

2021 Registry Fees for Tires, Batteries and Electronics Proposal

March 30, 2021



Background

- The Resource Productivity and Recovery Authority (the Authority) is the regulator mandated by the Government of Ontario to administer the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WDTA), and their associated regulations.
- The RRCEA and WDTA outline the legislative framework for winding up and transitioning legacy waste diversion programs to Ontario's new extended or individual producer responsibility regulatory framework for waste diversion and resource recovery.
- The new regulatory framework requires producers to be individually accountable and financially responsible for their products and packaging once consumers dispose of them.
- To date, the Authority has overseen the wind up and transition of three waste diversion programs:
 - The [Used Tires Program](#) operated by Ontario Tire Stewardship transitioned January 1, 2019
 - The [Batteries](#) portion of the Municipal Hazardous or Special Waste (MHSW) Program operated by Stewardship Ontario transitioned July 1, 2020
 - The [Waste Electrical and Electronic Equipment \(WEEE\) Program](#) operated by Ontario Electronic Stewardship transitioned January 1, 2021
- The Tires Regulation, Batteries Regulation and Electrical and Electronic Equipment (EEE) Regulation requires obligated parties to register and report to the Authority through its Registry system.
- The Registry is an online platform that allows the Authority to securely and confidentially collect information from obligated parties and monitor performance.

The Authority's finances

- As an administrative authority of the Government of Ontario, the Authority does not receive any government funding and funds its operations through fees charged to regulated parties on a cost-recovery basis.
- The WDTA and RRCEA allow the Authority to set and collect fees to recover its costs. Fee revenues come from two sources:
 1. RRCEA: Annual fees to obligated parties required to register
 2. WDTA: Monthly cost recovery charges to industry funding organizations, industry stewardship organizations and other WDTA activities
- RRCEA fees (i.e. Registry fees) cover the Authority's costs to develop and operate the Registry and carry out compliance and enforcement activities.
- WDTA monthly charges cover the Authority's costs to oversee the operation of IFO/ISO based programs and their wind up.

Proposal scope

- The fees outlined in this proposal are the fees proposed to be charged to producers under the Tires Regulation, the Batteries Regulation and the EEE Regulation under the RRCEA. As in 2020, producers obligated under these regulations are required to pay Registry fees to the Authority in 2021 (i.e. producers of tires, batteries and information technology, telecommunications and audio-visual (ITT/AV) equipment).
- The Authority intends to consult on its proposed 2021 Registry fees for Blue Box materials and Hazardous and Special Products (HSP) once the final Blue Box and HSP regulations are released. It is expected that producers obligated under the Blue Box and HSP regulations will also be required to pay Registry fees to the Authority in 2021.
- The Authority will provide information on the consultation for its proposed 2021 Registry fees for Blue Box and HSP as it becomes available.

Consultation process

- The Authority's legislative framework requires the Authority to consult on its fees for 45 days.
- The Authority's legislative framework also requires its fees to be posted for 30 days once finalized.
- The consultation on the proposed 2021 Registry Fees for tires, batteries and electronics begins on **March 30 and ends on May 14.**
- Feedback about the proposed fees can be sent to consultations@rpra.ca on or before May 14.
- If you have questions about the proposal or would like to discuss it in more detail, email us at consultations@rpra.ca.
- Additionally, two webinars will be held on April 20 and 21. [Register here.](#)
- Feedback from the consultation will be summarized in a report that will be posted to the Authority's website.
- The final fees will be posted to the Authority's website and stakeholders will be notified when they have been posted.
- The Authority will communicate with producers on how and when they can complete their annual reporting requirements and pay their Registry fee once the fees have been finalized.
- For more information on the consultation process, [visit the Authority's website.](#)

Proposed 2021 Registry fee setting

- As in 2020, the proposed 2021 Registry fees only include fees for producers. There are no fees for service providers or PROs.
- Batteries and electronics are proposed to continue being treated as a single program for the purposes of fee setting.
- Proposed variable fees for tires, batteries and electronics are based on the 2020 Registry fees, plus adjustments for prior year surplus or deficit
 - Tires: no material surplus or deficit from 2020
 - Batteries and electronics: variable fee adjusted to account for estimated deficit from 2020
- The de minimis threshold and flat fee for batteries and electronics are proposed to be adjusted from 2020 to ensure alignment with the regulations and rationalize across all RRCEA programs. There are no proposed changes to the de minimis threshold or flat fee for tires from 2020.
- Information gathered through the fee setting process and consultation for Blue Box and HSP later this year may have an impact on fees for tires, batteries and electronics. Any differences are proposed to be reconciled through the Authority's annual true up during the 2022 fee setting process.

Proposed 2021 Registry fees for tires

| Registrant | Proposed 2021 Registry fees |
|---------------------------------|-----------------------------------|
| Producer: 0-999 tires supplied | \$75 flat fee |
| Producer: 1,000+ tires supplied | \$0.135 (13.5¢) per tire supplied |

- No change to de minimis threshold or flat fee from 2020
- Variable fee is the same fee as 2020, however, there is no material surplus from 2020 to reduce the fee as was done in 2020 (note: the 2020 fee of 13.5¢ was reduced to 11.5¢ after applying the 2019 surplus)

Proposed 2021 Registry fees for batteries and electronics

| Registrant | Proposed 2021 Registry fees |
|---|---|
| Producer: <ul style="list-style-type: none"> • 6360 kg or less of ITT/AV supplied, or • 6250 kg or less of batteries supplied | \$75 flat fee |
| Producer: <ul style="list-style-type: none"> • > 6360 kg of ITT/AV, or • > 6250 kg of batteries supplied | Up to \$0.045 (4.5¢) per kg supplied <ul style="list-style-type: none"> • Proposed 2021 fee is the 2020 fee of \$0.034 (3.4¢) per kg plus the estimated 2020 deficit |

- De minimis threshold for both batteries and electronics changed from 2020 to align with regulations
 - Electronics: reduced to 6360 kg from 6500 kg
 - Batteries: increased to 6250 kg from 1000 kg
- \$75 flat fee introduced for producers that fall below the de minimis threshold
 - Consistent with approach adopted for tire fees
 - Likely to impact few producers since many will be exempt from registering/reporting with the Authority
- Variable fee is based on estimated deficit from 2020
 - Registration and 2020 fee payment for battery and electronics producers is still ongoing, therefore the 2020 deficit may be reduced by the end of the consultation period (i.e. when fees will be finalized)
 - A material decrease in the deficit would result in a reduced variable fee