

## Operational Services Briefing to

Community Development Committee

2024 June 26

ISC: UNRESTRICTED

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## Extended Producer Responsibility Update

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### PURPOSE OF BRIEFING

This briefing provides an update on the status of the Extended Producer Responsibility (EPR) transition. The briefing outlines the roles and responsibilities of different groups under this new recycling framework, including how Waste & Recycling Services plans to continue delivering front-line services to ensure that Calgarians experience a seamless transition. Calgarians are highly satisfied with the Waste & Recycling service. With our experience, infrastructure and service-first philosophy, we are well-positioned to continue providing the integrated cart programs and service levels Calgarians expect.

### SUPPORTING INFORMATION

Extended Producer Responsibility is a provincial policy that shifts responsibility and cost for collecting, sorting, processing, and recycling certain materials to producers, such as manufacturers and retailers, and away from local governments. The City has advocated for this provincial policy for many years because of the anticipated environmental and financial benefits. Specifically, EPR should motivate producers to design and produce less packaging waste, choose materials that are less toxic and easier to recycle, and take advantage of economies of scale to make recycling more effective and efficient.

Starting in April 2025, producers will be responsible for managing two distinct material categories: Packaging and Paper Products (material collected in blue carts and community recycling depots), and Hazardous and Special Products (some of what we call household hazardous waste). The roles and responsibilities of interested and obligated parties will change accordingly.

The **Alberta Recycling Management Authority ('the Authority')** is responsible for regulatory oversight of EPR in Alberta. The Authority engaged with interested parties, including The City of Calgary, to develop the bylaws and policies that define the obligations of system participants. Their focus has now shifted to registering communities, producers, producer responsibility organizations, and processing facilities into the system.

Since the last update to Council (C2023-1363), **The City of Calgary** has voluntarily registered as a 'community' within the system, as did other municipalities representing 94 per cent of Alberta's population. Registration as a 'community' allows responsibility for recycling programs to be transferred to producers, resulting in lower municipal user fees and taxes associated with managing materials covered under EPR legislation.

**Producers** of Packaging and Paper Products and Hazardous and Special Products are responsible for collecting and managing the materials they sell or supply to Alberta residents. The City was obligated to register as a 'producer' because we produce and distribute paper products such as tax assessments, notices, and door hangers. Costs to fulfill our producer responsibilities are expected to be minimal.

**Producer Responsibility Organizations** are non-profit organizations that help producers meet their regulatory obligations. They set up and operate collection systems and, in collaboration with local governments, educate residents on proper recycling practices. Producer Responsibility Organizations are also tasked with submitting reports to the Authority regarding producer compliance with regulations. Currently, three Producer Responsibility Organizations are registered in the province:

- Circular Materials (Blue Cart materials)
- Product Care (Hazardous and Special Products)
- Call2Recycle (single-use and rechargeable batteries)

## Working Together

Producers and Producer Responsibility Organizations don't directly manage collection systems; instead, they contract service providers for this task. For Calgarians, it makes sense that Waste & Recycling Services continue as the collection service provider for EPR materials. Waste & Recycling Services operates in alignment with The City's broader environmental, financial, and customer service objectives. With our expertise, infrastructure, and alignment with City Council's values, we deliver high-quality service, serving 345,000 households weekly with a satisfaction rate of 93 per cent. We successfully operate the three cart services in an integrated manner, allowing us to take advantage of efficiencies (e.g. systems and communications that support all three cart programs) and manage performance (e.g. addressing cart contamination).

Producer Responsibility Organizations have indicated their intention to negotiate directly with Waste & Recycling Services for service provision. Administration anticipates these negotiations will occur through the remainder of 2024. The outcome of negotiations will inform future decisions on service levels, design, and associated fees.

## Risk

Producers and Producer Responsibility Organizations are focused on meeting regulated recycling targets and other requirements specified by the Regulation and by the Authority. Uncertainties remain about the implications of the transition for service levels, service results and costs. To mitigate this risk, Waste & Recycling Services plans to continue as the collections service provider and is advocating with provincial authorities for the best system possible. We are also negotiating with Producer Responsibility Organizations to achieve the best service and financial outcomes for Calgarians, including a seamless service transition.

## Engagement

We continue to coordinate with Alberta Municipalities and the City of Edmonton and to work closely with Alberta Environment and Protected Areas, the Alberta Recycling Management Authority, and Producer Responsibility Organizations to enable a successful transition.

Internally, Waste & Recycling Services continues to be supported by Intergovernmental Relations, Climate & Environment, Law, and Enterprise Risk Management. Waste & Recycling Services is communicating with employees and internal partners about the EPR framework as it takes shape and will continue to engage with them on the steps being taken to support a seamless transition to EPR for Calgarians and employees.

Waste & Recycling Services will return to Community Development Committee no later than Q1 2025 with updates related to negotiations with Producer Responsibility Organizations including anticipated implications for The City and Calgarians. An interim update to Council on negotiations may be needed in Q4 2024.

## ATTACHMENT

1. Attach 1 – Extended Producer Responsibility Timeline – C2024-0701

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General Manager Doug Morgan concurs with the information in this Briefing.