RPRA
Resource Productivity & Recovery Authority

Municipal Hazardous or Special Waste Program Wind-Up Plan: ISO Surplus Fund Transfer Addendum

Consultation Report

June 2020

Table of Contents

Introduction and context

On April 1, 2020, Stewardship Ontario received direction from the Minister of the Environment Conservation and Parks (MECP) to amend the approved Municipal Hazardous or Special Waste (MHSW) Program Wind-Up Plan to allow for a lump sum transfer of each Industry Stewardship Organization's (ISO) material-specific surplus fund. As the COVID-19 pandemic led to emergency measures affecting stewards and stakeholders, SO asked the MECP for more time to consult with stakeholders before submitting a proposed addendum. On April 29, the Minister extended SO's submission deadline from April 30 to June 5, 2020 with an expectation the Authority would approve SO's amendment by June 25, 2020.

SO held two webinar consultations on May 12 and 13 to review a proposal for disbursing surplus funds to ISOs, and accepted feedback on the proposal until May 22, 2020. SO submitted the addendum on June 5, as stipulated by the Minister.

In 2018, the MECP directed SO to wind up the MHSW Program to enable the transition of hazardous or special waste to individual producer responsibility (IPR) under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA). The operation of the MHSW Program for all designated materials except single-use batteries will cease on June 30, 2021. The single-use battery program will end on June 30, 2020.

SO submitted its proposed wind-up plan to the Authority by the September 30, 2019 deadline set by the MECP. Between October and November 2019, the Authority consulted on the plan with municipalities, First Nation communities, stewards and other affected stakeholders.

On December 20, 2019, MECP issued a direction letter to the Authority and SO clarifying how MHSW residual funds should be managed once the program winds up.

On December 27, 2019, the Authority approved the SO MHSW Wind-Up Plan with conditions, one of which relates to the Minister's direction on residual funds.

In January 2020, SO submitted a proposed Residual Funds Addendum to the MHSW Wind-Up Plan to the Authority. As part of its assessment process, the Authority consulted on the proposed Residual Funds Addendum from January 20 to January 31, 2020. The Authority approved the addendum on February 20, 2020.

About the Authority

The Resource Productivity and Recovery Authority (RPRA) was established by the Government of Ontario in November 2016 as the regulator responsible for enforcing the requirements of the *Waste Diversion Transition Act, 2016* (WDTA) and the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and their associated regulations.

Under the WDTA, the Authority is responsible for overseeing the ongoing operations of the waste diversion programs continued under the WDTA and the industry funding organizations

(IFOs) and industry stewardship organizations (ISOs) responsible for operating them. The Authority is also responsible for overseeing the eventual wind up of the IFOs and their programs as directed by the Minister of the Environment, Conservation and Parks.

Principles for public consultation

The Authority's consultations are guided by the following best practice principles developed by the Organization for Economic Cooperation and Development (OECD):

Inclusiveness and openness: *Engage broadly with a wide variety of stakeholders, provide clear and understandable information, and make the consultation process accessible, comprehensible and responsive.*

Timeliness: *Engage stakeholders early before decisions are made and provide regular opportunities for engagement on key program and policy matters.*

Accessible and cost effective: *Consider a variety of tools and methods to gather feedback that promote efficient and cost-effective consultations.*

Balance: *Provide opportunities for diverse perspectives and opinions to be heard and considered.*

Transparent: *Record feedback, report back a summary to stakeholders, and synthesize feedback into programs and policies as appropriate.*

Evaluation: *Demonstrate the impact of public consultations on program delivery and policy development.*

Consultation process

The consultation period began on June 10, 2020 with a consultation webinar and ended on June 17, 2020.

On May 29, 2020 the Authority notified participants of previous MHSW Wind Up Plan consultations of the June 10 webinar by email and updated the MHSW Wind-Up Plan page of the website to include information about the ISO Surplus Fund Transfer Addendum consultation.

The Authority also included information about the webinar in its June newsletter, which was sent to RPRA's general communications list of 1,350 stakeholders.

The Authority held its consultation webinar on June 10, 2020. The ISO Surplus Fund Transfer Addendum and presentation materials were added to the Authority's website prior to the webinar and the recording posted immediately after.

The Authority's presentation was led by Cameron Parrack, Manager of Programs and Planning and Geoff Rathbone, Director of Transition. A representative from SO attended the webinar session to answer any technical questions related to the plan.

Stakeholders were invited to submit feedback during the webinar or via email to consultations@rpra.ca or in one-on-one meetings with the Authority by June 17, 2020.

What we heard

The Authority received 8 written submission(s) via email.

The Authority also received 23 questions and/or comments during the consultation webinar. Questions were responded to during the webinar and during two one-on-one meetings during the consultation period.

The feedback received is summarized below. Some comments have been edited for length and clarity.

Amount of the 100% lump sum transfer to the ISOs
The amount of the lump sum transfer to the ISOs has garnered significant interest from stakeholders since the MHSW Wind-up Plan consultation process began in the fall of 2019. SO's proposed Addendum uses updated 2019 audited financials in determining the amount of 100% lump sum transfer to the ISOs, an approach supported unanimously by stakeholders.

Reserve Share Allocation Methodology
The SO reserve share allocation methodology was met with great interest from stakeholders. The ISOs and their members expressed their support for the adoption of a reserve share allocation methodology based on tonnage supplied (Option C in RPRA's Consultation Slide Deck).

Current SO stewards and their trade associations supported the use of a reserve share allocation methodology based on forecasted fee revenue as proposed in the submitted Addendum (Option B in RPRA's Consultation Slide Deck). One representative from this group of stewards expressed concerns that RPRA overstepped its mandate by proposing a new methodology for share allocation based on tonnage supplied.

Returning Surplus Funds to Stewardship Ontario in the event of a delay in MHSW Program transition
The return of surplus funds in the event of a delay in program wind-up solicited minimal feedback with some stakeholders questioning why SO chose to use the example of an 18-month delay in the MHSW Program transition to the RRCEA.

A number of stakeholders requested clarity on the items to be included in SO's ongoing wind up costs in the event of a delay in transitioning the MHSW Program to the RRCEA

A stakeholder also provided a comment that the ISO's liability should be limited in terms of contributing to SO's unexpected wind up costs in the event of a delay in program transition. The stakeholder supports the establishment a sufficient holdback of total surplus funds, and that once depleted, the ISO would have no further financial obligation to SO under the ISO Surplus Transfer Agreement.

Contrary to the above stakeholder comment, another stakeholder takes the position that the ISO Surplus Fund Transfer Agreements should prescribe how additional funds can be recovered should the amount placed in restricted reserves not be sufficient to cover SO's unexpected wind up costs.

ISO Surplus Fund Transfer Agreements

The ISO Surplus Fund Transfer Agreements are not subject to approval by the Authority, however they are a key element to this consultation as well as the implementation of the approved MHSW Wind Up Plan and therefore comments were also provided to the Authority on the agreements .

A stakeholder provided feedback that clarity should be provided within the agreements to better define the Wind Up Costs incurred by SO ("compensable expenses") considered to be able to be recovered from each ISO in the event of a transition delay.

Both ISO stakeholder groups supported the element of the ISO Surplus Fund Transfer Agreements naming RPRA as the final arbiter of compensable wind up expenses.

A stakeholder also provided feedback in support of RPRA engaging a third-party auditor to support this process of evaluating SO's compensable wind up expenses in the event of a delay in transition of the MHSW Program to the RRCEA.

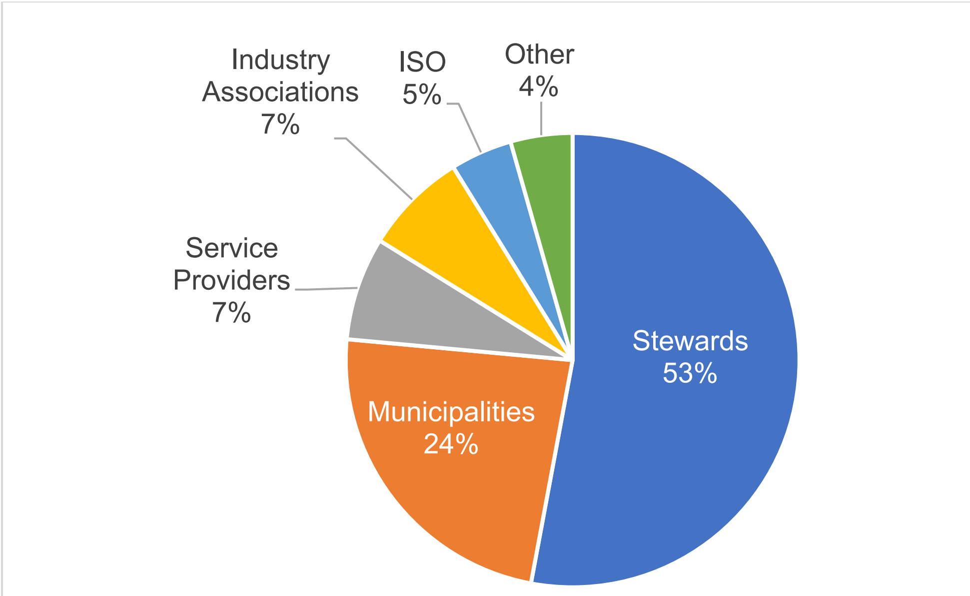
Clarifying Amendment to MHSW WUP Residual Fund Addendum

The Authority received very little feedback on SO's clarifying amendment to the Residual Funds Addendum. A single stakeholder provided feedback noting that this additional requirement to provide residual funds to stewards in the form of a payment and not as a credit that can be accessed at a later date would add unnecessary administrative costs.

Specific questions received during the consultation webinar and the Authority's responses are provided in **Appendix A** to the Authority's Consultation Report.

Stakeholder Makeup

A breakdown of the more than 70 stakeholder participants in the SO-ISO Surplus Funds Addendum consultation is presented in the following figure. Several observers from RPRA, the MECP and SO also attended the webinar.



Consultation Evaluation Feedback

After the webinar concluded, an email containing all presentation materials and a webinar survey was sent to all consultation participants. Only one participant responded to the webinar survey indicating that the consultation was "excellent."

Appendix A (Questions, Answers and Comments)

Below are the comments and questions received during the webinar and via written submission as well as the Authority's responses. The questions were edited for clarity. Questions not related to the scope of this consultation have been removed.

Amount of the 100% lump sum transfer to the ISOs

Question or Comment	Answer
What happened to all the interest earned on the accumulated surplus including that earned on the ITC credits via CRA? How much was the total interest earned on the fees paid by stewards to SO?	Interest earned on the investment of MHSW funds in any given year contributes to the General Reserve Fund for the purpose of paying for General wind-up costs when the time came to wind up the MHSW Program. This accounting policy allowed monies already contributed by stewards to earn funds to support discharging their shared obligations for wind up on a proportional basis. Interest earned on the surplus funds since receipt of the CRA credit accrue to both the general and material reserves proportionally.

Does SO provide program operations for those stewards shown as being operated by them, or are they just a broker for those stewards? Who runs the supply chain for all the materials? SO vs. the ISOs?	SO fulfils the regulatory obligations for stewards registered with the IFO. SO manages program operations for stewards in the Single-Use Batteries and Pressurized Containers categories, including supply chain management. In the other MHSW categories, SO purchases tonnage credits from the ISOs based on the amount of material supplied by their stewards in each of the categories. The ISOs manage 100% of the supply chain in the Paints and Coatings, Pesticides, Solvents, Fertilizer, Antifreeze, Oil Containers and Oil Filters categories.
Why does SO interpret the 100% lump sum amount to be transferred on outdated numbers and as such it is not actual and not 100% as directed by the Minister, in contrast to what SO says, that is, it is aligned, but it is not.	Thank you for submitting your feedback.
Stakeholder supports the use of the updated 2019 audited financials in determining the amount of 100% lump sum transfer to the ISOs.	Thank you for submitting your feedback.
Stakeholder recommends that RPRA conduct a full review on the status of the financial amounts provided by SO related to the surplus funds before approving the quantum of the amount to be transferred.	Thank you for submitting your feedback.
Stakeholder notes that Options B and C appear to reflect the updated values consistent with the audited 2019 financials.	Thank you for submitting your feedback.
100% of the surplus should be transferred to the ISO in one lump sum; there should be no other hold back or amount placed in a restricted reserve. **The Minister's Direction letter did not require or request such a hold back.** **The ISOs have nonetheless volunteered to place existing funds in a "restricted reserve", which would not compromise the Minister's request for application of 100% of the funds to fee reduction.** **While not required to do so, the stakeholder supports this voluntary step by the ISOs in order to ensure that 100% of the funds are transferred for fee reductions, per the Minister's request.**	Thank you for submitting your feedback.
Stakeholder supports 100% return of the material-specific surplus in a one-time lump sum payment to ISP stewards as directed in the Minister`s letter, dated April 1, 2020. **The value of these funds should be based on the audited 2019 Financials and transferred to the ISOs as soon as practically possible.**	Thank you for your feedback

Reserve Share Allocation Methodology

Question or Comment	Answer
What is the rationale for allocation by tonnage? Shouldn't the surplus be shared based on who paid it?	SO proposed in the approved MHSW Wind Up Plan to comply with Ministerial direction to return surplus funds to consumers by implementing a fee reduction for both SO stewards and ISP members during the wind up period. SO stewards and ISP members will receive a fee reduction dependent on the level of surplus funds available for disbursement and the projected costs of managing those materials throughout the wind up period. The approved Plan did not contemplate the return of surplus funds based on historical contribution to the surplus. The reserve share allocation methodology is used to determine the SO-ISO share of each material reserve.
Is not "tonnage supplied" a much better reflection of "who paid the surplus" than "IFO v ISO fee rates" which means the higher the fees, the higher the share and has nothing to do with surplus contribution.	Thank you for submitting your feedback.
Option B divides the surplus by the amount of collective fees charged by IFO v ISO. This means the higher the fee charged, the higher the share of surplus funds. But the Minister's original direction letter refers to returning surplus funds "in proportion to contribution of the surplus". Option B was not clearly explained in the WUP. Option C would be much closer and more equitable. ISO stewards suffer financially in Option B because the ISOs charge them lower fees.	Thank you for submitting your feedback.
Stakeholder supports RPRA and SO adoption of an allocation methodology that calculates surplus funds based on current membership and market share using reported quantities as shown in RPRA's "Option C".	Thank you for submitting your feedback.
Option C: How would SO justify anything other than Option C? e.g. they could charge even higher fees as a way to take more of the surplus? This does not make sense.	Thank you for submitting your feedback.
Support for Option C.	Thank you for submitting your feedback.

Stakeholder provided feedback that only Option C (market share OR units supplied to market) uses a share methodology that is fair and consistent with the Minister's directions. **If both the ISOs and SO applied the fee reduction at a per unit rate, then all stewards would get equal fee reductions per unit sold, which would also provide a consistent consumer benefit.** **As well, because of SO's higher effective fee rates than the ISOs, SO would retain the balance of the fees that are not subject to fee reduction.**	Thank you for submitting your feedback.
Stakeholder supports Option C as the fairest and most accurate value of the surplus that should be transferred to the ISOs for the purpose of fee reductions.	Thank you for submitting your feedback.
Stakeholder supports using tonnage reported as the basis of calculating the ISO steward share of surplus funds. This was presented as Option C in the June 10, 2020, consultation.	Thank you for submitting your feedback.
Stakeholder feels that option C presented in the RPRA consultation webinar represents that fairest distribution of reserve funds given the options presented.	Thank you for submitting your feedback.
SO's submitted plan uses a methodology to designate share allocation based on steward fee revenue, which the stakeholder fully supports. **The stakeholder is not comfortable with the supply-share tonnage-based method – which is inconsistent with how stewards and ISOs have paid fees over the years. It also creates a substantive, unmerited prejudice to some stewards while enriching others.**	Thank you for submitting your feedback.
Stakeholder expresses concern that RPRA overstepped its mandate by proposing a new methodology for share allocation based on tonnage supplied. It is RPRA's role to approve or reject a plan, not to develop alternative proposals after a plan has already been submitted. After receiving the wind-up amendments, RPRA must consult with stewards, municipalities, and other affected stakeholders. Following the consultation process, RPRA may approve the amended plan if it is "consistent with the Minister's direction." The Minister's direction letter sent on April 1, 2020	Thank you for submitting your feedback.

required SO to use the surplus fund estimates in the approved wind-up plan, which were calculated using a revenue-share allocation methodology. The SO board then approved updated surplus fund amounts for disbursement to ISOs using a revenue-share allocation methodology. Yet, RPRA decided to consult on three options: • **The wind-up plan estimates (revenue share),** • **The SO wind-up amendments (revenue share),** • **Supply-share amounts that were not approved by the SO Board.** **Under subsection 14(16), RPRA can add conditions after the consultation as long as they are consistent with the Minister's direction. The stakeholder feels that the supply share surplus fund amounts presented in Option C would be inconsistent with the approved wind-up plan and the Minister's direction letter.**	

Returning Surplus Funds to Stewardship Ontario in the event of a delay in MHSW Program transition

Question or Comment	Answer
The 2022 estimated wind-up costs are higher than previous years? How is this defensible? What is SO doing to mitigate these costs? One would expect wind up costs during an extension to be lower because all the one-time expenses are paid already. **In addition, SO has stated a potential 18-month extension, yet the budget contained in the proposed Addendum shows 2023, please clarify.**	Certain one-time costs which were previously shown as accruing in 2021 have now been shifted to 2022 and 2023. Although it may not be immediately apparent while reviewing the wind up cost forecasts presented in the webinar and provided in SO's proposed Addendum, the estimated wind up cost for 2021 was reduced from $2.165M to $1.345M. The wind-up cost estimates in the event of a delay in program transition to the RRCEA are consistent with the requirements of the Minister's directions. There continue to be wind-up costs incurred following the wind-up date including but not limited to final reconciliations, data transfer to the Authority and destruction, final auditing and reporting. Please see Page 8-10 of the proposed Addendum for a detailed description of one-time wind up costs.

Do general wind-up costs include all program overhead costs? From an earlier slide, it appears that only material management costs are excluded and that overhead.	General wind up costs only cover overhead costs directly attributable to wind up plan development and implementation. A more detailed description of the costs attributable to the Wind-Up Plan Development and the Implementation of the Wind-Up Plan can be found on pages 8-10 of the Addendum.
The stakeholder supports SO and RPRA in calculating potential reasonable unexpected wind up costs (those funds required by the ISO Surplus Fund Transfer Agreements to be placed in restricted funds) based on current membership and market share using reported quantities.	Thank you for submitting your feedback.
Can you explain how a delay in the transition could be caused by/related to the impacts of COVID? Do you expect that there could be more issues than already experienced with a 100% lockdown and a complete closedown of the economy?	Based on Minister's directions, the Authority expects the MHSW Program will continue to operate until the wind update of June 30, 2021, at which point the materials will transition to the RRCEA.
The stakeholder supports the proposed Addendum submitted by SO, including the use of restricted reserves.	Thank you for submitting your feedback.
Was the concept of allocating wind up costs based on historic revenues ever considered by an expert? ISO products have not been managed by SO for 3-5 years.	Thank you for submitting your feedback.
Stakeholder provided a comment that the ISO's liability be limited in terms of contributing to SO's unexpected wind up costs in the event of a delay in program transition. The stakeholder proposes supports the establishment a sufficient holdback of total surplus funds, and that once depleted, the ISO would have no further financial obligation to SO under the Surplus Transfer Agreement.	Thank you for submitting your feedback.
Stakeholder acknowledges the legal requirement to fund wind up activities and supports SO's proposal to split additional expenses between all stewards (SO and ISO) proportionate to each material category's contribution to the MHSW program since its inception.	Thank you for submitting your feedback.

This approach ensures fair and equitable treatment for all stewards and avoids forcing SO stewards to bear the full weight of this unexpected cost. **The stakeholder supports SO's proposal that a portion of each ISOs allocation of surplus funds be placed in a restricted reserve so they can be readily recovered if the program is extended. This will ensure that ISO stewards pay their fair share of unfunded costs if extension is deemed necessary and provides a layer of protection for SO stewards.** **Any additional amount drawn from a category's material reserve fund should be used exclusively to finance general wind-up costs and not material-specific costs attributable to other material categories ("cross-subsidization" of program activities).**	
The requirements prescribed in the ISO-SO Surplus Fund Transfer Agreements with respect to the recovery of unexpected wind up costs should be consistent across all organizations so that SO stewards and ISO stewards are all subject to the same costs and requirements. **The ISO-SO Agreements also should prescribe how additional funds can be recovered should the amount placed in restricted reserves not be sufficient.**	Thank you for submitting your feedback.
Restricted reserves were never considered part of the Ministerial Direction and thus would be viewed as inconsistent with that direction as it could be perceived as not a 100% lump sum surplus funds transfer.	Thank you for submitting your feedback.
Stakeholder recommends that RPRA require SO to provide a complete cost accounting of the wind up expenses to date to help inform the projection of any unexpected costs beyond the transition date, which would help ISOs appreciate the quantum for the costs and be able to provide assurances to their respective boards that those costs are both transparent and fair, which Stewardship Ontario maintains it want to do.	Thank you for submitting your feedback.

Given the suggested long 18-month delay expected by SO and the exorbitant costs, RPRA may wish to provide some insight and planning to ensure such a delay does not occur and if it does both the length and cost is minimal.	Thank you for submitting your feedback.
Stakeholder disagrees that this element of the proposed Addendum is required by the Minister's direction received in April. However, the stakeholder notes that their organization would be willing to provide a "restricted reserve" from other funds held by the organization to ensure that a surplus transfer agreement can be reached.	Thank you for submitting your feedback.
Stakeholder recommends that predictable / operational costs vs. "unexpected / reasonable wind-up costs related to the materials managed by the ISO" should be determined and managed ahead of any potential future delay. **The stakeholder also supports the element of the draft ISO Surplus Fund Transfer Agreement that includes a provision for RPRA to review and approve such additional costs. As well, a process for resolving any issues or disputes should be based on the role of the Authority as outlined in Section 5 of the *Waste Diversion Transition Act*.**	Thank you for submitting your feedback.
Stakeholder expresses concern with the magnitude of the estimated additional SO costs to wind up MHSW in the case of a delay. The stakeholder suggests that the Ministry, RPRA and SO begin discussion soon about what constitutes unexpected reasonable costs. In addition, the stakeholder suggests that SO should immediately be putting in place a transparent cost mitigation plan to ensure reasonable wind-up costs are incurred, regardless of when or what situations may arise.	Thank you for submitting your feedback.
Stakeholder recommends that the Ministry ensure there is no delay or program extension driving SO costs, predictable or otherwise.	Thank you for submitting your feedback.
Stakeholder supports the proposal to create a restricted reserve to fund reasonable costs that are associated with a program extension directed by the Minister.	Thank you for submitting your feedback.

Industry depends on predictable costs and budgets in order to effectively operate. Therefore, there needs to be a mechanism to ensure costs are agreed upon upfront to ensure this predictability exists and disputes are avoided. Costs should be proactively managed and mitigated. **Although RPRA has a proposed role in dispute resolution, which we appreciate, this too, will introduce unpredictable costs to stewards, and should, therefore, be minimized.**	Thank you for submitting your feedback.
SO is proposing costs related to a potential delay in the windup plan. We request that all parties dedicate themselves to the timely wind up of the program based on the current timelines. The Stakeholder is not in favour of an extension. Delays introduce too many uncertainties for stewards and need to be avoided. **In the case of materials that are currently managed under an Industry Stewardship Program (ISP), such as fertilizers and pesticides, there is no reason for SO to continue to 'operate' a program. In the case of pesticides, in particular, SO has zero stewards to manage and no program to oversee. The fact that reserves continue to be drawn down for the pesticide category is of significant concern to the stakeholder. The stakeholder proposes that there is an opportunity to wind-up these categories as quickly as possible.**	Thank you for submitting your feedback.
It is critical that appropriate contingencies be set aside to cover unexpected costs associated with the wind-up process, such as an extension of the MHSW program. All wind-up costs should be fairly distributed among all stewards who have been involved in the MHSW program, both past and present, as outlined in the Waste Diversion Transition Act (WDTA). Subsection 33(5) allows SO to use fees paid into the MHSW program for the purposes of wind-up and requires that the use of steward fees for wind-up fairly reflect each steward's proportion of wind-up costs. In addition, our members have clearly expressed the need for a fallback mechanism to protect existing stewards from having to pay additional funds for wind-up costs should the process be extended beyond June	Thank you for submitting your feedback.

30, 2021. **In preparation for potential delays, the stakeholder supports the element of the Addendum that requires ISOs to place minimum amounts in restricted reserves for potential recovery by SO.**	

ISO Surplus Fund Transfer Agreements

Question or Comment	Answer
Stakeholder recommends to limit "compensable expenses" defined in the ISO Surplus Transfer Agreements to wind up activities as described in the proposed wording below: **"*Compensable Expenses" means Wind Up Costs incurred by SO during any Transition Delay Period, such Wind Up Costs to consist of:*** *(i)* ***RPRA's costs associated with oversight of the Wind Up process during the Transition Delay Period;*** *(ii)* ***costs of contractors to manage and administer the Wind Up (including costs for accounting, regulatory reporting and the preparation of financials and reconciliations) during the Transition Delay Period;*** *(iii)* ***incremental increases to SO staff severance costs as a result of administering the Wind Up during the Transition Delay Period;*** *(iv)* ***incremental rent resulting from Wind Up activities required to be taken in connection with the continued administration of the Wind Up during the Transition Delay Period;*** *(v)* ***auditor costs in respect of the last financial year during the Transition Delay Period;*** *(vi)* ***additional costs associated with stakeholder communications in respect of the Wind Up during the Wind Up, including costs of consulting with stewards, service providers, MECP and RPRA regarding implementation of the Wind Up; and*** (vii) ***costs associated with additional Ministerial directions during the***	Thank you for submitting your feedback.

Transition Delay Period that relate to the Wind Up.	
In lieu of dispute resolution process related to the review and approval by RPRA of SO's Unexpected Wind Up Expenses, RPRA to use an independent third party to review and make binding decisions about any disputed compensable expenses or, in the absence of a third party decision maker, establish an appeal process for RPRA decisions.	Thank you for submitting your feedback.
RPRA will need to ensure that the actions taken by Stewardship Ontario with respect to the surplus transfer agreement is indeed consistent with Ministerial Direction and in cases where it is not, must apply conditions or decide on which clauses are relevant to the surplus transfer and which are not. If not, the surplus transfer will not occur and thus would be fully inconsistent with the Ministerial Direction.	Thank you for submitting your feedback.
Stakeholder supports the development of a list of reasonable types of costs, agreed upon by SO and the ISOs, to be included in the transfer of funds agreement.	Thank you for submitting your feedback.
Stakeholder supports stewards and their ISOs being consulted on any program extension budget proposals, so that the financial impact and reasonable costs can be agreed upon before any costs, commitments or contracts are incurred.	Thank you for submitting your feedback.
Stakeholder supports a dispute resolution process that includes RPRA, consistent with Section 5 of the *Waste Diversion Transition Act*.	Thank you for submitting your feedback.

Clarifying Amendment to MHSW WUP Residual Fund Addendum

Question or Comment	Answer
Stakeholder provided feedback that they do not support returning residual funds on a cash basis as the requirement causes unnecessary work and admin costs by the ISP.	The clarifying amendment to the Residual Funds Addendum requires that "Residual funds must be returned to SO stewards or ISP members in the form of a payment and not as a credit that can be accessed at a later date". Residual funds are funds that remain at the point of program termination, that were

	unable to be returned to stewards as fee reductions.
Stakeholder notes that the Minister's Direction on residual funds was clear and supports the approach that was directed to return residual funds to all stewards including ISO stewards.	Thank you for submitting your feedback.

General Feedback

Question or Comment	Answer
Once the battery stewards transition to the RRCEA, will battery stewards continue to be required to pay until the conclusion of the program?	SO's single use battery stewards will no longer be required to pay steward fees related to program management once the material transitions to the RRCEA on June 30, 2020. However, all stewards must contribute proportionally to their share of wind up costs. Therefore, in the event of a delay in transition of the other MHSW materials to the RRCEA a portion of the battery reserve will be held back to cover unfunded wind up costs, if necessary. If there is no transition delay, the surplus funds will be returned to single use battery stewards as residual funds.
Stakeholder expressed support for the SO proposal. **Specifically, the stakeholder expects RPRA to continue adhering to the following program wind-up tenets:** **1. return of surplus funds to stewards as per Ministerial direction;** **2. steward fee reductions and returned surpluses fairly reflect proportionate contributions of each steward; and** **3. program wind-up cross-subsidization between material categories be prohibited.**	Thank you for submitting your feedback.