

Ministry of the Environment,
Conservation and Parks

Ministère de l'Environnement,
de la Protection de la nature et des
Parcs

Office of the Minister

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Ms. Debbie Baxter
Chair, Executive Wind Up Committee
Stewardship Ontario
1 St. Clair Ave. West, 7th Floor
Toronto ON M4V 1K6

Dear Ms. Baxter:

I have recently been informed that Stewardship Ontario (SO) has surplus funds in excess of \$40 million in respect of the waste diversion program for municipal hazardous or special waste (MHSW), in large part due to the resolution of a tax dispute with the Canada Revenue Agency.

As a result, and pursuant to section 14 of the Waste Diversion Transition Act, 2016 (WDTA), it is in the public interest that I amend the timelines set out in the direction letter to wind up the waste diversion program for MHSW issued to SO on April 12, 2018. The waste diversion program for MHSW in respect of all designated wastes except single-use batteries will cease operation on June 30, 2021. The waste diversion program for MHSW in respect of single-use batteries will cease operation on June 30, 2020, as previously set out in the direction letter issued to SO on December 11, 2018.

Further, I am directing SO to include a proposal to return surplus funds to Ontario consumers of municipal hazardous or special material (MHSM) in the plan to wind up the program 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.

For the MHSM categories whose recovery is managed by SO, it is my direction that the proposal will set out rules governing a fee elimination during the wind up period. I expect that consumers will benefit from this direction through the elimination of any consumer fees or through reduced product cost.

In addition, for the MHSM categories that are managed through industry stewardship plans, I am directing that the proposal include options to return surplus funds to MHSM consumers; for example, through a consumer rebate program.

The requirement for a proposal to return surplus funds to MHSM consumers replaces the requirement in the April 12, 2018 direction regarding the return of excess funds to stewards.

Any proposal to return surplus funds to MHSM consumers should be determined in a manner that would provide for sufficient funds for the costs of operating the program during the wind up period, as well as costs incurred to wind up the waste diversion program for MHSW. The wind up plan shall also set out a proposal to deal with any residual funds after the proposal to return surplus funds to MHSM consumers has been implemented and concluded, and SO has finished its final financial reconciliations for the program.

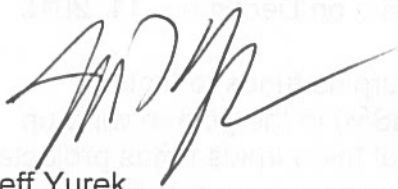
All other elements included in the direction to wind up the waste diversion program for MHSW on April 12, 2018 remain unchanged except as necessary to implement this direction.

The timeline for SO to submit the wind up plan to the Authority for approval will be extended to September 30, 2019. It is my expectation that the implementation of the wind up plan shall begin on the date on which the Authority approves the wind up plan, which I anticipate will be no later than December 31, 2019.

It is expected that SO will continue to engage and cooperate with the Authority on the implementation of the wind up directions and any associated policy directions issued to the Authority pursuant to section 29 of the Resource Recovery and Circular Economy Act, 2016.

Lastly, SO shall post this wind up direction to its website.

Sincerely,



Jeff Yurek
Minister

- c: Mr. Serge Imbrogno, Deputy Minister, Ministry of the Environment, Conservation and Parks
Ms. Glenda Gies, Chair, Resource Productivity and Recovery Authority