

Utilities & Environmental Protection Report to
Intergovernmental Affairs Committee
2018 February 15

ISC: UNRESTRICTED
IGA2018-0148
Page 1 of 4

Advocacy for Extended Producer Responsibility

EXECUTIVE SUMMARY

Extended Producer Responsibility (EPR) is an environmental policy approach in which the producer of a product is responsible for that product through the post-consumer stage of its life cycle. EPR shifts the responsibility and costs of recycling from local governments to producers. This incentivizes producers to reduce waste associated with their products and packaging, and to create products that are readily reusable or recyclable.

In 2009, as a member of the Canadian Council of Ministers of the Environment (CCME), the Government of Alberta committed to working towards the development of EPR programs for priority products and materials. Alberta has not yet implemented a legislated EPR program, while all other provinces have implemented or are in the process of implementing a form of EPR regulation.

If the Government of Alberta implemented an EPR program, this would provide financial savings and environmental benefits for The City of Calgary, other Alberta municipalities, and tax payers.

ADMINISTRATION RECOMMENDATION:

That the Intergovernmental Affairs Committee recommends that Council direct Administration to develop a request for decision for the Alberta Urban Municipalities Association (AUMA) Municipal Leaders' Caucus (March 14-15, 2018) to advocate that the Government of Alberta develop and implement legislation to establish Extended Producer Responsibility (EPR) in Alberta.

RECOMMENDATION OF THE INTERGOVERNMENTAL AFFAIRS COMMITTEE, DATED 2018 FEBRUARY 15:

That Council direct Administration to develop a request for decision for the Alberta Urban Municipalities Association (AUMA) Municipal Leaders' Caucus (March 14-15, 2018) to advocate that the Government of Alberta develop and implement legislation to establish Extended Producer Responsibility (EPR) in Alberta.

Excerpts from the Minutes of the Regular Meeting of the Intergovernmental Affairs Committee, Held 2018 February 15:

"Moved by: Councillor Demong

That with respect to Report IGA2018-0148, the following be approved, **after amendment:**

That the Intergovernmental Affairs Committee recommends that **Administration bring forward alternate recommendations, as discussed at today's meeting, for Council consideration.**

MOTION CARRIED

PREVIOUS COUNCIL DIRECTION / POLICY

Council supported EPR development in report IGA2002-51 (City of Calgary Resolutions – 2003 Federation of Canadian Municipalities Annual Conference) as part of its inventory of policy positions submitted to the 2003 Federation of Canadian Municipalities (FCM) Annual Conference. The supported position asked that "the Federation of Canadian Municipalities

Advocacy for Extended Producer Responsibility

request the Government of Canada to pursue a mechanism(s) to achieve a harmonized national approach to develop EPR programs”.

Most recently, Council affirmed its support of nationally harmonized EPR in IGA2013-0137 (Update on the City of Calgary Intergovernmental Policy Issues and Position Statements). The position statement approved was “that the Government of Alberta and the Government of Canada pursue a mechanism to achieve a harmonized national approach to develop extended producer responsibility programs.”

BACKGROUND

EPR is defined by CCME as an environmental policy approach in which a producer’s responsibility for a product is extended to the post-consumer stage of its life cycle. Producers manufacture products that in turn are purchased and consumed. These products and related packaging need to be managed (disposed/recycled) at the end of their life cycle. Currently, municipalities and their tax payers are burdened with the financial and environmental responsibility for the management of the products and packaging manufactured. Disposal in landfills, recycling, and enabling the reuse of material all have cost implications that are currently carried by municipalities and tax payers. EPR offers the opportunity to shift the financial responsibility upstream to the producer. This incentivizes producers to reduce waste associated with their products and packaging, and to create products that are readily reusable or recyclable.

For The City of Calgary, an EPR program would provide the opportunity to shift the funding for recycling collection, processing, materials marketing and possibly operational responsibility to the producer. Funding for the Blue Cart program would be provided through the EPR program, which would be paid for by the producers and as such would lead to significant cost savings for Calgarians.

In 2009, all of Canada’s provinces committed, through CCME, to work towards the development of EPR programs for a designated list of priority products and materials. Since then, each province, with the exception of Alberta (and the Territories), has developed and implemented EPR legislation for various materials. Since EPR programs have been implemented on a province by province basis, the programs have different financial models and include a broad spectrum of materials.

In 2011, The City of Red Deer brought forward a resolution through AUMA requesting that the Government of Alberta expand and refine existing recycling programs and develop EPR programs for materials including printed paper and packaging (PPP) and construction and demolition waste.

Despite a province-wide consultation on EPR in 2013 by Alberta Environment that showed support from municipalities, no further action has been taken since.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Recycling programs and the associated costs and risks of collecting, processing and marketing materials is currently the responsibility of The City of Calgary and other Alberta municipalities.

Advocacy for Extended Producer Responsibility

The Blue Cart program budget for The City of Calgary approaches \$30 million annually, and recycling commodity markets are volatile, for example, the current restrictions due to the Chinese National Sword program.

Provincial legislation is required to enable an EPR framework in Alberta. Municipal engagement with the Province during program design will help to ensure that EPR legislation in Alberta meets the needs and matches the long-term financial and diversion goals of The City.

Administration is proposing that The City of Calgary bring a request for decision to the AUMA Municipal Leaders' Caucus (March 14-15, 2018) to advocate to the Government of Alberta for the development of legislation for EPR. Administration will continue to work with other major Alberta municipalities and the Recycling Council of Alberta (RCA) to advocate for EPR-enabling legislation to be enacted by the Government of Alberta.

A collaborative effort involving municipalities across Alberta will increase the likelihood of a well-designed province-wide EPR program.

Stakeholder Engagement, Research and Communication

At a recent RCA workshop on EPR, City staff, thirteen other Alberta municipalities and an AUMA representative had the opportunity to engage with British Columbia municipalities and the BC producer responsibility organization (RecycleBC) to learn from their experiences with EPR implementation. Administration is currently engaging other Alberta municipalities to request support for an EPR resolution, and will continue to work with other municipalities to support this initiative.

Strategic Alignment

Pursuing EPR aligns with Council's priority to maintain a healthy and green city. Specifically: H1.5 Develop and implement sector and material strategies to maximize diversion; H6.1 Collaborate and create partnerships to achieve reduction and diversion outcomes, and; H6.2 Manage and improve existing diversion programs to achieve 70 per cent diversion by 2025. This report also aligns with Council's priority to have a well-run city, specifically: W2.1 Continually improve on plans and practices to manage financial health.

Social, Environmental, Economic (External)

Social

EPR can increase customer awareness of consumption in general and for recycling and reuse in particular. A producer responsibility organization would be accountable to the provincial government to meet recycling targets across the province and would increase overall provincial diversion of materials.

Environmental

If producers are responsible for recycling programs, they have an incentive to find markets for their products at end of life. This means they have an incentive to buy recycled materials, reduce material use, reduce toxic use (increasing recyclability), switch to materials that have high value at end of life, and/or invest in cost effective recycling solutions. Improved resource recovery reduces reliance on non-renewable resources, and therefore the impact on the natural

Advocacy for Extended Producer Responsibility

environment. It can also lead to reduced greenhouse gas emissions, as manufacturers switch to recycled materials in manufacturing processes rather than using energy-intensive methods of mining or harvesting virgin materials.

Economic

Studies have shown that waste diversion programs can create up to 10 times more jobs than waste disposal. EPR will support waste diversion programs across Alberta and reduce costs of diversion programs for tax payers.

Financial Capacity

Current and Future Operating Budget:

This report has no operating budget impacts. However, if an EPR program were implemented in Alberta, there could be substantial savings to WRS' operating budget, specific to the Blue Cart Program.

Current and Future Capital Budget:

This report has no capital budget impacts. However, depending on the nature of an EPR program in Alberta, there could be savings on future capital projects.

Risk Assessment

Implementation of an EPR program where a producer responsibility organization takes over operation of the Blue Cart Program would significantly reduce The City's control over a highly valued service with high satisfaction ratings among residents, and there is a risk that a provincial approach would not be as satisfactory for residents. Municipal concerns about maintaining high levels of customer service can be mitigated by active involvement of municipalities in drafting outcome-based legislation

The risk of inaction is that The City remains responsible for operational and capital costs of operating recycling programs in the future, when money could be spent elsewhere.

REASON(S) FOR RECOMMENDATION(S):

Extended Producer Responsibility can provide financial savings and environmental benefits for The City, other Alberta municipalities, and tax payers.

ATTACHMENT(S)

- 1. Amended Request for Decision per Committee direction.**