

December 31, 2019

Ms. Robyn Collver
Chair, Stewardship Ontario
1 St. Clair Ave. West, 7th Floor
Toronto, ON M4V 1K6

Dear Ms. Collver,

RE: Approval of MHSW Wind Up Plan

I am writing to advise you and the Board of Stewardship Ontario (SO) that the Resource Productivity and Recovery Authority (“the Authority”) has approved, with certain conditions as set out below, SO’s proposed Wind Up Plan for the Municipal Hazardous or Special Waste (MHSW) Program.

As directed by the then Minister of the Environment and Climate Change in correspondence dated April 12, 2018, SO began development of a wind up plan for the waste diversion program for MHSW (“the Plan”) to be submitted to the Authority for approval no later than June 30, 2019. The waste diversion program for MHSW was directed to cease operation on December 31, 2020.

On December 11, 2018, the Minister of the Environment, Conservation and Parks (“the Minister”) amended the wind up date for the waste diversion program in respect of single-use batteries to cease operation on June 30, 2020. The wind up date for the remaining designated wastes under the waste diversion program for MHSW was not amended and remained December 31, 2020.

SO consulted on an MHSW Wind Up Plan in March and April of 2019 and submitted an MHSW Wind Up Plan to the Authority by June 30, 2019.

On July 2, 2019, the Minister amended the timelines for the wind up of the waste diversion program for MHSW in respect of all designated wastes except single-use batteries to cease operation on June 30, 2021. The wind up date of June 30, 2020 for the single-use batteries was not amended. The Minister also directed SO to include a proposal in the Plan to return surplus funds to Ontario consumers of municipal hazardous or special material (MHSM), in order to substantially eliminate the amount of the surplus funds projected to be held by SO for any of the

MHSM categories once the program, or part of the program, has ceased operation. The Minister also directed that the timeline for SO to submit the wind up plan to the Authority for approval be extended to September 30, 2019 and he expected the Authority to approve the wind up plan by December 31, 2019.

These subsequent directions from the Minister required SO to conduct a second phase of consultations. Following consultation, a revised Wind Up Plan was submitted to the Authority by the September 30, 2019 deadline.

On October 7, 2019, the Authority posted the Plan and began consultations with municipalities, stewards and other affected stakeholders. In addition to consulting on the Plan, the Authority assessed the Plan to ensure it was consistent with the Minister's direction letters and in accordance with the *Waste Diversion Transition Act, 2016* (WDTA) and its regulations.

On November 26, 2019, SO submitted an amended MHSW Wind Up Plan to the Authority that contained a number of voluntary revisions developed in collaboration with Authority staff to address comments received during the Authority's consultation.

On December 20, 2019, SO and the Authority received a letter from the Minister clarifying the previous direction on how residual funds must be managed once the program, or part of the program, has ceased operation and all financial obligations have been accounted for. The Minister has directed that the residual funds be returned to stewards in proportion, where reasonably possible, to the stewards' contribution to the funds for each MHSW category. It is the Minister's expectation that the Authority will approve the revisions to the Plan resulting from this clarification no later than February 29, 2020.

On December 27, 2019, the Authority's Board of Directors approved the SO MHSW Wind Up Plan with the following conditions:

1. The MHSW Wind-up Plan shall be updated by SO as required to address operational and implementation issues and as directed by Authority staff.
2. SO shall provide any information identified by Authority staff that is required to assist the Authority in performing its duties under the *Waste Diversion Transition Act, 2016*, pursuant to s. 31 of that Act.
3. SO shall revise the Plan to amend the Steward Report Schedules to align the Final Adjustment Request due dates for Single-use Batteries (for 2019 and earlier) and MHSW Materials (Excluding Single-use Batteries) (for 2020 and earlier) with the producer data submission requirements to the Registry, and shall communicate the revised plan to stewards by December 31, 2019.

- The due date for Final Adjustment Requests for Single-use Batteries shall be revised to February 14, 2020 for data related to 2019 and earlier, or to a date to be determined in consultation with the Registrar.
 - The due date for Final Adjustment Requests for MHSW Materials (Excluding Single-use Batteries) shall be revised to February 12, 2021 for data related to 2020 and earlier, or to a date to be determined in consultation with the Registrar.
4. SO shall revise any sections of the Plan that refer to or deal with the management of residual funds to ensure consistency with the Minister's direction received on December 20, 2019 and shall submit the revised Wind Up Plan to the Authority for approval.

In accordance with the WDTA, this approval will be published on the Authority's Registry. A report describing the consultation process and summarizing stakeholder comments received will also be posted on the Authority's Registry.

SO may communicate the Authority's decision to approve the Wind Up Plan with conditions only after the Authority publishes its decision. The Authority will work with SO to develop a co-ordinated communications strategy including the date on which SO may communicate the Authority's approval with conditions to stakeholders.

On behalf of the Authority, I would like to express my appreciation for the diligence and cooperation of the SO Board of Directors and staff in reaching this critical milestone. There is, of course, much work to be done in the months ahead, and the collaborative approach established between SO and the Authority will be key to successfully implementing the Wind Up Plan.

Sincerely,



Glenda Gies
Chair, Resource Productivity and Recovery Authority