Recycling Regulation Policy Intentions Paper

September 12, 2020

1 INTRODUCTION

Historically, local and Indigenous governments and taxpayers have carried the burden of waste management costs with little incentive for producers to either provide consumers with convenient recycling options or produce more durable and easily recyclable packaging and products.

Since 2004, B.C. has regulated many products through Extended Producer Responsibility (EPR) under the Recycling Regulation¹ (the regulation). EPR requires producers (manufacturers, distributors and retailers) of designated products to take responsibility for the life cycle of their products, including collection and recycling. This shifts the responsibility from local and Indigenous governments and taxpayers to the producers and consumers of products.

By making regulated producers accountable, EPR programs reduce waste by incentivizing producers to design products that are durable and more recyclable in order that material and components can be recovered for future use instead of going to disposal. EPR is one of the key pillars that supports a circular economy approach to waste management where resources are continually conserved and reused as raw materials. Although B.C. is the North American leader with over 20 EPR programs already in place, more can be done to support B.C. communities and protect the environment.

Expanding Recycling and Recovery

By regulating even more products, EPR can further reduce local and Indigenous governments' waste management costs, make recycling more accessible for consumers with province-wide collection networks, grow B.C. recycling businesses, incent innovation, and create job opportunities.

The ministry is asking for feedback on adding more products to the Recycling Regulation to be recovered and recycled by producers, including:

- Mattresses
- Moderately hazardous products
- Electronic and electrical products and batteries
- Packaging and paper products beyond residential sources

The <u>CleanBC Plastics Action Plan</u>², released in 2019, received significant feedback from local governments, Indigenous groups and a range of stakeholders expressing a desire to expand EPR. To find out more, see the <u>Plastics Action Plan What We Heard Report</u>³.

While many products are already covered by EPR, given B.C.'s successful experience, we are now ready to do more and will develop a multi-year strategy, including further outreach, on proposed priorities. Through the release of this Intentions Paper, B.C. is engaging on expanding EPR by including more products under the regulation and other waste reduction policy approaches to ensure that these items are managed responsibly.

Instructions on how to provide comments are provided on the last page of this Intentions Paper and should be submitted by November 20, 2020.

https://cleanbc.gov.bc.ca/app/uploads/sites/436/2019/08/CleanBC PlasticsActionPlan ConsultationPaper 07252 019_B.pdf

¹ Recycling Regulation - http://www.bclaws.ca/civix/document/id/complete/statreg/449 2004

² CleanBC Plastics Action Plan -

³ Plastics Action Plan What We Heard Report - https://cleanbc.gov.bc.ca/plastics

2 RECYCLING REGULATION

The regulation sets out the requirements for EPR in B.C., giving producers the flexibility to find efficient and innovative ways to meet regulated outcomes that prevent waste disposal, improve recycling, and support reuse and resource recovery. Producers often come together to form agencies that operate recycling programs on their behalf.

Producers are also responsible for managing and funding their recycling programs, leading to cost-effective business decisions and market-driven solutions. These costs can be covered directly by producers or passed along to consumers through product pricing or applying an additional charge, such as an "eco-fee".

Reuse, recycling, and remanufacturing creates more jobs than traditional waste disposal and supports a resource-efficient economy⁴. Regulating the management of post-consumer products leads to increased material recovery rates from waste streams, creating economies of scale to better support B.C.'s growing recycling sector and secondary markets. There are substantial economic and environmental benefits from EPR programs operating in B.C. A report commissioned by the ministry in 2016⁵, found that EPR in B.C. created over 900 jobs, and in one year: the value of recovered materials was over \$46 million; 160,000 tonnes of material was diverted from landfill; and greenhouse gas emissions were reduced by over 200,000 tonnes (CO₂e).

3 EXPANDING RECYCLING AND RECOVERY

New products and packaging are added to the regulation through the addition of new or amended Schedules and associated Product Categories. The ministry is currently evaluating the opportunity to add more products through changes to regulation. These products could include:

- Adding mattresses and foundations as a new product category.
- Expanding the residual product category to include more moderately hazardous products, such as single-use propane canisters.
- Expanding the electronic and electrical product category to include more items, such as electric vehicle batteries.
- Expanding the packaging and paper product category beyond residential sources.

3.1 New Schedule for Mattresses

Ever year in B.C., approximately 200,000 used mattresses and box springs are recycled by local and Indigenous governments, recycling businesses, and retailers, with inconsistent levels of material recovery depending on how and where they are processed. Though highly recyclable, the large size of mattresses makes them challenging and expensive to manage, costing up to \$40 per unit to recycle. In more remote and rural regions of B.C. where the cost of recycling is too high and in certain urban areas

^{4/5} Assessment of Economic and Environmental Impacts of Extended Producer Responsibility Programs Operating in B.C. - https://www2.gov.bc.ca/assets/gov/environment/waste-management/recycling/recycle/rel-res/2014 assessment of economic environmental impacts of extd producer responsibility programs bc.pdf

where storage space is limited, mattresses are still being landfilled. Mattresses in landfills damage machinery and take up landfill space costing local governments up to \$340,000 annually in landfill costs alone. Having producers take responsibility for mattresses would provide convenient, free collection services to residents and businesses, replacing the patchwork of recycling options with province-wide coverage.

Jurisdictions in the United States have seen success by regulating producer responsibility for mattresses, which is credited for helping to grow their mattress recycling sector. The recycling infrastructure to manage mattresses is already in place in B.C. with capacity to process more. Adding a new Schedule within the regulation would ensure more consistent standards for recycling all the

Supporting local and Indigenous governments and British Columbians with more recycling

- Disposal fees and transportation challenges are major reasons why residents illegally dump their used mattresses in alleyways and wilderness areas.
- In Metro Vancouver alone, approximately 10,000 mattresses are abandoned each year, costing municipalities up to \$1.5 million to manage.

materials found in mattresses (and foundations or box springs). Most are made of steel, wood, fabric, and foam, while other types such as air mattresses, and camping pads are comprised of plastics. Although regulating other furniture is not part of this consultation, producer responsibility or alternative policy approaches for these items may be considered in the future.

Questions:

- Do you have comments or suggestions on the intention to add mattresses and foundations to the regulation?
- Are there exemptions to this new product category that you believe should be considered?

3.2 Update Existing Schedules and Product Categories

3.2.1 Schedule 2 - Residual Product Category

Most products in the Residual Product Category are intended to be used or consumed; however, when households and businesses have residual amounts of product, safe recycling and disposal options are needed. Although many products are already regulated and responsibly managed by producers, including paint, solvents, gasoline, pesticides, pharmaceuticals, and other products, there are gaps in the regulation. Safe management is needed for a broad range of other problematic products, as well as the containers that may be contaminated. These products may include:

- Compressed gas in canisters fuel and helium
- Fire extinguishers
- Pool and spa chemicals
- More pest control and rodenticides
- Fertilizer and weed control

- Automotive additives and touch-up paint
- More paint, sealers and adhesives
- Bear spray and flares
- Veterinary medicine for pets
- Medical syringes

Unregulated products have resulted in high waste management costs to local and Indigenous governments, and unsafe disposal, such as pool chemicals causing landfill fires and fuel canisters being illegally dumped in curbside recycling, parks, and at marinas. One B.C. regional district reported that the

safe collection and recycling of unregulated materials, such as these, costs approximately \$400,000 each year. Capturing more materials will ensure producers safely manage these products and reduce costs for local and Indigenous governments.

Developing clearly defined product categories in the regulation that capture a broad range of product types will be complicated. Other jurisdictions have also faced challenges when classifying residual products in a manner that allows consumers, retailers and collection facility

Supporting B.C. Businesses

Product Care Recycling, an EPR agency representing obligated producers that safely recycles and manages paint and other regulated wastes (pesticides, gasoline) invested approximately \$9 million to build and operate a modern facility in Delta with 34 employees.

staff to easily understand what is regulated. For this reason, this consultation provides the opportunity to make suggestions on defining product categories that are comprehensive but remain user-friendly.

One option to identify products intended for regulation is to use existing warning symbols required on product labels – flammable, corrosive, toxic (poison), and explosive. However, within the residual product category we will also need to capture additional products that are not labelled with these warning symbols on the packaging, but consumers generally consider hazardous and require proper disposal. For example, mineral spirits and furniture strippers may be formulated with different chemicals resulting in different labeling requirements.

Questions:

- Do you have comments or suggestions on the intention to regulate more product types?
- What product types should be prioritized for regulation?
- Do you have comments or suggestions on how to clearly define/classify product categories in the regulation that are user friendly?
- Are there product types you believe should be exempt from the regulation, beyond products such as cleaners that are intended for use down the drain?

3.2.2 Schedule 3 – Electronic and Electrical Product Category

From flashlights to fridges, most consumer electronic and electrical products, along with batteries and lightbulbs, are already regulated in B.C. and managed responsibly by producers. However, the rapid adoption of new trends and emerging technology has led to gaps in product coverage, such as ecigarettes, vapes, motorized yard decorations, large drones, photovoltaic (solar) panels, and electric vehicle batteries.

Modernizing to keep up with trends

The growing inconsistency between regulated and unregulated products causes confusion for consumers and retailers, adds waste management costs for local and Indigenous governments, and creates inequitable requirements for the producers of similar products. Streamlining the regulation will help eliminate regulatory gaps and provide for better oversight.

B.C.'s experience has demonstrated that legally obligating producers drives proper management and responsible recycling. For example, regulated producers use recycling facilities in B.C. that adhere to leading safety and environmental standards for processing electronic and electrical products. This level

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of oversight and diligence is also needed for managing batteries used in new products/applications, including everything from singing balloons and light-up shoes to golf carts and cars. Comprehensive battery management is needed to safeguard workers from fire risks associated with improper disposal in the garbage, residential curbside recycling, or the scrap metal industry.

The intention is to regulate additional electronic and electrical products as well as items that are used with these products, including electrical cords and printer cartridges. Consideration will also be given to exempting products, such as escalators or elevators and other large-scale fixed installations, that may be better managed through alternative policy approaches. Regulated producers in B.C. currently operate nine programs for electronic and electrical products under Schedule 3, covering thousands of products. For more information please visit the B.C. <u>Electronics and Electrical Recycling</u>⁶ website.

Supporting CleanBC - Electric vehicle batteries, charging equipment, and solar panels

The CleanBC plan and initiatives are supporting the use of electric vehicles, charging equipment, and solar (photovoltaic) systems, which will also necessitate safe reuse and recycling systems for when they are no longer functional.

Electric Vehicle Batteries

Many hybrid and electric vehicles on the road are nearing end-of-life and require safe disposal. However, unlike other vehicle components that are already regulated and responsibly managed by producers, including lead-acid batteries, tires, oil, and antifreeze, a reliable province-wide electric vehicle battery recycling system is not yet developed to meet current demand and anticipated growth.

Approximately 50,000 electric vehicles are already on the road in B.C. and by 2040 all new light-duty cars and trucks sold in B.C. will be Zero Emission Vehicles⁷.

Electric vehicles use specialized batteries that range in weight and chemistry, making them challenging to safely handle and manage – a B.C. recycling company reports that these batteries are labour intensive and costly to process, with over 100 different configurations to date. Vehicle producers are continually redesigning batteries for better performance. Under producer responsibility, recycling costs are reflected in the vehicle producers' design and manufacturing choices, providing an incentive to make batteries that are easier to disassemble for recycling and reuse in applications such as residential and commercial energy storage in communities that may need back-up power. With emerging technologies being developed globally, this opportunity may further support reuse of electrical vehicle batteries in B.C.

Supporting B.C. Businesses

B.C.'s recycling companies have become leaders in processing waste electronics and batteries for recycling. These companies improve safety, protect our environment, and create jobs in B.C. Currently, producer responsibility programs support four facilities located in Delta, Chilliwack and two in Trail.

This has resulted in:

- Over \$13.2 million invested in technology, equipment and infrastructure.
- Over 150 jobs, with many entry level workers gaining valuable skills and training.

⁶ B.C. Electronic and Electrical Recycling -<u>https://www2.gov.bc.ca/gov/content/environment/waste-management/recycling/extended-producer-responsibility/electronics-and-electrical</u>

⁷ B.C. Zero-Emission Vehicles Act - https://www2.gov.bc.ca/gov/content/industry/electricity-alternative-energy/transportation-energies/clean-transportation-policies-programs/zero-emission-vehicles-act

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Producers need to safely manage their batteries and ensure that the responsibility and costs do not default to local and Indigenous governments and vehicle dismantlers. Over time, there will also be a greater need to help B.C.'s residents and businesses properly manage charging stations at their end of life. For more information on electric vehicles and charging stations refer to the CleanBC - Go Electric Program8.

Solar Technology

Solar technology has a broad range of uses from camping equipment and household rooftop panels to freestanding off-grid power generation systems. Although solar panels are recyclable, producers need to establish collection and recycling programs for homeowners and communities, particularly rural and remote, that otherwise will have limited options to divert from disposal. The recycling industry may benefit from our proximity to Washington State, where producers will be launching their reuse and recycling programs next year.

Questions:

- Do you have comments or suggestions on the intention to regulate more electronic and electrical products, including batteries?
- What product types should be prioritized for regulation?
- Are there product types you believe should be exempt from the regulation and may be better managed through alternative policy approaches?

3.2.3 Schedule 5 - Packaging and Paper Product Category

Residential packaging and paper products

In 2014, B.C. led the nation by being the first province to make producers fully responsible for managing residential packaging and paper products. Being first required a lot of work, with extensive consultation and collaboration taking place with numerous stakeholders. Today, producers successfully operate an efficient province-wide recycling system that collects and manages over 186,000 tonnes of material each year. Most materials are collected through curbside programs, from multi-family residence, or a network of more than 200 recycling depots across B.C. Most beverage containers are managed under the deposit-refund system with different regulatory requirements.

Supporting B.C. Businesses

Recycle BC⁹, a producer-funded agency, collects 41% of all plastic packaging from the residential stream, while nationally the collection rate of all plastic packaging is estimated to be 23%¹⁰. Additionally, more than 98% of plastics collected by the Recycle BC program, remain in B.C., with a local end-market in Metro Vancouver.

⁸ CleanBC - Go Electric Program - https://www2.gov.bc.ca/gov/content/industry/electricity-alternative-energy/transportation-energies/clean-transportation-policies-programs/clean-energy-vehicle-program

⁹ Recycle BC - https://recyclebc.ca/about-recyclebc/

¹⁰ Economic Study of the Canadian Plastic Industry, Markets and Waste - http://publications.gc.ca/collections/collection-2019/eccc/En4-366-1-2019-eng.pdf

Transitioning from the patch work of local and Indigenous government funded programs to a standardized system has improved the supply of clean recycled plastics for remanufacturing. As a result, B.C. businesses have invested in infrastructure and processing capacity, with more materials continuing to be recycled here, while recycling programs across the rest of North America have been heavily impacted by diminishing export markets.

Packaging and paper products beyond residential sources

Currently, packaging and paper products beyond the residential stream are independently managed and not obligated under the regulation. There are a number of different sectors where these products are found, such as office buildings, warehouses, stadiums, grocery stores and food services, institutions, and agricultural applications. To inform any future decision making, we need to better understand how these products are diverted from landfills for urban and rural areas, and the recycling rates for the broad range of different material types generated from these sectors - collectively referred to as the Industrial, Commercial and Institutional (ICI) sector.

Supporting B.C. Businesses

- B.C. has seen significant investments by recycling businesses, particularly around the residential packaging and paper program.
- In 2014, this induced \$20 million in capital investment, including a new plant to process plastic containers, with a further \$25 million investment in 2020 for enhanced sorting of packaging, cardboard and paper allowing for greater access to local markets.
- The province-wide collection system for packaging and paper has also helped reduce contamination rates, which helps retain the value of materials and allows access to downstream markets.

Through the CleanBC Plastics Action Plan engagement process, local governments, Indigenous Nations and a range of stakeholders expressed a desire to expand EPR to include ICI generated waste and recyclables. These groups noted that the ICI sector is a large contributor to overall waste in B.C.

While packaging and paper products from the ICI sector is not regulated under EPR legislation in North America, the European Union has developed a Packaging and Packaging Waste Directive mandating members meet targets for recovery and recycling of all packaging waste. To date, Austria, Netherlands, Belgium and Germany, have passed laws requiring producers, predominantly of industrial and commercial packaging, to fund collection, sorting and recycling. In Germany, for example, producers are responsible for collecting and managing materials at restaurants, hotels, hospitals, educational facilities, sports stadiums, cinemas, and museums.

The ICI sector is complex and may require a measured, phased approach that considers the diversity of the sector. For example, waste diversion from the backend of a grocery store in the greater Vancouver area is very different than waste diversion from a remote mining site. When policy tools, such as extended producer responsibility, are evaluated, it will be important to consider what this may look like for the sub-sectors involved and the different management needs and economic impacts. Through this initial consultation, the ministry is soliciting feedback on approaches to ensure greater waste diversion from landfills and better recycling outcomes, along with more information to fully understand the related waste management challenges in B.C. for the ICI sector.

Questions:

- While EPR for ICI packaging and paper has been suggested by some stakeholders, there are also
 other approaches that have been advanced for commercial business waste management. Do
 you have comments or suggestions on EPR or alternative policy approaches that address the
 need for greater diversion from landfills and to better manage ICI materials?
- Are there sources of ICI waste that should be the primary focus for better management, such as food services, office buildings, or sports stadiums?

4 MARINE DEBRIS IN B.C – END-OF-LIFE MANAGEMENT OF LOST FISHING GEAR

Lost or abandoned fishing gear in the marine environment from commercial fisheries, aquaculture, and recreational fisheries, such as long lines, nets, traps, and floats, is a significant source of marine pollution in B.C. These items harm our marine environment and impact the fishing and tourism industry, threatening the health and economies of coastal communities throughout the province.

Local governments, Indigenous Nations and environmental organizations have long-raised concerns about the need to more effectively manage lost fishing gear found in our coastal waters and shorelines, and as a result, Premier Horgan asked Sheila Malcolmson, Member of the Legislative Assembly of British Columbia for Nanaimo, Special Advisor for Marine Debris Protection and Parliamentary Secretary for Environment to find solutions to the issues of abandoned vessels, marine debris,

Supporting B.C. Communities

While we continue to develop a longterm approach to manage lost fishing gear, B.C. has launched the <u>Clean Coast</u>, <u>Clean Waters Initiative Fund</u>¹¹.

This helps small ship tour operators, Indigenous Nations, local communities and others participating in a multimillion dollar clean-up of the shores of the central coast, creating jobs and supporting coastal communities as they recover from the COVID-19 economic downturn impacting tourism.

and marine-sourced plastics. Parliamentary Secretary Malcolmson met with interested parties affected by marine debris including coastal local governments, Indigenous Nations, industry, and environmental organizations, to understand the issue and discuss potential solutions. Based on this ongoing initiative, an initial What We Heard on Marine Debris in B.C. ¹² report was released in February 2020.

Parliamentary Secretary Malcolmson's work to date shows that abandoned or lost fishing gear presents a unique set of problems not generally encountered when managing recovery and recycling programs for used fishing gear and other more consumer-facing products. As a result, solving these challenges may require different solutions for the different types of fishing gear and marine debris including multiple and complementary policy approaches. Given the complex and unique challenges associated with managing lost fishing gear, this Intentions Paper builds upon Parliamentary Secretary Malcolmson's initial engagement work by providing further opportunity for a broad range of interested stakeholders to provide feedback on approaches to improve fishing gear collection and management.

¹¹ Clean Coast, Clean Waters Initiative Fund - https://news.gov.bc.ca/releases/2020ENV0045-001613.

¹² What We Heard on Marine Debris in B.C. - https://www2.gov.bc.ca/assets/gov/environment/waste-management/zero-waste/marine-debris-protection/marine debris what we heard report final web.pdf

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Question:

Do you have comments or suggestions on policy approaches to better manage fishing gear?

5 ASSURING COMPLIANCE

The ministry promotes compliance among regulated producers by ensuring they are aware of their regulatory requirements resulting from any changes to the regulation. Compliance promotion will be consistent with past outreach efforts, which included developing and sharing information and educational materials with regulated parties and industry associations.

The ministry's approach to assuring compliance includes a range of tools and actions from written advisories to administrative monetary penalties. Compliance and enforcement is informed by the Compliance Management Framework¹³ and Compliance Management Framework¹³ and Compliance Management Framework¹³ and Compliance Management Framework¹³ and Compliance Management Framework¹⁴, which considers the compliance history for the regulated party and the significance of the impact from the non-compliance occurrence.

6 IMPLEMENTATION

The Ministry of Environment and Climate Change Strategy welcomes your input regarding potential products for inclusion in the Recycling Regulation, or other policy initiatives to minimize waste. The ministry will review all consultation comments and feedback to inform the development of a multi-year strategy, including further outreach on proposed priorities, see below.

Question:

• To help inform the development of the multi-year strategy, do you have comments or suggestions on what product categories outlined in this Intentions Paper should be prioritized for regulation?

All comments received through webinars, meetings, mail or email by November 20, 2020 will be compiled for review by ministry staff.

Please visit the <u>B.C. Extended Producer Responsibility</u>¹⁵ website for more information and the online <u>Intentions Paper Feedback Form</u>¹⁶. Any future updates will also be posted to this website.

¹³ Compliance Management Framework - https://www2.gov.bc.ca/assets/gov/environment/research-monitoring-and-reporting/reporting-documents/environmental-enforcement-docs/compliance mgmt framework.pdf

¹⁴ Compliance and Enforcement Policy and Procedure -

https://www2.gov.bc.ca/assets/gov/environment/research-monitoring-and-reporting/reporting/documents/environmental-enforcement-docs/ce policy and procedure 2018.pdf

¹⁵ B.C. Extended Producer Responsibility - https://www2.gov.bc.ca/gov/content/environment/waste-management/recycling/extended-producer-responsibility/recycling-regulation

¹⁶ Intentions Paper Feedback Form - https://feedback.engage.gov.bc.ca/574734?lang=en

7 PROVIDING FEEDBACK

Please submit comments to the ministry by November 20, 2020.

The ministry welcomes comments on the information and proposals outlined in this Intentions Paper, and has provided the following opportunities for feedback:

- By completing the online <u>feedback form</u>
- Email your comments to: ExtendedProducerResponsibility@gov.bc.ca
- Mail your comments to:
 Ministry of Environment and Climate Change Strategy –
 Recycling Regulation Amendments
 PO Box 9341 Stn Prov Govt
 Victoria, BC V8W 9M1

The ministry will conduct a series of webinars in October, 2020. The webinars will review the information contained in this Intentions Paper and provide an opportunity to ask questions and provide comments. If you are interested in participating in a webinar, please contact the email: ExtendedProducerResponsibility@gov.bc.ca

All comments received through webinars, mail or email by November 20, 2020 will be reviewed before developing an outreach strategy, amending the regulation, or pursuing other policy approaches.

All submissions will be treated with confidentiality by ministry staff and contractors when preparing consultation reports. Please note, however, that all submission with opinions and identifiers could be made public if a Freedom of Information request is made under the *Freedom of Information and Protection of Privacy Act*.

Thank you for your time and comments.