

# BC EPR Experience in Recycling of PPP

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### **Project Highlights**

- Project Goal: To gain an understanding & knowledge of lessons learned from BC's experience with EPR for residential PPP, in order to aid ON municipalities with their pending transition to full producer responsibility.
- Background & the Current System
- Top Five Takeaways from the BC Experience
  - 1) What did not change
  - 2) What did change
  - 3) Key implications for LGs as contractors
  - 4) Where Recycle BC service is suboptimal
  - 5) What BC should have done differently





#### **British Columbia**

- 27 Regional Districts (RD)
  - 190 Local Governments (LG) & approximately 240 First Nations (FN)
- 5.1 M population
- 1.88 M households
- Encorp Pacific deposit return program in place since 1994
- EPR Program for residential PPP launched May 2014
- Second round of contract negotiations complete with most contracts set to renew in 2023





#### BC PPP Collection System at 2014 Recycle BC Start-up

- 170 LGs & FN accepted incentive to provide collection services
  - Approximately 3.6 M residents
- 28 LGs transitioned to direct collection services delivered by Recycle BC
  - Approximately 465,000 residents
- 15 LGs declined both incentive & direct service choosing to continue with status quo
  - Approximately 545,000 residents



### **Key Reasons for LG Concerns**

- New to the concept of being a contractor to private industry
  - Letter of Offer stated terms were nonnegotiable
- Would the incentive offers cover full cost of collection service delivery?
- Could the 3% non-PPP contamination level be met?





## **Expansion of Recycle BC Collection System Since 2014**

- 15 LGs that previously opted out chose to accept incentive or direct service
  - Approximately 543,000 residents
- 10 LGs that previously accepted incentive chose to transition to direct service
  - Approximately 958,000 residents

Today 1.85 M households of the 1.88 M in the province are serviced either through curbside, MF or depots funded by Recycle BC



#### Positive Outcomes that Drive Program Growth

- High level of customer satisfaction with the program
  - Recycle BC conducts annual surveys of the residential sector
- Participating LGs can divert funds saved into other programs like organics collection, illegal dumping etc.
- A level of trust & confidence has developed between LGs & Recycle BC
  - Hold annual collector conferences & a good support system is in place
- More PPP product is being collected & increased environmental reporting taking place



#1 - What did not change



- Activities to deliver collection services & provide P&E in those LGs and FNs with existing PPP service that contracted with Recycle BC
  - With some minor initial adjustments to accommodate standardized PPP
- Resident access to, & general satisfaction with, PPP collection services



#2 - What did change



- Standardized list of collected materials supported by province-wide
  P&E campaign implemented by Recycle BC
- LGs and FNs not responsible for post-collection including
  - Transfer & processing of collected material
  - Disputes with processors
  - Commodity marketing
  - Commodity revenue risk



#3 – Key implications for LGs as contractors



- Meeting 3% non-PPP contamination threshold in contract
  - Can be achieved in multi-stream systems but challenging for single-stream systems
  - Contamination is declining but with substantial effort
- Recycle BC payments vs LG costs
  - Curbside (per household) incentives generally cover costs
    - Payments exceed costs in higher density areas but fall short in lower density areas
  - Depot (weight-based) incentives generally cover costs
    - Payments cover costs at higher throughput depots but fall short at smaller depots
  - Defined Recycle BC payments make budgeting more predictable



#4 – Where Recycle BC service is suboptimal



#### Multi-family

- Private sector has been slow to accept MF collection incentive with the result that some MF buildings are not included in Recycle BC collection system
- Where LGs have mandated MF collection service &/or banned PPP from disposal, take up by private sector is higher

#### Streetscapes

- Recycle BC has implemented pilot projects but has not moved to full scale implementation
- High contamination rates likely a factor in slow implementation



#5 – What BC should have done differently



- In addition to standardized list of collected PPP, collection system should have been standardized across BC at start up
  - Type of collection container & degree of commingling
- BC MOE should have regulated collection of PPP from ICI sector
  - Segregating residential PPP from ICI PPP creates logistical & marketing challenges in rural/remote areas where the LG is sole service provider



### In Closing

- Some aspects of PPP system are determined by provincial government
  - e.g. Types of PPP regulated, service standards (including household eligibility), performance targets
  - LGs should work with the provincial government to get best service for residents & clear producer requirements
- Some aspects of collection service are determined in contract between producers (represented by a PRO) & LGs
  - e.g. Quality control, insurance, disputes, failures
  - LGs need to negotiate with PRO(s) to get reasonable contract that shares risk
- Government needs to ensure producers deliver required services & performance
  - LGs should watch to be sure this occurs





# Thank you

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