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Information item No.2
Environment & Sustainability Standing Committee
November 23, 2015

MEMORANDUM

TO: Chair and Members of the Environment and Sustainability Standing Committee
CC: Matt Keliher, Manager, Solid Waste; Phoebe Rai, Legislative Assistant
FROM: Laurie Lewis, Program Manager – Policy and Outreach, Solid Waste
DATE: November 13, 2015
SUBJECT: **Solid Waste Regional Chairs Committee Update**

At the Regional Chairs meeting held on October 30, 2015 representatives from NSE provided a presentation to clarify the provincial position on EPR moving forward that it must include a strong business case to improve environmental performance and not just shifting of costs and regulatory burden. If EPR moves ahead, NSE clarified that it will be a full model for paper and packaging, apply to residential blue bag material only, exempt businesses based on revenue below \$1-2M and those that produce less than 1 tonne of blue bag material and with only one storefront in NS, as well as exemption for newspapers and charities. Other materials slated for EPR may move forward at a quicker pace that have already been established in other jurisdictions which may include province wide recycling programs for batteries, oil filters, mercury containing items and other HSW.

During the meeting the future role and mandate of the Municipal-Provincial Solid Waste Priorities Committee was discussed and how to improve the group's effectiveness. NSE has suggested that the group look to take on the task of formulating the EPR business case for PPP and prioritizing a list of other EPR items that could move ahead quickly. Chairs provided direction to indicate that the terms of reference and governance structure of Priorities Committee, as originating from UNSM motion, requires review to determine what needs to change to be more effective before the work as NSE has suggested can be explored.

The next meeting of Chairs is slated for December 4th, 2015.

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Nova Scotia's Solid Waste Program

Nova Scotia Environment
October 23, 2015



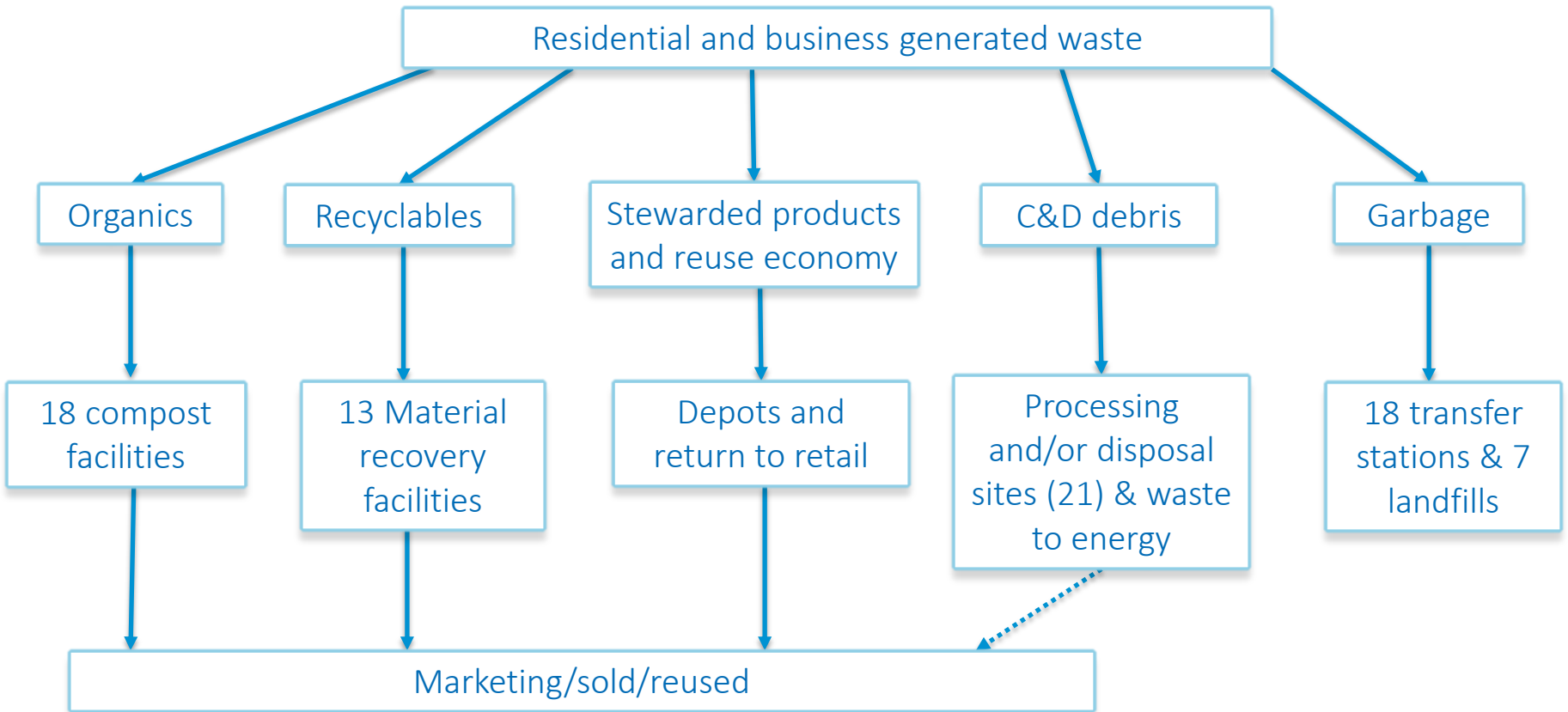
Introduction

- In recent years NS Environment (NSE) has been engaging with stakeholders on changes to solid waste regulations
- This presentation will provide clarity on our path forward for continued feedback from our stakeholders
- This presentation will include:
 - Consultation background
 - Current solid waste system
 - System challenges and the need for change
 - Overview of the 7 areas on which we consulted (proposed amendments)
 - Departmental perspectives on EPR
 - Next steps

Background

- 2009: Consultation on the Solid Waste Strategy
- 2010: Solid waste strategy update (Our Path Forward)
- 2014: Consultation on proposed regulatory changes (May - Sept)
- 2015: Publish “What We Heard” (March)
- 2015: Further engagement with stakeholders (on-going)

NS' solid waste management system



NS' solid waste management system

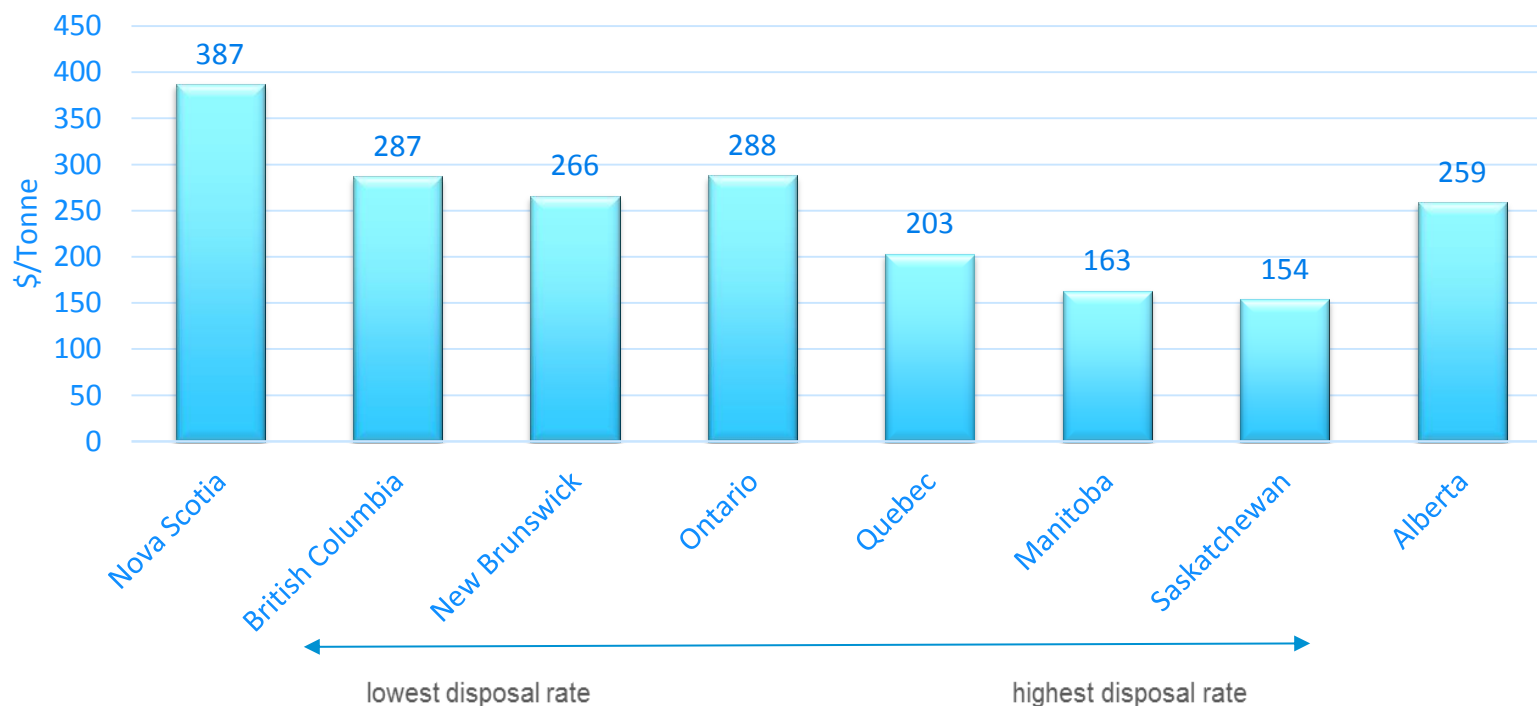
- A true municipal/provincial partnership
- Lowest waste disposal in Canada
- Comprehensive curbside recycling and organics collection
- Over 4,000 jobs in NS created through waste diversion
- Enhanced municipal policies (clear bag; diversion targets)
- Effective education initiatives to residents, schools and commercial sector
- Mature stewardship and EPR programs (beverage and dairy containers; electronics; tires; paint)

However....

NS' solid waste management system

- Nova Scotia's costs are the highest in Canada
- New policies need to contain or reduce costs

Gross Waste Management Operating Costs By Province



Source Statistics Canada, 2012.

What contributes to high costs?

Potential contributors:

- Lowest disposal rate in Canada
- Scale and efficiency is not maximized (e.g. recycling costs range from \$62 to \$901 per tonne)
- NS has lowest level of private sector involvement
- NS has a relatively high number of facilities relative to geography and population
- Costs do not consider the recovered economic value derived from waste diversion (diversion companies and jobs)

What are the goals of the regulatory review?

Overarching goal:

- Contain or reduce costs while generating greater environmental and economic benefits
 - Ensure sustainability of the solid waste system

Proposed Amendments

1. Expand EPR - additional product categories
2. Introduce additional disposal bans
3. Expand tire program - include off road tires
4. Remove requirement for Regional Solid Waste Management Plans
5. Clarify rules for energy from waste
6. Eliminate prescriptive wording for minor litter related offences
7. Make administrative changes to beverage container program

Proposal 1:

Product Stewardship (EPR)

Approach:

- Introduce an EPR framework for various recyclable materials
- Products with well-established EPR programs could be implemented earlier
- If approved, EPR for Paper and Packaging will be under a full model

Rationale:

- Increased private sector involvement will drive efficiency and lower system costs
- EPR for paper & packaging - \$14 to \$17 M in revenue or avoided costs to municipalities
- Potential to increase diversion of packaging by 35%

Proposal 1:

Product Stewardship (EPR)

Proposed materials for Extended Producer Responsibility

- Paper and Packaging
- Consumer paint products
- Additional electronics
- Batteries
- Pyrotechnic distress signals
- Sharps and pharmaceuticals
- Mercury containing items
- Mattresses and box springs
- Carpet
- Additional paint
- Oil filters
- Ethylene glycol
- Creosote timbers and ties
- Pesticides
- Flooring
- Flammables
- Pressurized containers

Proposal 2:

Disposal Bans

Approach:

- Disposal bans to support private sector investments in recycling programs related to EPR; phased in over time
- Bans for non-EPR products (e.g. C&D, wood wallboard, asphalt shingles) introduced after EPR begins

Rationale:

- Disposal bans complement EPR
- Enhances waste diversion
- Bans have been a very successful policy in NS (organic material, electronics, paint, beverage containers, cardboard, etc.)
- They support the creation of value added products and economic opportunities by turning a waste into a resource (Eg. wallboard into animal bedding, asphalt shingles into road construction, etc.)

Proposal 3:

Used Tire Management Program

Approach:

- Expanding the tire recycling program to include Off the Road tires
- These tires would be captured within the current Used Tire Management Program operated by the RRFB and therefore have a fee imposed on them at retail.
- The program will continue to exempt large mining, forestry and farming tires

Rationale:

- Makes it easier for business to have a single stream for recycling tires
- Economy of scale for recyclers
- Harmonization with New Brunswick
- Fewer tires ending up in landfill

Proposal 4:

Removal of Requirement for Regional Solid Waste Management Plans

Approach:

- Regulations require regions to create a solid waste management plan
- The proposed change would remove this requirement

Rationale:

- This requirement was fulfilled
- Regional planning capacity has been established; provincial regulation not required

Proposal 5:

Clarity on the Rules for Energy from Waste

Approach:

- Designate a class one EA review for new thermal treatment systems (based on volume limits)
- Allow diversion credits for thermal treatment systems based on efficiency
- Clarify that waste to energy projects should target the non-recycling stream (e.g. disposal bans apply)

Rationale:

- Provides certainty and clarity for the private sector
- Supports the development of waste to energy projects
- Sustains the recycling industry across NS

Proposal 6:

Eliminate Prescriptive Wording for Minor Litter Related Offences

Approach:

- Delete sections of the regulations which are overly prescriptive for minor litter offenses (e.g. flyers on windshields, telephone poles)

Rationale:

- Focusing enforcement efforts on activities with a potential for higher risk to the environment

Proposal 7:

Administrative changes to Beverage Container Deposit-Refund

Approach:

- No increase in the 10 cent deposit refund fee
- Make administrative changes that result in:
 - a container recycling fee (CRF) of 5 cents
 - separate deposit refund of 5 cents

Rationale:

- Allow more flexibility to respond in the future to changes in recycling costs (current system requires a half-back refund, meaning if costs go up 1 cent, a 2 cent increase would be required)
- Harmonization with other provinces

Fiscal Impact Study

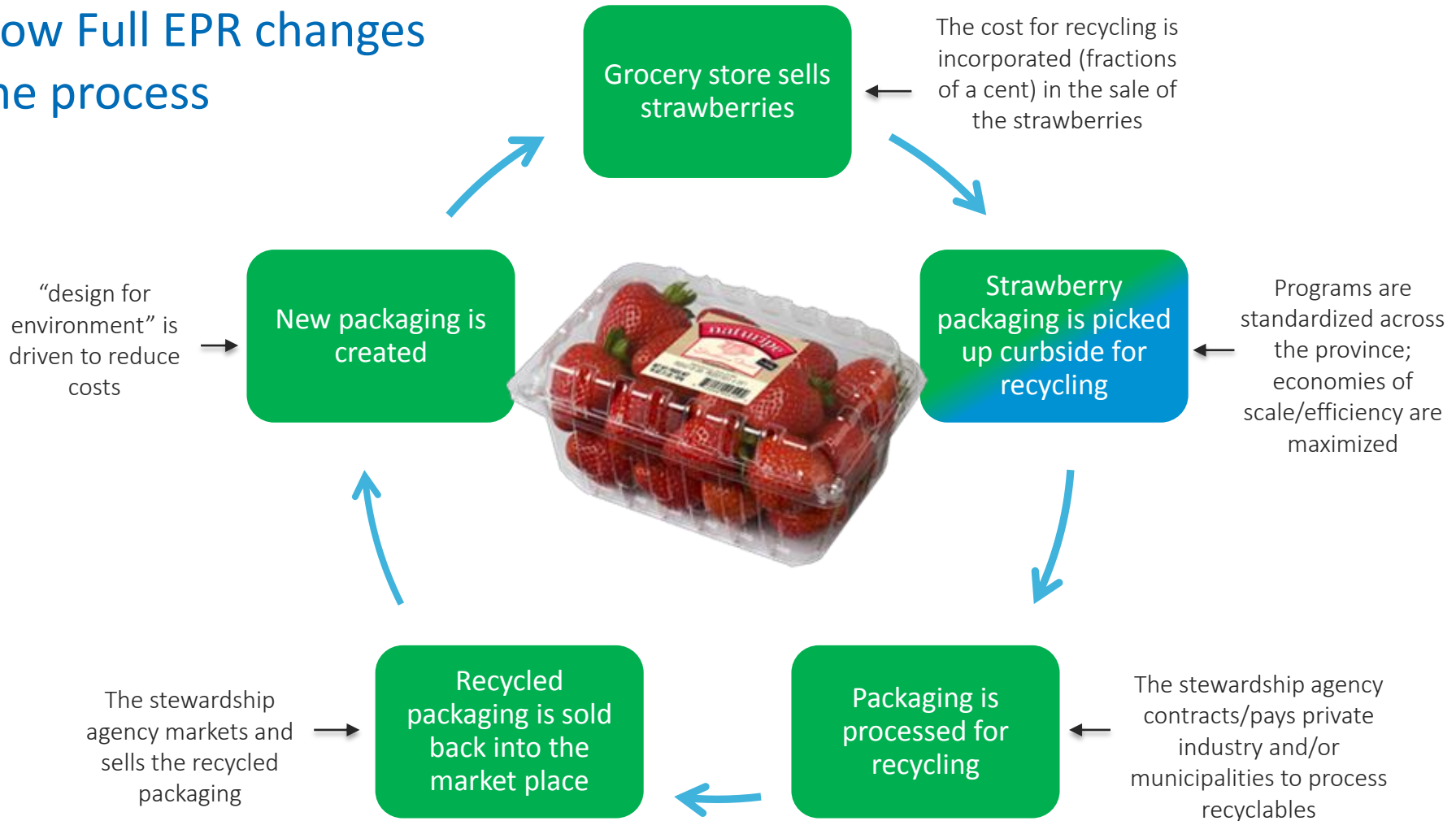
- Purpose: understand fiscal impact on municipalities
 - High level assessment of all NSE proposals (includes 7 key areas of regulation amendment)
- Unit studied Estimated annual savings
 - CBRM (MRF) \$ 1, 363,000
 - Colchester (MRF, landfill) \$ 530,000
 - Town of Antigonish (None) \$ 142,500
 - Chester (landfill) \$ 126,000
 - Pictou (C&D facility) \$ 234,500
- Savings mainly came from EPR for PP
- Most beneficial to municipalities without Material Recycling Facility (MRFs)

Departmental Perspectives on proposed EPR for Paper and Packaging

- No decision has been made on EPR for PP
- If approved, EPR for PP would be under a full model
- Municipalities would continue to cover exempted materials
- Under a full model, producers will establish the most efficient system

Life Cycle of a Strawberry Package

How Full EPR changes the process



Blue: Municipal responsibility
Green: Industry responsibility

Departmental Perspectives on proposed EPR for Paper and Packaging

- **Potential Elements of Full EPR for Paper and Packaging:**
 - Apply to residential blue bag material only (not commercial)
 - Exempt businesses based on revenue (below \$1-2 M)
 - Exempt businesses that produce less than 1 tonne of blue bag material annually
 - Exempt businesses with only one storefront in NS
 - Exempt newspapers and charities
 - Assign a Designated Administrative Authority (DAA) to provide administration and oversight for all stakeholders
 - Allow time for planning and transition

Next steps

- Additional time needed to consider all points of view
- Continue to consider the feedback we are receiving
- Determine which regulations may move forward earlier than others
- Harmonizing with other provinces is an important consideration
- Continue financial analysis of Nova Scotia's solid waste system

Thank you

Questions?

