

EXTENDED PRODUCER RESPONSIBILITY UPDATE

Recommendation

That the November 8, 2024, City Operations report CO02676, be received for information.

Requested Action	Information only		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Climate Resilience		
City Plan Values	LIVE. PRESERVE.		
City Plan Big City Move(s)	Greener as we grow Catalyze and converge	Relationship to Council's Strategic Priorities	Climate adaptation and energy transition Conditions for service success
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> 25-year Waste Strategy C558C - Waste Services Fiscal Policy Bylaw 20363 - Waste Services Bylaw <i>Extended Producer Responsibility Regulation</i> Waste Reduction Roadmap 		
Related Council Discussions	<ul style="list-style-type: none"> CR_6363, Extended Producer Responsibility - Information Update, Utility Committee, March 22, 2019. CR_5681, Extended Producer Responsibility, Utility Committee, August 23, 2018. 		

Executive Summary

- Extended Producer Responsibility (EPR) is a policy approach used in multiple provinces to transfer responsibility for managing specific streams of residential waste to producers and away from municipalities.

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- The EPR Regulation was enacted by the Government of Alberta in 2022. It will take effect in Alberta on April 1, 2025, impacting the recycling and household hazardous waste streams. Other waste streams, like food scraps and garbage, are unaffected.
- The responsibility to provide recycling and household hazardous waste management will transfer from the City to producers. Accordingly, Administration is proposing a decrease in waste utility rates in the 2025 Rate Filing.
- Administration expects minimal service impacts to Edmontonians when the regulation takes effect, but future service changes will be determined by Producer Responsibility Organizations (PROs) who act for waste producers to implement collection and processing programs in Alberta. Decisions by PROs could result in changes to residential recycling collection, waste drop-off facilities, and waste education and outreach programs.
- The City is currently engaged in contract negotiations with PROs for the City and its subcontractors to continue providing recycling and household hazardous waste management services to Edmontonians,
- More information about EPR will be released by PROs as it becomes known. Administration will work with PROs to communicate about the potential impacts of EPR implementation to Edmontonians in advance of April 1, 2025.

REPORT

Extended Producer Responsibility (EPR) is a provincially-led policy change to shift financial and operational responsibility for collecting and managing designated waste materials from municipal governments to producers, retailers and importers. On October 3, 2022, the Government of Alberta enacted the EPR Regulation¹ under the authority of the *Environmental Protection and Enhancement Act*. EPR will impact how many recyclable and hazardous materials, as designated in the regulation, are managed in Alberta, including within the City of Edmonton.

In Alberta, EPR covers two primary categories of designated residential waste materials:

1. Single-use Products, Packaging and Paper Products (SUP/PPP) – generally household materials collected in residential recycling programs, like paper, plastic, metal and glass.
2. Hazardous and Special Products (HSP) – generally household hazardous waste collected at Eco Stations, like batteries or flammable/hazardous consumer products.

These categories do not include waste streams like garbage and food scraps, which continue to be the City's responsibility. Also excluded from these categories are materials covered by existing product stewardship programs, including, but not limited to, tires, paint, used oil and electronics. The Alberta Recycling Management Authority (ARMA) is currently the delegated administrative organization for managing tires, paint, used oil and electronics, and works with the City to collect these materials at Eco Stations and the Edmonton Waste Management Centre. The Government of Alberta has also appointed ARMA as the authority responsible for implementing EPR.

¹ Government of Alberta. [Extended Producer Responsibility Regulation](#) 194/2022, passed under the *Environmental Protection and Enhancement Act* E-12, RSA 2000

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Jurisdictional Responsibility under EPR

Under the EPR regulation in Alberta, producers of designated materials are responsible for designing, implementing and paying the costs of collecting and managing the designated recycling and HSP material categories. Individual producers are accountable for their own reporting requirements, but may use not-for-profit Producer Responsibility Organizations (PROs) to fulfill their obligations under the EPR regulations.

Three PROs are currently registered in Alberta²:

- Circular Materials: Single-use Products, Packaging and Paper Products (residential recyclables)
- Product Care Recycling: Hazardous and Special Products (chemicals, light bulbs, etc.)
- Call2Recycle: Hazardous and Special Products (batteries)

Before EPR, the City was responsible for these materials, which required the City to include rules for sorting, transporting and disposing of these materials in its bylaws. Under EPR, producers “own” their respective materials after being disposed of by consumers, which obligates them to manage the full lifecycle costs of their products. PROs use the funding provided by producers to fulfill their obligations by contracting with local service providers to complete the work (collection, transport, processing, etc.), instead of municipalities funding waste management through property taxes or utility rates.

The City has registered as a “community” under the EPR Regulation, which obligates the PROs to provide services in Edmonton’s municipal boundaries. The City has also registered as a “processor” under the EPR Regulation to allow its facilities to perform the prospective contracted work with the PROs. For recycling and HSP, the City is expecting to enter into contracts with the PROs as a service provider, enabling its current recycling and HSP operations to continue. Finally, the City has also registered as a “producer,” as the City bears responsibility for SUP/PPP produced as part of its service delivery, including items like letters, pamphlets and other printed products.

Impacts to Edmontonians

EPR will have varying impacts on Edmontonians both before and after April 1, 2025. The most noticeable impact would be seen in a ratepayer’s monthly waste utility rates, as the funding Waste Services requires from ratepayers to provide and pay for service will change. Upon Council approval³, this would decrease monthly residential waste utility rates by 10.7 per cent for most ratepayers.

Community - Collection, Drop-off, Waste Education

Registering as a community results in the City participating in EPR and the PROs to provide services within Edmonton. The City’s intent is to enter into contracts to be a service provider for collection and processing on behalf of PROs. Key aspects of negotiations include financial compensation, service levels and implementation timelines.

Administration is not anticipating any immediate changes to waste collection for both curbside and apartment and condo collection service. The rollout of three-stream sorting and collection to

² Alberta Recycling Management Authority. [Producer Responsibility Organizations \(PROs\)](#).

³ November 8, 2024 City Operations report CO02415, Waste Services 2025 Rate Filing

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apartments and condos will continue as planned, and any significant adjustments to this timeline will be communicated to Council and residents when known. Operations at waste drop-off facilities like Eco Stations and Community Recycling Depots will remain the same when EPR takes effect. As PROs finalize the waste materials they are responsible for, the range of accepted materials at drop-off facilities may change.

In addition to the day-to-day collection and processing of designated materials, responsibility for communication and education specifically for designated products is expected to transfer to PROs. EPR will standardize recycling rules across the province, creating consistent recycling standards between municipalities. Designated materials included in EPR Regulation differ from the City's current standards, and PROs will be responsible for communicating any changes to Edmontonians in collaboration with the City. Through the transition, Waste Services will continue to provide robust communication and educational support to Edmontonians to achieve the City's climate goals.

Impacts to the City

The 25-year Waste Strategy sets ambitious goals to maximize waste reduction and diversion in Edmonton. Currently, the City's waste diversion rate includes all streams of waste diverted away from landfill, including recycling. While the City may still conduct specific activities, like recycling collection, on behalf of the PROs, the management of recyclable and HSP materials will no longer be the responsibility of Waste Services. As a result of this shift in responsibility, the waste diversion calculation will need to be adjusted; recycling and HSP materials will no longer be accounted for in the City's diversion rate. Administration will work to integrate data from the Province's EPR reporting into the waste diversion rate, but the City's former responsibility and actions to increase recycling and HSP diversion will transition to advocacy.

Producer - Corporate EPR Reporting Requirements

The City has also registered with ARMA as a producer of regulated materials, primarily regarding paper products distributed to residents. As a producer, the City is required to track the production and distribution of these materials and submit an annual report to ARMA.

Processor - Waste Processing Facilities

The City owns and operates waste processing facilities at the Edmonton Waste Management Centre, including the Materials Recovery Facility for recycling and the Refuse Derived Fuel Facility for waste-to-energy. By registering as a processor, the City can continue using its facilities and expertise in waste processing as a potential service provider.

Next Steps

Contract negotiations between the City and PROs are progressing well, and Administration anticipates agreements will be in place by the EPR implementation date of April 1, 2025. The City will work with PROs to proactively communicate information relevant to Edmontonians before this date.

As a municipal waste utility, Waste Services is required to be accountable to its ratepayers for the service they receive. As EPR is implemented across Alberta, Administration will assess how its

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existing facilities, assets and resources are managed to provide the best possible value and service for ratepayers.

Budget/Financial Implications

As the responsibility of collecting and managing designated materials is transferred to PROs, the City no longer has to collect the associated utility rates from customers to provide these services. The implementation of EPR will impact the overall revenue requirement of Waste Services, leading to a reduction in rate revenue divided between 2025 and 2026. Successful contract negotiation to continue providing the service will result in service funding being provided by the PRO, replacing the need for the funding to come from residential utility rates.

A prorated revenue estimate for the implementation of EPR, based on current status of contract negotiations with the PROs has been incorporated into the November 8, 2024, City Operations report CO02415, Waste Services 2025 Rate Filing. The 2026 Rate Filing will incorporate the final costs of contracts and any additional impacts to residential utility rates.

Legal Implications

Contracts are required with PROs for the City to deliver collection, processing and drop-off services on their behalf. As a producer, the City has signed an agreement with Circular Materials. Changes to the current Bylaw 20363 - Waste Services Bylaw and Waste Guidelines⁴ created under Bylaw 20363 may be necessary or prudent to align with the City's contracts with PROs and/or provincial EPR regulation. For example, the definition of recyclable materials under Bylaw 20363 may be changed to align the Bylaw 20363 definition with definitions in the EPR Regulation. Other changes in Bylaw 20363 may be prudent to clarify the use of containers and operational processes.

Community Insight

EPR was initially included in the Future of Waste public engagement series in 2018 and 2019 to inform the 25-year Waste Strategy⁵. Respondents supported the idea of EPR Regulation and identified EPR as a goal to achieve the City's waste reduction and diversion targets. This support led to EPR advocacy being included in the City's first Waste Reduction Roadmap⁶.

The City also engaged with the Industrial, Commercial and Institutional sector to determine support for EPR legislation and potential focus areas. These results were shared in the February 1, 2019 City Operations report CR_6361 Industrial, Commercial and Institutional Sector Strategic Review - Update. Following this report, the City contributed to a third-party study⁷ submitted to the Government of Alberta in partnership with the City of Calgary, the Alberta Urban Municipalities Association and the Canadian Stewardship Services Alliance encouraging EPR Regulation.

⁴ City of Edmonton. edmonton.ca/WasteGuidelines.

⁵ City of Edmonton. [Future of Waste. What We Did and What We Heard Report: Phase 2 – Winter 2019](#). Page 38. May 2019.

⁶ City of Edmonton. [Waste Reduction Roadmap](#). Page 13. 2021.

⁷ Alberta Urban Municipalities Association, Cities of Edmonton, Calgary and the Canadian Stewardship Services Alliance. [Extended Producer Responsibility for Residential Packaging and Paper Products](#). December 6, 2019.

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GBA+

Assisted Waste Collection supports residents who have difficulty moving waste to their designated set-out location. This service is offered at no extra charge, as the cost is subsidized by all ratepayers. While contracts remain unsigned, Administration is working to preserve residential recycling collection within Assisted Waste Collection service.

Waste Services has used best accessibility practices to communicate waste management, reduction and education to diverse audiences. These tactics incorporate plain language and a consistent visual identity into its service delivery, including both in-person education, printed materials and facility signage. When responsibility for communicating recycling and HSP requirements transfers to PROs, Administration will work with PROs to uphold these principles if the City signs service contracts.

As a result of EPR, Administration is proposing a reduction in monthly utility rates for both residential collection services. Utility rates are set to reflect the cost of service across all ratepayers, but lower-income ratepayers would proportionately benefit from this rate reduction.

Environment and Climate Review

Transferring the cost of recycling product and packaging waste to the producer creates an incentive to rethink how products are created, packaged and recycled, thereby providing an incentive to minimize waste and the need for waste processing.

The new EPR Regulation defines what materials are recyclable and the required recovery rate for producers through collection and processing. A difference between EPR Regulation requirements, as well as the contamination rates allowed for under PRO contracts, versus the City's current recycling program could present a short-term risk of confusion for residents. This could lead to an increased rejection rate for recycling and more landfill waste until there is clarity about the specifics of the new program. Proactive communication (as suggested in the next steps above) could help to mitigate this risk.

To assess the performance of the EPR Regulation and alignment with the City's waste strategy, Administration could consider continued monitoring of waste diversion rates. This would support potential future education and advocacy efforts.

Additional detail can be found in Attachment 1.

Attachment

1. Environment and Climate Review