



NOVA SCOTIA FEDERATION  
OF MUNICIPALITIES

# EPR FOR PPP REGULATIONS: IMPLICATIONS FOR MUNICIPALITIES

Better government. Stronger communities.

September, 2023

# AGENDA

1. Background on EPR for PPP
2. Regulation Overview
3. Implications for Municipalities



# EPR FOR PPP RECAP

- EPR for Packaging, Paper Products, and Packaging-like products (PPP) regulates industry responsibility for both the operational and financial management of certain recyclable materials.
- Ideally this incentivizes industry to create easily recyclable packaging because producers become responsible for recycling costs.
- In Nova Scotia, EPR for PPP will include materials commonly found in the blue bag system.



# EPR FOR PPP RECAP

- NSFM & partners submitted a proposal regarding EPR for PPP to the provincial government in 2019.
- In December 2021, as part of the Environmental Goals and Climate Change Reduction Act, the provincial government committed Extended Producer Responsibility to include Paper, Packaging, and Packaging-Like Products.
- EPR for PPP regulations were announced August 2, 2023.
- Savings from new operational arrangements are estimated between \$20-25 million annually for NS municipalities.



# CONSULTATION & COLLABORATION

- Provincial staff worked with stakeholders to design EPR for PPP regulations, timelines, and exemptions.
- Municipal consultation took place through direct outreach to municipalities and through the Solid Waste-Resource Management Regional Chairs Committee.
- The Municipal-Provincial Priorities Working group (a subcommittee of Regional Chairs) has been identifying next steps from an operational/data collection perspective.



# PROGRAM PLAYERS

<b>Producers</b>	<ul style="list-style-type: none"><li>• Regulated to develop and manage a program</li><li>• Permitted to appoint a PRO</li></ul>
<b>Producer Responsibility Organization (PRO)</b>	<ul style="list-style-type: none"><li>• Appointed by producers to develop and operate the program (e.g., servicing blue bags)</li><li>• Collects fees from producers</li><li>• May contract municipalities for collection/processing, and education services</li><li>• Provides information and education programs related to PPP</li></ul>
<b>Provincial Government</b>	<ul style="list-style-type: none"><li>• Obligates producers, sets targets</li></ul>
<b>The Administrator - Divert NS</b>	<ul style="list-style-type: none"><li>• Manages registration and data collection for producers and municipalities</li><li>• Oversees registration and compliance with regulation targets</li><li>• Completes annual reporting to province</li></ul>
<b>Municipalities and Regions</b>	<ul style="list-style-type: none"><li>• Registers with Divert NS and provides current collection data</li><li>• Can be contracted by industry to continue collection, processing, and/or education</li></ul>



# DATES AND DEADLINES

**August 1, 2023** – EPR for PPP Regulations are approved.

**January 1, 2024** – Last date for municipalities and Producers to register with Divert NS and provide information in the form and manner specified (details forthcoming).

**January 1, 2024** - Producers must select a Producer Responsibility Organization (PRO) to consult with stakeholders, including municipalities.

**October 1, 2024** – PRO must consult with every municipality in the Province and submit a readiness report to Divert NS.

**December 1, 2025** – Full EPR for PPP implementation.



# PRODUCER DETERMINATION

## **Q. How will a business determine if it meets the 'Producer' threshold?**

- Exemptions include businesses and organizations whose gross annual revenue in the Province is less than 1 million or who supply less than 1 tonne of designated material in the Province in the year.
- Businesses and organizations will be responsible for establishing designated material tracking and record keeping measures that demonstrate whether they meet exemption criteria, in accordance with the requirements provided by Divert NS.



# PRODUCER DETERMINATION

## **Q. Can municipalities and other orders of government be deemed a Producer?**

- Orders of government are exempt if they meet the current exemption criteria outlined in the regulations.
- Most relevant to municipalities is likely the tracking and recording of designated materials that are issued (e.g., tax bills, recreational pamphlets, Council bulletins).
- Municipalities should consider information sharing in terms of best practices for collecting and recording this information.
- If a municipality is deemed a Producer, they will likely have to pay a nominal fee.



# READINESS REPORT

A PRO must consult with every municipality in the Province and submit a readiness report to Divert NS containing the following information:

- A description of the consultation with municipalities and how the feedback was addressed;
- A description of the actions planned to ensure that collection, material management, reporting/record-keeping, and promotion and education services meet the standards outlined in the regulations.



# OPT-OUT, OPT-IN

Prior to January 1, 2024, Councils should consider the current costs associated with the collection, transportation, and processing of designated materials when deciding whether to opt in or out of EPR for PPP.

## **Municipalities can:**

- 1. Opt-out of EPR for PPP and continue to service the blue bag program at cost.**
- 2. Opt-in to EPR and cease to provide any services related to the blue bag program (unless contracted by the PRO to provide collection, processing, and/or education services).**



# OPT-OUT

- Municipalities have a ‘first right of refusal’ and can continue to collect and manage blue bag materials without being a part of the program.
- Opting out of EPR means a municipality will continue to manage all blue bag collection services for residents and businesses (if applicable), at cost.
- If a municipality chooses to opt out and collect and manage their blue bag materials independently, they can assist obligated producers by sharing their collection data with a Producer Responsibility Organization so that these designated materials are accounted for.



# OPT-IN

- Unless contracted by a PRO to provide services, opting in to EPR means a municipality will not provide any servicing for blue bag material including collection or processing.
- The Producer Responsibility Organization (PRO) will take full ownership of service after the readiness report is approved.
- **Note:** While apartment buildings, condos, some senior residences, schools and seasonal trailer parks are included in EPR - regulations do not apply to some Industrial/Commercial/Institutional (ICI) industries. Those municipalities currently providing service to these sectors will have to determine how the new regulations impact that service.



# CONTRACT TO BE A SERVICE PROVIDER

- If a municipality opts in to EPR, the Producer Responsibility Organization (PRO) may wish to engage that municipality as a service provider (e.g., collection or processing).
- Municipalities will enter into contract negotiations with the PRO regarding the nature of the service provided and the remuneration paid by the PRO to provide it.
- Those municipalities with existing recycling facilities will have to decide whether to leverage that facility for services to a PRO or otherwise re-purpose it if they do not continue to collect blue bag materials.



# CONTRACT NEGOTIATIONS

- While contracts may be on 1:1 basis, municipalities can consider a regional approach to negotiations including retaining legal and Subject Matter Experts (SME) to advise during the process.
- The PRO will decide through their own procurement process who will provide processing services. Municipalities that own MRF's can respond to an RFP/Tender.



# DELIVERY OF EDUCATION SERVICES

Currently, the seven Solid Waste Regional Committees, with support from Divert NS, deliver waste education and outreach services to municipalities and communities.

While Producers will now be responsible for providing information and education programs related to PPP, they will be focused on education and awareness related to running their program.

Municipalities may negotiate with the PRO to promote more community specific details like collection days, etc.

Municipalities may still wish to engage in their own waste-reduction education services related to other materials and targeting broad community stakeholders.



# NEXT STEPS

- As part of registering in January 2024, municipalities will be asked to provide operational data relating to their blue bag service.
- Circular Materials has provided a comprehensive list that staff are working to collect.
- Staff will continue to consult with Divert NS and any other PROS who come forward
- Stay informed. Stay engaged.



# REGIONAL CONTACTS

Region	REGIONAL STAFF		ELECTED CHAIR	
1	Roschell Clark	<a href="mailto:rmclarke@cbrm.ns.ca">rmclarke@cbrm.ns.ca</a>	Cyril MacDonald	<a href="mailto:camacdona@cbrm.ns.ca">camacdona@cbrm.ns.ca</a>
1	Nicole Latimer	<a href="mailto:Nicole.Latimer@invernesscounty.ca">Nicole.Latimer@invernesscounty.ca</a>	Cyril MacDonald	<a href="mailto:camacdona@cbrm.ns.ca">camacdona@cbrm.ns.ca</a>
2a	Tanya Williams	<a href="mailto:tanya@erswm.ca">tanya@erswm.ca</a>	Donnie MacDonald	<a href="mailto:dfmacdonald@antigonishcounty.ns.ca">dfmacdonald@antigonishcounty.ns.ca</a>
2b)	Deborah Searle	<a href="mailto:Deborah.Searle@pcssa.ca">Deborah.Searle@pcssa.ca</a>	Robert Parker	<a href="mailto:Robert.parker@munpict.ca">Robert.parker@munpict.ca</a>
3	Phil Redden	<a href="mailto:Predden@colchester.ca">Predden@colchester.ca</a>	Jennifer Houghtaling	<a href="mailto:jhoughtaling@cumberlandcounty.ns.ca">jhoughtaling@cumberlandcounty.ns.ca</a>
3	Andrea Trask Brenda Rioux	<a href="mailto:atrask@easthants.ca">atrask@easthants.ca</a> <a href="mailto:brioux@amherst.ca">brioux@amherst.ca</a>	Jennifer Houghtaling	<a href="mailto:jhoughtaling@cumberlandcounty.ns.ca">jhoughtaling@cumberlandcounty.ns.ca</a>
4	Shannon Betts	<a href="mailto:bettss@halifax.ca">bettss@halifax.ca</a>	Tony Mancini	<a href="mailto:Tony.mancini@halifax.ca">Tony.mancini@halifax.ca</a>
5	Andrew Garrett	<a href="mailto:andrewg@vwrm.com">andrewg@vwrm.com</a>	Peter Muttart	<a href="mailto:Mayor.muttart@countyofkings.ca">Mayor.muttart@countyofkings.ca</a>
6	Christine McClare	<a href="mailto:Christine.McClare@Region6SWM.ca">Christine.McClare@Region6SWM.ca</a>	Wayne Thorburne	<a href="mailto:Wayne.thorburne@bridgewater.ca">Wayne.thorburne@bridgewater.ca</a>
7	Amy Hillyard	<a href="mailto:amy@wastechek.ca">amy@wastechek.ca</a>	Linda Gregory	<a href="mailto:lgregory@digbymun.ca">lgregory@digbymun.ca</a>

