

**Operational Services Report to
Community Development Committee
2025 February 06**

**ISC: UNRESTRICTED
CD2025-0076**

Transition to Extended Producer Responsibility

PURPOSE

This report recommends a reduction to the monthly Blue Cart Program charge and changes to the Waste Bylaw to support the implementation of the provincial Extended Producer Responsibility system in Calgary by 2025 April 1. An update to Council on the transition to Extended Producer Responsibility is also included.

PREVIOUS COUNCIL DIRECTION

On 2020 October 15 Council reaffirmed its support for the implementation of a province-wide Extended Producer Responsibility program and directed Administration to continue advocating for Extended Producer Responsibility in collaboration with other Alberta municipalities, industry and affected stakeholders. A summary of all Council direction is in Attachment 1.

RECOMMENDATIONS:

That the Community Development Committee recommend that Council:

1. Give three readings to the proposed bylaw, in Attachment 3, to amend the Waste Bylaw to reduce the monthly Blue Cart Program charge and enable Extended Producer Responsibility implementation in Calgary.
2. Direct Administration to evaluate changes as a result of Extended Producer Responsibility, assess options to update Waste & Recycling's rate structure and report back to Council no later than Q2 2026.

CITY MANAGER/GENERAL MANAGER COMMENTS

General Manager Doug Morgan concurs with this report.

HIGHLIGHTS

- Extended Producer Responsibility is a provincial policy that is intended to result in a more efficient, effective, and consistent recycling system across Alberta.
- Extended Producer Responsibility shifts responsibility for managing certain recyclable and hazardous products to the producers who create those materials.
- The shift in responsibility for managing these materials will lead to reduced Waste & Recycling fees paid by Calgarians.
- Calgarians will continue to experience the same high service levels they currently receive through the transition to Extended Producer Responsibility.

DISCUSSION

Alberta's Extended Producer Responsibility system transfers the responsibility for managing certain recyclable and hazardous materials from local governments to producers (manufacturers, retailers). The new system comes into effect on 2025 April 1 for the following designated materials:

- Packaging and Paper Products from single-family households, what we know as Blue Cart materials.

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- Hazardous and Special Products, some of what we call Household Hazardous Waste.
- Single-use and rechargeable household batteries.

Extended Producer Responsibility for packaging and paper products from multi-family developments is a future phase of implementation planned for October 2026.

Extended Producer Responsibility is intended to 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.

Roles and responsibilities for managing designated materials will change under Extended Producer Responsibility and are described in Attachment 2.

Waste & Recycling Services has worked closely with the Province and producers, through Producer Responsibility Organizations, to support the design of a robust system. We have advocated and negotiated strongly to achieve positive service, financial and recycling outcomes for Calgarians. Calgarians will continue to receive the same high service levels they currently have and experience a seamless service transition when Extended Producer Responsibility is implemented.

Rate Adjustments

The financial benefit of Extended Producer Responsibility will be passed on to Calgarians through reduced Blue Cart Program charges. Table 1 details the recommended monthly Blue Cart Program charge when Extended Producer Responsibility is implemented on 2025 April 1.

Table 1 – Recommended monthly Blue Cart Program charge

	2025	2026
Current monthly Blue Cart Program charge	\$9.34	\$9.52
Change	- \$7.17	- \$7.35
Recommended monthly Blue Cart Program charge	\$2.17	\$2.17

A small monthly charge continues to be required because there are some parts of Calgary’s current service that producers are not obligated to fund. Waste & Recycling will monitor the financial outcomes of Extended Producer Responsibility and, if appropriate, adjust rates at future opportunities (e.g. during the next adjustments to the 2023-2026 Service Plans and Budgets).

Extended Producer Responsibility presents a significant change to Waste & Recycling’s rate structure, including how costs are allocated. Once Extended Producer Responsibility is implemented and financial implications are better understood, Waste & Recycling plans to investigate options to update, clarify and simplify its rate structure. This would include assessing the option to adopt one overall rate for Waste & Recycling’s integrated residential services.

Bylaw Amendments

Amendments to the Waste Bylaw are required to facilitate the implementation of Extended Producer Responsibility in Calgary, including updating definitions to align with the new provincial system. The changes to the monthly Blue Cart Program charge are also reflected in the updated bylaw, as well as minor housekeeping amendments to update definitions and clarify requirements. The proposed wording for a Bylaw to amend the Waste Bylaw is included as Attachment 3.

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EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | |
|--|---|
| <input type="checkbox"/> Public engagement was undertaken | <input checked="" type="checkbox"/> Dialogue with interested parties was undertaken |
| <input type="checkbox"/> Public/interested parties were informed | <input type="checkbox"/> Public communication or engagement was not required |

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

A communications plan is being implemented to support the transition to Extended Producer Responsibility in Calgary. The plan aims to raise public awareness of Extended Producer Responsibility and showcase the environmental and financial benefits of the new provincial system.

IMPLICATIONS

Social

Extended Producer Responsibility establishes minimum service standards and a consistent list of materials which can be recycled across the province, creating a more straightforward system for all Albertans.

Environmental

Producers are obligated in regulation to meet provincial recycling targets, which are intended to result in less packaging waste, packaging that is easier to recycle, and more materials being used as recycled content in new products and packaging. Creating less waste and improving recycling help to conserve natural resources and energy. Reducing the amount of waste needing to be landfilled or processed also reduces energy use and greenhouse gas emissions.

Economic

The provincial Extended Producer Responsibility system is expected to support and expand local recycling markets. The intention of the system is to return materials to producers to recycle into new products and packaging helps to advance a circular economy.

Extended Producer Responsibility will result in a direct and positive economic outcome for Calgarians through a reduced monthly Blue Cart Program charge.

Service and Financial Implications

Waste & Recycling Services has actively advocated and negotiated to achieve a seamless service transition for Calgarians and ensure they continue to experience the same high service levels.

Funding from producers for the Blue Cart collection service and savings made from shifting processing responsibilities to producers totals approximately \$40 million and will be passed on to Calgarians at the time of Extended Producer Responsibility implementation through a reduced monthly Blue Cart Program charge as described above. Waste & Recycling Services will seek approval for the necessary net-zero operating budget adjustments as part of this year's adjustment to the 2023-2026 Service Plans and Budgets.

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Funding received for the collection of Hazardous and Special Products will result in a relinquishment of some tax support, which will also be included in the next adjustments to the 2023-2026 Service Plans and Budgets.

The City is also registered as a 'producer' in the Extended Producer Responsibility system because we produce and distribute Packaging and Paper Products, primarily receipts, tax assessments, transit tickets, notices and door hangers. As a producer, The City pays oversight fees to the Alberta Recycling Management Authority and to a Producer Responsibility Organization to manage those materials on our behalf. Annual costs to fulfill producer responsibilities are expected to be approximately \$100,000 to \$150,000 in fees, which is minimal compared to the overall financial benefit of Extended Producer Responsibility.

RISK

Under Extended Producer Responsibility, The City will no longer have control over system oversight and program design. There is a risk that the province's regulatory framework and/or oversight may need adjustments over time to ensure a successful system. There is also a risk that producers may make program changes in the future that do not meet the service levels that Calgarians have come to expect from The City. Waste & Recycling Services will continue to advocate for a strong system that meets the needs of Calgarians and continually improves over time, building on the productive relationships already formed with the Government of Alberta, the Alberta Recycling Management Authority and Producer Responsibility Organizations.

The provincial Extended Producer Responsibility system is new for all parties involved and delivering waste collection services in this system will be a new experience for Waste & Recycling Services. We will closely monitor the transition and provide a progress update to Council no later than Q2 2026, including an update on plans for Extended Producer Responsibility for multi-family developments.

ATTACHMENTS

1. Previous Council Direction
2. Extended Producer Responsibility Info Sheet
3. Proposed Wording to Amend the Waste Bylaw
4. Transition to Extended Producer Responsibility Presentation

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Doug Morgan/Julie Radke	Operational Services	Approve
Les Tochor	Corporate Planning & Financial Services	Consult
Jill Floen	Law, Legislative Services & Security	Consult
Carolyn Bowen	Climate & Environment	Inform

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