

The “best efforts” standard referenced in the Batteries Regulation applies only to the minimum management requirements and is a legally enforceable standard requiring battery producers to, acting in good faith, take all reasonable steps to meet the requirements.

As part of the inspection of producer and PRO compliance with O. Reg. 30/20, the Registrar has assembled a team of senior inspectors led by the Manager of Compliance and Enforcement who are currently, among other things:

Confirming that the required number of sites remain operational,

Confirming that all batteries from any closed sites are not stranded and are processed within 3 months of being collected, and

Reviewing all documentation related to any audits or reviews of service providers, including the full results of any third-party audits.

Under Part V (Enforcement) of the Resource Recovery and Circular Economy Act, 2016 (RRCEA), obligated parties in breach of the requirements outlined in the Batteries Regulation may be subject to:

Compliance orders

Fines, including recovering any economic benefit that resulted in the non-compliance, once the Administrative Penalties Regulation proposed under the RRCEA is finalized

Prosecution

Any orders issued related to this matter will be publicly disclosed, as per the RRCEA, on the Authority’s website. A follow up statement will be issued at the conclusion of the inspection.



Tomra Identifies Five EPR Success Factors

Convenience is among the five principles to consider, says recycling technology provider.

The Tomra Recycling business unit of Norway-based Tomra Group has issued a white paper identifying common traits of extended producer responsibility (EPR) programs that are designed to boost recycling rates.

Saying EPR “has the power to accelerate society’s shift toward a more circular economy,” Tomra says it prepared its 30-page report to serve “as a detailed guide for policymakers who design or develop EPR schemes, offering a multi-faceted perspective and practical insights to help achieve greater performance.”

Tomra has identified these five design principles in its report:

- 1) **circularity**, which incentivizes eco-design and uses reliable measurement protocols;
- 2) **performance**, which includes a well-defined scope, clear roles and responsibilities, and comprehensive targets that scale up over time;
- 3) **convenience** and user-friendly systems that increase the amount of materials collected and processed effectively;
- 4) **producer responsibility**, which establishes clear rules for the management of discarded packaging; and
- 5) **system integrity**, which Tomra says ensures transparency and compliance to support the achievement of targets.

“Tomra’s first-hand experience in numerous markets on all continents has taught us which methods can be used to successfully address the challenge of managing post-consumer packaging waste, and which combinations work best,” says Wolfgang Ringel, a senior vice president with Tomra. “In some regions, where effective waste management systems have been established, more needs to be done to encourage the proper collection, sorting and recycling of valuable material that is simply thrown away. Implementing legally defined (in other words, mandatory) obligations covering the use of resources, and their responsible handling, is the way forward, as this will result in direct, active climate protection.”

In Asia, EPR initiatives have developed into cross-industry networks – a response to the fact that 80 percent of the plastic in the world’s oceans entered them via Asian waterways, says the equipment provider.

South Africa and Vietnam have recently implemented EPR for packaging, and several states within the United States are currently considering such measures, adds the company.

In Europe, the “robust targets defined in the 2019 Single-Use Plastics Directive have resulted in almost all EU member states introducing legislation on deposit-return systems for beverage containers that will be applied by 2029, says the vendor of sorting equipment and reverse vending machines.

“The implementation of EPR legislation is a transformative measure to improve both the quality and quantity of the resources that get recycled, thereby supporting the acceleration to a circular economy,” states Tomra.

Coca-Cola Aims To Use 50 Percent Recycled Glass By 2030

The Coca-Cola Bottling Co. United has announced its goal of using 50 percent recycled material in its glass bottles by 2030, leveraging a partnership with O-I Glass, headquartered in Perrysburg, Ohio. Through the partnership, Coca-Cola United, Birmingham, Alabama, expects to recycle more than 700,000 out-of-date and damaged bottles annually.

Glass is 100 percent and infinitely recyclable, making it an ideal packaging material to support a low-waste, circular economy. Recycled glass is the main ingredient in manufacturing new glass bottles and jars, and the more that's used in each batch, the more energy is saved and emissions are decreased. O-I is committed to Coca-Cola United's 10 sustainability goals, which include increasing recycled content to 50% on average by 2030.

O-I's recycling business relies heavily on finding sources of glass that require recycling.

Coca-Cola United had an existing relationship with O-I, which led to the new partnership.

They started to look at all of their recyclables and where they end up. They contacted O-I because they supply their glass bottles, and they learned that they have a team dedicated to increasing glass recycling. The team at O-I is laser-focused on implementing solutions to allow more glass to be recycled and used in glass packaging.

Collaborations such as this are vital steps in boosting the amount of recycled glass in the manufacturing stream and creating a more sustainable future, the companies say.

Alberta Funds Gas-From-Plastic Project

NOVA Chemicals Corporation and Enerkem Inc. have received funding of \$4.5 million from Alberta Innovates.

The funding, provided through Alberta Innovates' Technology Innovation and Emissions Reduction (TIER) Economic Recovery Program is allowing the companies build a pilot-scale reactor system that produces gas from used, non-recyclable and non-compostable plastics to feedstocks for virgin-grade plastics.

The team – which includes experts from leading chemicals and plastic resins producer, NOVA Chemicals – has been working to achieve lower greenhouse gas emissions while significantly accelerating the upgrading process for waste materials.

The successful implementation of this technology in Alberta could result in reduction of local CO₂ emissions by approximately 165,000 tCO₂e per year, while also diverting 230,000 tonnes of waste (including over 100,000 tonnes of mixed plastic waste) per year from landfills.

“By taking waste streams that are otherwise non-recyclable, we can complement mechanical recycling efforts and provide an important solution to close the gap between recycling targets and the important role plastics play in our daily lives,” said Michel Chornet, executive vice-president, engineering, innovation and operations at Enerkem.

“The project aims to expand the types of materials that can be recycled and increase recycling rates while reducing emissions from incineration and landfill and keeping plastic out of the environment.”

New Recycling Techniques Not Incineration

The American Chemistry Council (ACC), Washington, has written a letter objecting to an attempt by some members of Congress to regulate newer plastic recycling facilities using Clean Air Act techniques applied to incinerators.

On Friday [April 29], members of Congress sent a letter to the House Subcommittee on the Interior, Environment and Related Agencies requesting that the Environmental Protection Agency (EPA) regulate advanced recycling technologies as municipal waste combustion units under the Clean Air Act.

The May 3 reply by the ACC refers to advanced recycling—a term it uses for a collection of solvent-based or other thermochemical technologies to convert plastic scrap into new polymers and other marketable materials—as “game-changing technologies that enable a circular economy by transforming used plastics into high quality new plastics.”

Characterizing advanced recycling as ‘waste combustion’ or ‘burning plastics’ is scientifically inaccurate and distracts from the real and significant progress being made.

The organization points to “seven commercial-scale advanced recycling facilities” and others “leveraging existing chemical manufacturing infrastructure to make virgin-quality plastic from used plastics in the U.S.” as “just the beginning of a massive wave of new projects.”

Since 2017, \$7.5 billion in investments have been announced involving more than 70 projects with the potential to divert up to 8.75 million tons of plastic scrap from landfills annually.

A recent independent study found advanced recycling reduces greenhouse gas emissions 43 percent relative to waste-to-energy incineration of plastic films made from virgin-resources. Another study found benchmarked air emissions from an average-sized advanced recycling facility were often on par with those from common well-regulated facilities such as hospitals and universities, and often too low to trigger key EPA permitting thresholds.

The trade association says regulating advanced recycling as solid waste incineration would be “inconsistent with Clean Air Act legal criteria” and would conflict with laws in 18 states that have passed laws regulating the facilities as manufacturing operations.

Clean Air Act regulation also “would undermine EPA’s National Recycling Goal to increase the U.S. recycling rate to 50 percent by 2030,” the ACC says, adding “America’s plastic makers will rely on advanced recycling to help EPA meet its goal.”

The ACC concludes, “From Wendy’s to Warby Parker, advanced recycling is being used to make plastic consumer products from the hard-to-recycle plastics mechanical recycling cannot process. We urge lawmakers and the EPA to follow the science and reject the false claims that advanced recycling is ‘waste combustion,’ and we invite them to visit an advanced recycling facility to get the facts in person.”

California Opens Investigation Into Plastics Recycling Industry

California Attorney General Rob Bonta recently announced an investigation into the fossil fuel and petrochemical industries for their roles in causing and exacerbating the global plastics pollution crisis. It also will look for what laws, if any, have been broken in the process.



Bonta says the global plastics pollution crisis has been driven by the fossil fuel and petrochemical industries. In the 1950s, the world produced about 1.5 million tons of plastic annually. He says that number has skyrocketed to more than 300 million tons, with plans to continue to increase supply in the coming decades.

Bonta says the fossil fuel and petrochemical companies have doubled down on plastics production, recently investing an additional \$208 billion to expand plastic production worldwide. Plastic production is a significant source of greenhouse gas emissions, and the planned expansion of fossil-fuel-based production runs counter to efforts to address the climate crisis through a transition to clean energy, according to the Californian Attorney General's office.

Bonta claims that companies spent millions promoting the benefits of plastics and how they can be recycled. However, industry officials knew recycling plastic was not feasible as far back as the 1970s, according to a report from NPR.

The American Chemistry Council (ACC) strongly disagrees with the portrayal of the industry by Attorney General Bonta. As they've repeatedly emphasized, plastics belong in our economy, not our environment. America's plastic makers are committed to a more sustainable future and have proposed comprehensive and bold actions at the state, federal and international levels in their 5 Actions for Sustainable Change and 5 Principles to End Plastic Waste Globally.

The ACC's proposal includes requiring all plastic packaging in the U.S. to include at least 30 percent recycled plastic by 2030, establishing a producer responsibility system for packaging that will help increase recycling infrastructure and supporting a legally binding global agreement to stop leakage and build waste management infrastructure globally.

This November, Californians will vote on the Stop Plastic Pollution initiative, a policy that would reduce single-use plastic packaging. In addition, the California legislature is currently considering Assembly Bill 2026 to address the increasing threat of single-use plastic packaging in online sales.

WM To Invest \$825M In Renewable Natural Gas Efforts

The company anticipates the investment will increase its RNG production by 600 percent over the next four years.

WM, Houston, has announced plans to invest \$825 million in its renewable energy footprint from 2022 to 2025 by expanding its renewable natural gas (RNG) infrastructure. The company says it plans to build 17 facilities across North America by 2026.

The company says the investment is anticipated to increase RNG production by 600 percent to help fuel its entire RNG fleet and communities across the country. The company says it will be able to provide enough renewable energy to supply the equivalent of 1 million homes.

Today, WM has 16 plants across North America through a mix of WM plants and third-party developers. By 2026, the company plans to expand its RNG network in several states including Arkansas, California, Florida, Illinois, Oklahoma and Pennsylvania in the U.S. The company is also investing in plants in Quebec and Ontario in Canada. WM expects RNG plants in Oklahoma City, Oklahoma, and Springdale, Arkansas, to come online in 2022.

The increase in RNG production WM expects from the new investments will lead to the displacement of approximately 1.3 million metric tons of CO2 greenhouse gas emissions by 2026, the equivalent to 3 billion miles driven by an average gasoline-powered passenger vehicle.

WM says it will continue to invest in areas across the business when it comes to sustainability, with renewable energy being one of them. The company also continues to invest in areas like recycling, with a \$275 million planned investment in materials recovery facilities for recycling infrastructure for 2022 alone.

Upcycled Certified Food Program Comes To Canada

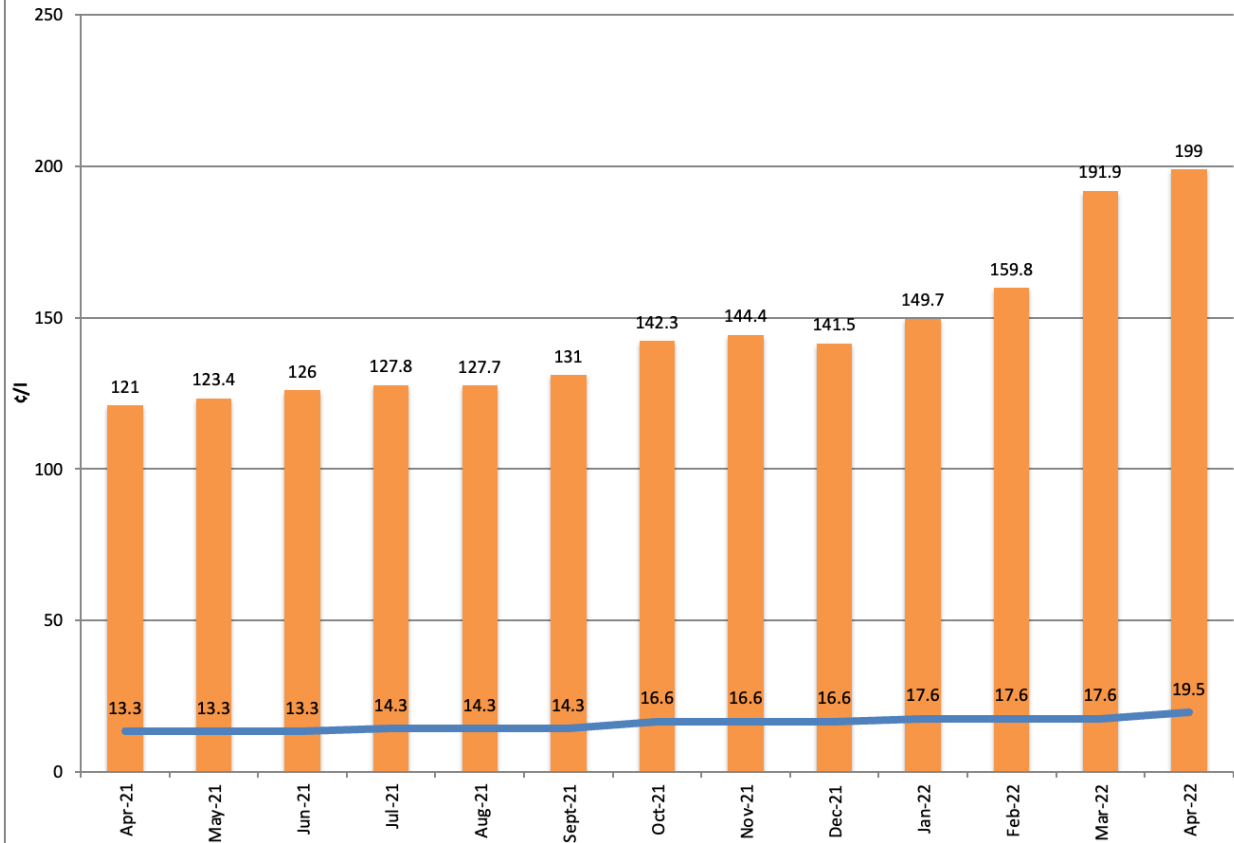
The Upcycled Food Association (UFA) has expanded its Upcycled Certified program into Canada. UFA is partnering with Anthesis Provision, and COIL (Circular Opportunity Innovation Launchpad), the circular business accelerator of Ontario municipalities Guelph-Wellington, to expand the reach of the third-party verified Upcycled Certified Mark to Canadian consumers. The program certifies that food, beverage, cosmetic, companion pet food, home care, and cleaning products they buy include upcycled ingredients. The Upcycled Certified Program has certified over 200 products and ingredients in the United States and is projected to prevent over 820 million pounds of food waste in the next year.

Named as one of the top food trends for 2021 by Whole Foods and one of the most prominent trends at Expo West in 2022, consumer research shows that demand for Upcycled Foods is strong and growing, with 80 percent of consumers saying they would seek out upcycled products.

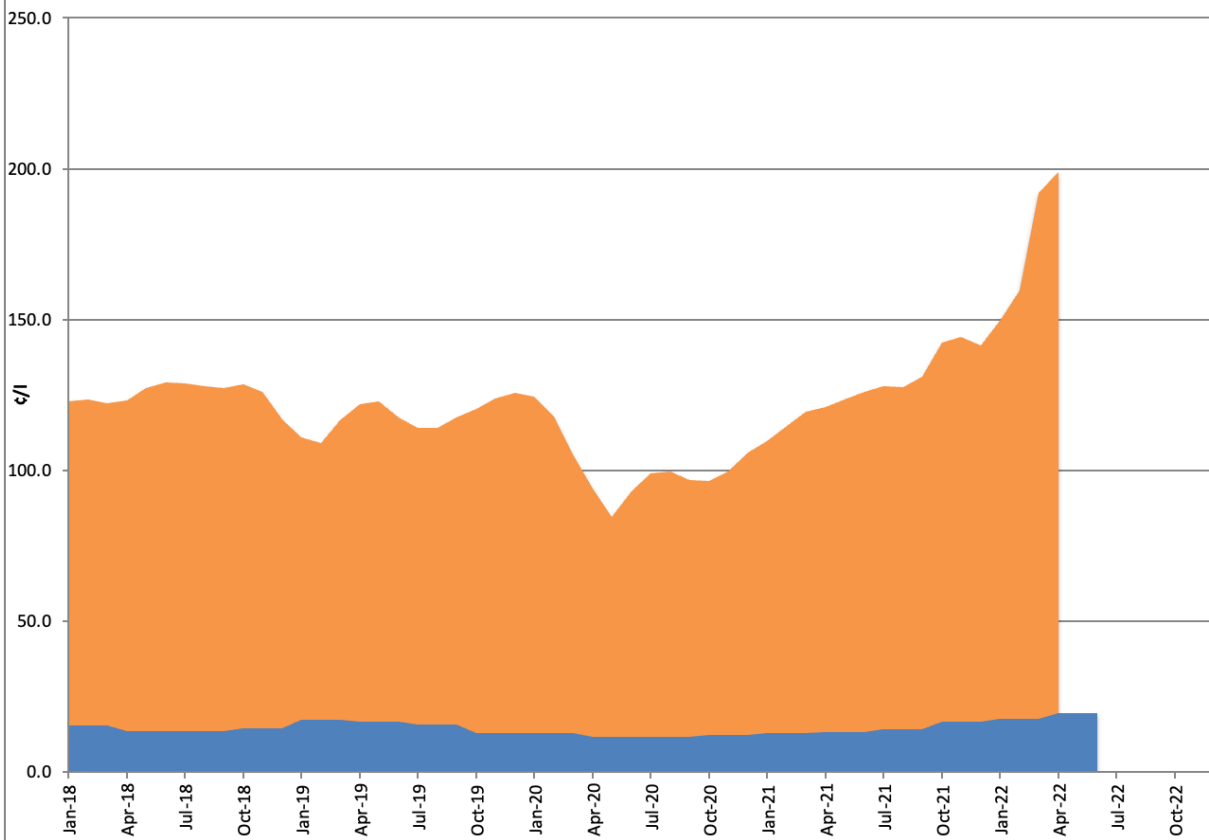
Callebaut's Evocao WholeFruit Chocolate is the first upcycled certified chocolate made from 100% pure cacaofruit. Given that 70% of the 14 million tons of harvested cacaofruit is wasted annually, cacaofruit is the most impactful fruit to fully upcycle.

Anthesis Provision, part of the world's largest group of sustainability experts, is delighted to help bring the Upcycled Certified Program to Canadian food and beverage companies, to enable them to showcase their efforts to prevent food waste and use all their resources by creating new upcycled products that meet a growing consumer demand.

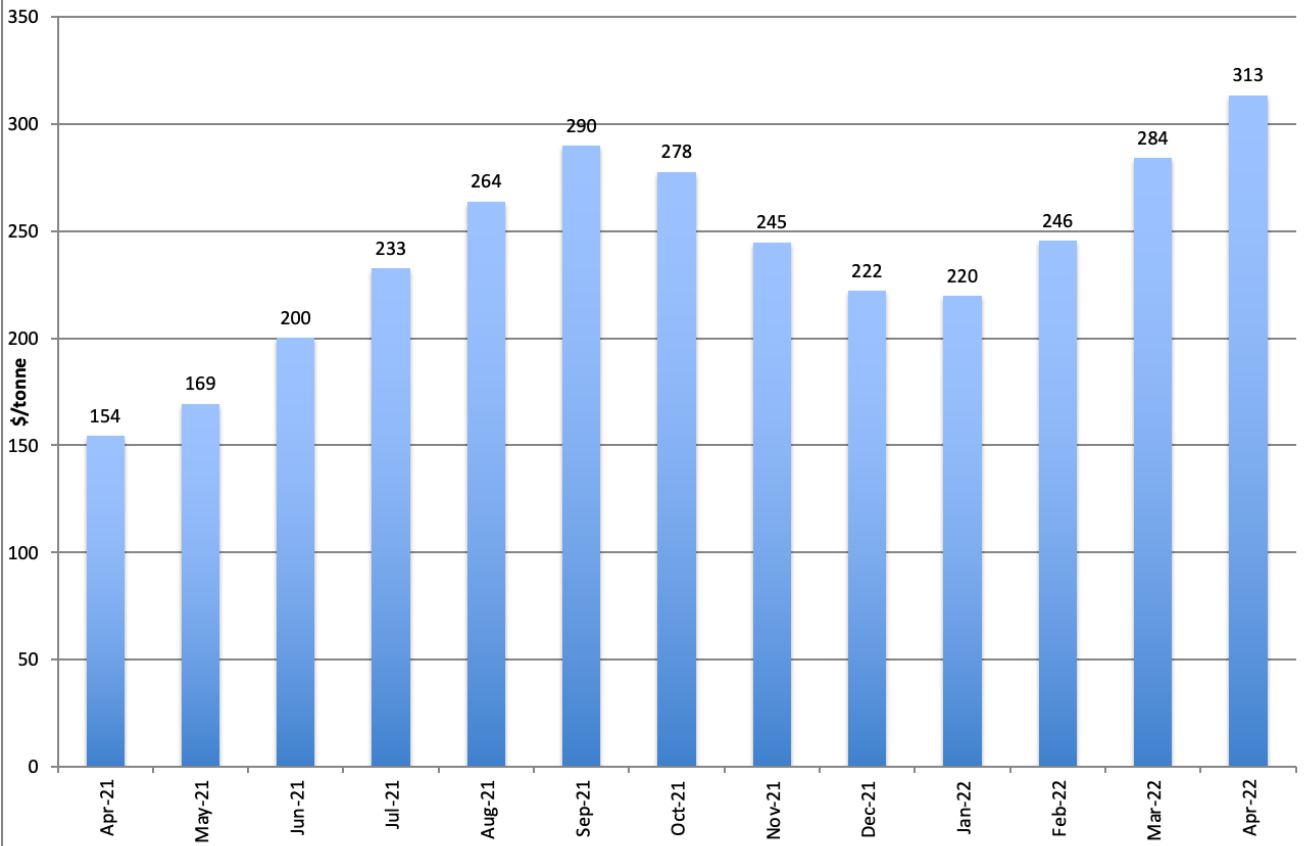
Diesel vs CNG Price (Retail incl. Tax)



Diesel vs CNG Price (Retail incl. Tax)



Commodity Prices



Commodity Prices

