



# **2023 RRCEA Program Fees for Tires, ITT/AV and Batteries, Lighting, and Blue Box Materials**

## **Consultation Report**

**December 19, 2023**

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## Executive Summary

The Resource Productivity and Recovery Authority (RPRA) is Ontario's regulator for the circular economy with a mission to implement the province's resource recovery programs for used tires; batteries; information technology, telecommunications and audio-visual equipment (ITT/AV); lighting; hazardous and special products (HSP); and Blue Box materials. RPRA also operates registries for Ontario's reporting and tracking programs for excess soil and industrial and liquid hazardous waste.

RPRA's activities are focused on four strategic priorities:

- 1) Providing registrants with accessible and easy-to-use registry services
- 2) Delivering an effective compliance program to help achieve resource recovery and waste reduction outcomes for the province
- 3) Providing Ontario with reliable and useful resource recovery and waste information
- 4) Building an accountable, transparent and sustainable organization that achieves value for money

This report details RPRA's consultation process, the feedback received, and how RPRA incorporated the feedback into its decision-making on setting fees for producer responsibility programs under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA), which include fees for producers of Blue Box materials; information technology, telecommunications and audio-visual equipment (ITT/AV) and batteries; lighting; and tires. Fees for the Hazardous and Special Products (HSP) Program are undergoing additional analysis and will be communicated in 2023.

Questions about this report can be emailed to [consultations@rpra.ca](mailto:consultations@rpra.ca).

RPRA's fees are charges that registrants pay to RPRA to cover its costs for operating compliance and enforcement programs, which includes building and operating the registries and providing service to users. RPRA's [General Fee-Setting Policy](#) guides how fees are set in accordance with a list of principles and objectives.

Producers obligated under RRCEA regulations are required to report their supply data and pay the associated fees to RPRA in 2023.

From September 26, 2022, to November 10, 2022, RPRA consulted on the proposed 2023 RRCEA program fees.

The subjects of the consultation included the fee models for each program, the inputs to each model (estimates of the number of producers or registrants, and the quantity of obligated material supplied), and the proposed fee rates.

The fee models for the Tires, ITT/AV and Batteries, Lighting, and Blue Box materials programs – a fixed flat fee for small producers and a variable per kg or per tire rate for large producers – were approved as proposed during the consultation.

Final fee rates for those programs are also unchanged from those proposed.

For more information on the final fees, review the [2023 Fee RRCEA Program Fee Schedule](#) for Tires, ITT/AV and Batteries, Lighting, and Blue Box materials.

RPRA's 2023 Registry Program Fees were approved on November 29, 2022. RPRA posted the final fees to its website on December 19, 2022, and stakeholders were notified the same day.

RPRA received seven written submissions in response to the fee proposals. The comments are summarized in [What We Heard](#), and RPRA's responses are detailed in [Appendix B](#) of this report.

RPRA also received feedback from our Industry Advisory Council (IAC) and Service Provider Advisory Council (SPAC) members at advisory council meetings during the consultation period and through presentations by council members to a special meeting of the Finance and Technology Committee of the RPRA Board of Directors. This feedback is also included in [What We Heard](#), and RPRA's responses are detailed in [Appendix B](#) of this report.

All questions received during the consultation webinars and responses provided by RPRA are detailed in [Appendix C](#) of this report.

## Introduction

### About RPRA

RPRA is the regulator created by the Ontario government to enforce the requirements of the RRCEA and the [Waste Diversion Transition Act, 2016](#) (WDTA).

RPRA has also been directed by the Minister of the Environment, Conservation and Parks to build and operate registries for the Hazardous Waste and Excess Soil programs, governed by the [Environmental Protection Act](#) (EPA).

The RRCEA establishes a resource recovery regime where producers are individually accountable and financially responsible for their products and packaging through their full life cycle, including recovering resources and reducing waste. The WDTA allows for the continuation of legacy waste diversion programs and sets out provisions to wind up those programs as directed by the Minister of the Environment, Conservation and Parks.

RPRA is a non-profit organization that does not receive any government funding. The WDTA and RRCEA allow RPRA to set and collect fees to recover its costs from regulated parties. RPRA revenues come from two sources:

- Charges to industry funding organizations (IFOs) and industry stewardship organizations (ISOs) for RPRA's oversight and wind-up of current waste diversion programs operating under the WDTA and the IFOs that operate those programs.
- Charges to parties required to register and report to RPRA.

Fees are used to cover the costs of developing and operating registry services, registrant support services for all programs, and compliance and enforcement activities.

Before setting fees, RPRA must engage in public consultation for at least 45 days and post the fees on its website for 30 days.

### Principles for public consultation

RPRA's consultations are guided by the following best practice principles developed by the Organization for Economic Cooperation and Development:

***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.*

**Accessibility and cost effectiveness:** 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.

**Transparency:** 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

RPRA's proposed 2023 RRCEA Program Fees were consulted on during October and November. A [dedicated web page](#) was created on RPRA's website with background information on the consultation, registration links for the webinars, and presentation materials.

On September 26, 2022, RPRA emailed its general mailing list (approximately 1,900 subscribers) announcing the start of the consultation for 2023 RRCEA program fees, and providing information on how to participate. On September 27, RPRA notified producers, Producer Responsibility Organizations (PROs), and industry associations of affected programs.

Additionally, on October 25, stakeholders representing the material groups impacted by the proposed 2023 RRCEA Program Fees were invited to present directly to RPRA's Finance and Technology Committee of the Board; and meetings in November of the IAC and SPAC provided opportunities for council members to provide feedback on the proposed fees.

### What we heard

RPRA received feedback through several channels:

- Webinars:
  - For proposed fees for the ITT/AV and Batteries, Lighting, and Tires programs: October 19, 2022 - 85 attendees
  - For proposed fees for the HSP and Blue Box programs: October 21, 2022 - 74 attendees
- Webinar presentations and recordings can be found on the [consultation webpage](#).
- Four key stakeholders representing producer associations presented at the Finance and Technology Committee meeting.
- Stakeholders provided feedback at November meetings of the Industry Advisory Council and Service Provider Advisory Council.
- Seven written submissions were received via email.

The feedback received from all channels is summarized and categorized into themes below:

#### General fee- and cost-related

- Stakeholders expressed concern about unpredictability in fees and the volatility of year-over-year fee increases, and asked whether cost-containment measures were in place for existing RRCEA programs.
- Stakeholders feel that year-over-year increases for existing programs are too high.

- Some stakeholders expressed concern about the increase in RPRA's budget in 2023 over 2022, and the lack of detail about how the budget increase will improve the environmental and service outcomes that RPRA is mandated to achieve.
- Some stakeholders requested more information about recycling outcomes in the face of increasing fees.
- Stakeholders requested new performance measures focused on efficiency, cost-benefit analyses, and value-for-money. One stakeholder suggested specific new performance measures in addition to those set out in the business plan.
- Some stakeholders requested that RPRA leverage the work being done by PROs (e.g., existing tracking systems, data collection, etc.) to find efficiencies and reduce costs.
- One stakeholder expressed concern that fee rates and program allocations had continued to increase annually, and that RPRA had not fulfilled a commitment from 2017 that savings would be gained for tire producers (who transitioned to an RRCEA program in 2018, before other producers) as more materials became regulated.
- One stakeholder commented that shared RPRA costs should be proportionally assigned based on the size of the program.

### **Consultation**

- Stakeholders stated that it was difficult to provide fulsome feedback on the proposed fee models and rates because RPRA's 2023 Business Plan was not publicly available until October 18, after the fees consultation began.
- Stakeholders believed that feedback during the fees consultation period would have no meaningful effect because the budget had been finalized.
- Stakeholders requested that RPRA provide more program-level detail with the fee proposal and through webinars.

### **Fee model**

- Two stakeholders believe a weight-based fee unfairly burdens producers of heavier materials.
- One stakeholder stated that revenue-based tiered fees, rather than weight-based, would be less complicated and more predictable.
- One stakeholder suggested that fee rates should be tied to the total cost for managing material under each program, rather than supply weight.
- Two stakeholders stated a preference for flat fees rather than variable fees tied to volume of material supplied.
- One stakeholder requested a change in the fee model from program-specific fee rates to flat or potentially tiered fees across all RRCEA programs.
- One stakeholder requested information about how RPRA prevents the subsidization of free riders (who did not pay their fair share of registry portal amortization costs) by compliant producers who are paying RPRA fees annually.

Feedback that was not relevant to this consultation has been excluded from the summary. Some stakeholders, including those that presented to RPRA's Finance and Technology Committee on October 25, 2022, provided comments about RPRA's 2023 Business Plan, which was published during the fee consultation period. These comments addressed the budget increase and performance measures. Although the business plan has already been finalized, and RPRA's advisory councils were consulted on the plan over the summer, we have nevertheless included this feedback in this report.

For a list of stakeholders that submitted written feedback and presented at RPRA's Finance and Technology Committee meeting, see [Appendix A](#) of this report.

[Appendix B](#) outlines RPRA's responses to comments provided during the consultation.

For a list of all questions received during the webinars presented in October, see [Appendix C](#).

## Evaluation

To help RPRA improve future consultations and communications, participants were invited to complete a short survey following the consultation webinars. Of the 158 webinar attendees, 73, or 46%, completed the survey.

In response to the question, "Overall, how would you rate the consultation?", 92% of respondents ranked the session "Excellent", "Good" or "Average" (based on a scale of Excellent, Good, Average, Fair, Poor).

51% of respondents said the information provided by the presenter was "Extremely or Very helpful", and 45% said it was "Somewhat helpful". 4% said it was "Not so helpful", and 0 respondents said it was "Not at all helpful".

Majority of respondents (97%) ranked the presentation slides of the webinars as "Excellent", "Good" or "Average". 97% of respondents ranked the question and answer portion as "Excellent", "Good" or "Average."

Note: This section was amended to report the numbers for the RRCEA webinars only.

## Conclusion

The 2023 fees for tires, ITT/AV and batteries, lighting, and Blue Box materials were approved on November 29, 2022. RPRA posted the final fees to its website on December 19, 2022, and stakeholders were notified the same day. Fees for the HSP Program are undergoing additional analysis and will be communicated in 2023.

RPRA appreciates the thoughtful feedback provided through the consultation process, and considered each submission in setting the fees.

Stakeholder feedback about the perceived shortcomings of assigning a variable fee based on weight were considered. RPRA has maintained a mixed variable and flat fee model because:

- It protects smaller suppliers from undue financial burden.
- It is aligned with the objectives of the government's producer responsibility regulatory framework to hold producers individually accountable and financially responsible for the products and packaging they supply into the market.
- It does not lead to any competitive impacts for producers selling the same products.

Analysis is still being conducted on the impact of the fee model on the HSP program.

RPRA also considered the concerns raised about fee predictability and transparency of program budgets.

New investments in IT and front-line services for 2023, and inflationary pressures led to higher-than-forecasted budget and fee rate increases. Forecasting resource needs has been a challenge because of the number of new programs RPRA has onboarded over a condensed time period. Over the past 18 months, RPRA has launched five new programs and built or launched seven new registry portals to support those programs. Now that all planned programs are operational, RPRA expects forecasts to become more accurate and costs to become more predictable year-over-year, which should translate into more stable and predictable fees for registrants over time. However, some annual variability may be unavoidable – for example, compliance costs cannot always be accurately predicted on a program-by-program basis, and outside factors such as inflation can have substantial effects on RPRA's costs.

RPRA is also committed to transparency around its budget and fee-setting process. This year, RPRA provided more budget detail at its webinar presentations than it has in the past, and RPRA's 2023 Business Plan provided more detail about the 2023 budget than in previous years. RPRA is committed to providing more program-level budget detail at the start of the 2024 fee consultation.

## Appendix A: Stakeholders that submitted feedback

Nine written submissions were submitted by the following stakeholders:

- Electronic Products Stewardship Canada
- Tire and Rubber Association of Canada
- Canadian Consumer Specialty Products Association
- Global Automakers of Canada
- Canadian Paint and Coatings Association
- eTracks Tire Management Systems
- Electro-Federation Canada

The following four stakeholders representing producer associations presented at RPRA's Finance and Technology Committee meeting:

- Shelagh Kerr, Electronic Products Stewardship Canada
- Gary LeRoux, Canadian Paints and Coatings Association
- Simon Kinsman, Canadian Consumer Specialty Products Association
- Carol Hochu, Tire and Rubber Association of Canada

## Appendix B: Response to stakeholder comments

RPRA considered all feedback received during the consultation period. Key comments received and RPRA's responses are included below and categorized into the following themes:

- [General fee- and cost-related](#)
- [Consultation](#)
- [Fee model](#)

### General fee- and cost-related

- Stakeholders expressed concern about unpredictability in fees and the volatility of year-over-year fee increases, and asked whether cost-containment measures were in place for existing RRCEA programs.
- Stakeholders feel that year-over-year increases for existing programs are too high.
- Some stakeholders expressed concern about the increase in RPRA's budget in 2023 over 2022, and the lack of detail about how the budget increase will improve the environmental and service outcomes that RPRA is mandated to achieve.
- Some stakeholders requested more information about recycling outcomes in the face of increasing fees.
- Stakeholders requested new performance measures focused on efficiency, cost-benefit analyses, and value-for-money. One stakeholder suggested specific new performance measures in addition to those set out in the business plan.
- Some stakeholders requested that RPRA leverage the work being done by PROs (e.g., existing tracking systems, data collection, etc.) to find efficiencies and reduce costs.
- One stakeholder expressed concern that fee rates and program allocations had continued to increase annually, and that RPRA had not fulfilled a commitment from 2017 that savings would be gained for tire producers (who transitioned to an RRCEA program in 2018, before other producers) as more materials became regulated.
- One stakeholder commented that shared RPRA costs should be proportionally assigned based on the size of the program.

### *RPRA's response*

RPRA recognizes the importance of fee predictability to its registrants. To date, forecasting has been challenging because the number of new programs and registry builds RPRA has implemented over a condensed period. In the past 18 months, RPRA has launched five programs and seven registry portals:

- ITT/AV and Batteries portals
- Lighting portal and program
- Blue Box and HSP registry portals and programs
- Excess Soil Registry portal and program
- Hazardous Waste Program and registry portal

The [2023 RPRA Business Plan](#) shows the RRCEA budget leveling off in 2024 and 2025, barring the introduction of any new RRCEA regulations or Minister's directions on new digital reporting services. These forecasts are expected to be more accurate than in previous plans. As RPRA gains data and experience from programs that have been implemented, the number of unknowns affecting RPRA's ability to predict resource needs for outyears decreases. As that ability improves, setting fee rates for multiple years at a time may become feasible. RPRA will continue to maximize predictability in fee rates.

However, some annual variability is unavoidable; for example, compliance costs cannot always be accurately predicted on a program-by-program basis, and outside factors such as inflation can affect RPRA's costs due to the amortization of registry builds and RRCEA program start-up expenses. RPRA operates solely on a cost-recovery basis by charging fees to registrants. RPRA must recover sufficient revenues to keep programs running during the year and there are no other options for funding increased costs other than through registrant fees.

RPRA's 2023 resource needs, and its approach to achieving cost efficiency and value for money are addressed in RPRA's 2023 Business Plan. During each business planning cycle, RPRA evaluates its ongoing resource needs and consults on those needs with its advisory councils. The 2023 Business Plan outlines in detail why RPRA's budget needed to increase in 2023, including the impact of requiring new investments in IT and front-line staff, plus economic pressures like inflation. Cost containment is embedded in how RPRA operates, including through good governance, effective procurement and purchasing policies, and transparent business planning to minimize costs to fee payors while still delivering the services and operations required to support regulatory outcomes. The business plan discusses RPRA's approach to achieving value for money – for 2023, this includes completing and implementing the results of organizational review activities that have been undertaken to support the cost-efficient delivery of operations.

As an administrative authority of the Government of Ontario mandated to enforce the requirements of the RRCEA and WDTA and its associated regulations, RPRA's mission is to deliver a public good for the benefit of all Ontarians. RPRA has reviewed the approaches the Auditor General takes to evaluating value for money and seeks to use similar approaches in reviewing our own practices. For example, RPRA has undertaken third-party reviews of its procurement practices and its fee models to assess whether best practices are being followed.

RPRA is committed to reporting on the outcomes being achieved by the programs it administers. This commitment is shown, in part, through RPRA's 2023 strategic priorities, which for the first time clearly emphasize the importance of reliable and useful public reporting about all programs. RPRA also engaged in a consultation in 2022 on how to improve its public reporting practices. The results of this consultation, including a report and action plan on public reporting for 2023, is targeted to be published early in 2023.

RPRA also introduced 13 new or revised performance measures in its 2023 Business Plan. Among other things, these new performance measures seek to assess:

- the effectiveness of RPRA's services to registrants,
- the effectiveness of RPRA's online registry portals, and
- the effectiveness of RPRA's compliance program.

RPRA's mandate is not to maximize revenue collection or maximize the use of enforcement tools, so an appropriate, direct dollar-related measure of efficiency has not been identified. Instead, a variety of performance measures (including the new ones above) are being tracked year over year. RPRA will continue to consider refinements and additions to performance measures, including adding indicators of efficiency gains or losses, as our programs mature.

Specific recommendations from stakeholders for new performance measures will be addressed during the planning process for the 2024 Business Plan, which is expected to begin in spring 2023. Additional feedback about the business plan and the business planning and fee development process will also be addressed during that process.

As discussed in previous fee consultation reports, RPRA seeks to align registry and compliance-related activities with the business practices of PROs and other registrants where possible to make procedures easier and more efficient (e.g., with respect to audit procedures). However, PROs and RPRA have fundamentally different mandates and therefore system requirements. RPRA regulates producers and service providers to ensure compliance. PROs are businesses operating in a competitive market providing services to producers to help them meet their performance obligations. It is not practical or appropriate for RPRA to rely on PROs to deliver its mandate or utilize their systems instead of its own registry. RPRA's compliance and enforcement mandate requires reporting systems designed to meet the detailed requirements of regulations issued under the RRCEA, and support its compliance-related activities.

In 2017, RPRA projected that the Tires program budget would take up progressively less of the overall RRCEA program budget as other programs came online. This has held true. Since 2017, the portion of RPRA's total budget dedicated to the Tires program has declined. Fees for tire producers in 2023, along with other RRCEA producer fees, are proposed to increase over 2022 fees because the overall RRCEA budget is increasing in order to serve the needs of registrants and support compliance. The investments planned for 2023 are expected to set the stage for more stability in budget growth.

To account for different program sizes, RPRA's cost allocation methodology assigns shared costs to programs based on cost drivers. One of these cost drivers is the number of registrants in a program. For example, the Blue Box Program, which has more registrants than other RRCEA programs, is allocated more of the shared services budget and has a higher total cost recovery than other RRCEA programs.

## **Consultation**

- Stakeholders stated that it was difficult to provide fulsome feedback on the proposed fee models and rates because RPRA's 2023 Business Plan was not publicly available until October 18, after the fees consultation began.
- Stakeholders believed that feedback during the fees consultation period would have no meaningful effect because the budget had been finalized.
- Stakeholders requested that RPRA provide more program-level detail with the fee proposal and through webinars.

### ***RPRA's response***

RPRA is committed to transparent and open communication about our business plan and budget development process, our Cost Allocation Methodology, our fee-setting process and annual proposed fees for all programs. We aim to provide detailed information to all interested parties to enable them to participate in our fee consultations. We also aim to provide sufficient information to our advisory councils to enable them to participate in our business planning process.

RPRA consulted on its 2023 Business Plan throughout the summer with the advisory councils, which included showing a detailed and close-to-final draft of the 2023 budget with the councils in August, along with preliminary fee information. Our 2023 fee proposal, posted on September 26 to our website and sent to producers and other stakeholders via email communications on the 26<sup>th</sup> and 27<sup>th</sup>, contained final budget and allocation information, along with an overview of the Cost Allocation Methodology and RPRA's fee model, and proposed fee rates for all

programs except for the HWP Registry. Our October newsletter included a call out for participation in both fee consultations, with directions to check our website for information. Additional material, including our fee setting policy and a summary of a third-party review of our fee model for RRCEA programs and the Excess Soil Registry, was also made available at the start of the consultation. On October 18<sup>th</sup>, the full business plan was published.

RPRA coordinates the timing of the publication of its annual business plan with the ministry.

This year, RPRA provided more detail about program budgets during our consultation webinars than we have in the past. RPRA also responded one-on-one to individual requests from stakeholders for additional information. To continue to improve transparency and communication, RPRA is committed to making even more information available to all stakeholders at the start of the 2024 fee consultations, without waiting for the webinar presentations or for individual requests, including:

- additional detailed budget breakdowns for each program;
- detailed year-over-year changes to budgets for each program; and
- additional information about how budget increases impact each program.

During fee consultations, RPRA accepts and responds to feedback on our program allocations, fee model, and volume inputs to determine the fee rates. In the past, RPRA has responded to stakeholder feedback by adjusting fees. Consultation reports for each of our previous fee consultations are available on our [website](#).

All comments applicable to the 2023 fee proposal were considered when finalizing 2023 fees and are addressed in this report.

## **Fee model**

- Two stakeholders believe a weight-based fee unfairly burdens producers of heavier materials.
- One stakeholder stated that revenue-based tiered fees, rather than weight-based, would be less complicated and more predictable.
- One stakeholder suggested that fee rates should be tied to the total cost for managing material under each program, rather than supply weight.
- Two stakeholders stated a preference for flat fees rather than variable fees tied to volume of material supplied.
- One stakeholder requested a change in the fee model from program-specific fee rates to flat or potentially tiered fees across all RRCEA programs.
- One stakeholder requested information about how RPRA prevents the subsidization of free riders (who did not pay their fair share of registry portal amortization costs) by compliant producers who are paying RPRA fees annually.

## ***RPRA's response***

RPRA acknowledges that the amount of supply into Ontario does not determine the amount of regulatory effort required for a material, and that weight-based fee rates place relatively more burden on producers supplying heavier materials where programs include materials of different densities. However, weight-based variable fees support the fee-setting principles of simplicity and equity.

Weight-based fees protect small producers from undue burden. They can be applied consistently to material categories with multiple material types, including materials that do not have a common unit of measure. Weight-based variable fees also align with all regulations that require supply to be reported in weight (except the Tires Regulation, which requires reporting in units and weight). Weight-based fees ensure that producers of the same products face the same costs on a per-product basis, so that the fee has no competitive impact on the consumer markets producers operate in.

Basing fees on revenue instead of supply weight would add additional complexity to the fee setting process. RPRA does not collect revenue information from producers, so such a method would require RPRA to set up new procedures for collecting that information up front or verifying it after the fact. New procedures would also need to be developed to determine what revenues do or do not count for the purposes of the fee calculation.

Instituting single flat or tiered flat fees would benefit large producers at the expense of small businesses. Assigning variable fees to producers based on weight of supply is aligned with the objectives of the government's producer responsibility regulatory framework to hold producers individually accountable and financially responsible for the products and packaging they supply into the market. A flat fee below a certain supply volume or annual revenue ensures all producers pay a minimum amount. Tiered flat fees could introduce competitive effects and potentially lead to inequitable results, as costs would be different for each producer on a per-product basis. In other words, per-product costs for larger producers would be smaller than per-product costs for smaller producers.

RPRA is still implementing new programs. When all current EPR programs are fully implemented, and registry and digital reporting services are operational, RPRA will again review the cost allocation methodology and investigate whether alternative approaches could result in more efficient or predictable fees, or better align with RPRA's fee-setting principles. For 2023, analysis is still being conducted on the impact of the current fee model on the HSP program. Information on 2023 fees for HSP will be forthcoming in 2023.

RPRA's compliance actions ensure that free riders pay fees owed to RPRA for the years they were out of compliance. If additional unanticipated fees are recovered in-year because free riders are identified, these fees will go to offset fees paid by all producers in the following year. As a result, compliant producers should not end up absorbing more than their fair share of costs.

Under the RRCEA, RPRA can also issue administrative penalties under the RRCEA once an administrative penalties regulation is in place. The penalty amount has two components: the base penalty amount that would be set out in a regulation, and an economic benefit penalty that would have no pre-set maximum. The economic benefit penalty is intended to recover whatever costs were delayed or avoided, or whatever gains were accrued, by the person subject to the penalty.

## Appendix C: Questions and answers

Below are the questions received during the consultation webinars and RPRA's responses. Questions have been organized by the topic, and questions not relevant to this consultation have been excluded. Some questions were edited for length and clarity, and similar questions were grouped together.

- [General fee and fee-setting related](#)
- [Reporting Requirements and Deadlines](#)
- [Proposed fees for Tires, Batteries, ITT/AV, and Lighting](#)
- [Proposed fees for Blue Box](#)

### General fee and fee-setting related

Question	Response
<b>Will the fees for RRCEA programs (e.g., Lighting and Tires) be included in the base price or can they be a separate line item on invoices?</b>	<p>If a producer is a participant in multiple EPR programs with RPRA, they will receive separate invoices for fees for each program from RPRA.</p> <p>For information on representing the cost of RPRA fees to consumers on invoices or in pricing, please see our <a href="#">website</a> or contact the <a href="#">registry support team</a>.</p>
<b>In relation to the cost allocation methodology and the sharing of costs between programs: when you say 'equally' do you mean 'proportionally' (based on some sort of percentage)?</b>	<p>RPRA's cost allocation methodology specifies that some costs are shared equally across all programs over time – such as registry foundation costs – while others, such as contributions to the operating reserve fund and some human resources, are allocated proportionately to a program's total share of the overall RPRA budget, or according to the number of registrants in a program.</p>
<b>Why will RPRA not shift to a flat fee for program participants?</b>	<p>We considered transitioning RPRA's fee model to charge flat fees – tiered within or across RRCEA programs – as part of the review of RPRA's Cost Allocation and Fee Model by a third-party consultant in 2021 and the beginning of 2022. The consultant and RPRA determined that moving to a model that eliminates weight-based fees in favour of flat fees would significantly shift the burden of costs from producers supplying large amounts of regulated material annually to producers supplying medium and smaller amounts of obligated material annually, and therefore would not accord with our fee-setting principles of equity and protecting small businesses. Charging weight-based fees is also aligned with the objectives of the government's producer responsibility regulatory framework to hold producers individually accountable and financially responsible for the products and packaging they supply into the market, and avoids any competitive impacts for producers selling the same products.</p> <p>The <a href="#">summary of findings</a> from the consultant's report on RPRA's Cost Allocation Methodology and Fee Setting Model is available on our website.</p>
<b>Ontario's Hazardous Waste Program Registry opens in 2023. Was the HWP cost recovery target for 2023 expected and budgeted for in prior years?</b>	<p>RPRA received direction from the Minister of the Environment, Conservation and Parks to build the HWP Registry in 2020. RPRA has budgeted for the costs to develop and operate the HWP Registry Program since receiving that direction. 2023 will be the first year the HWP Registry will be in operation, and thus the HWP Registry's costs due to amortization are included in the 2023 budget for the first time, along with costs for human and IT resources to operate the program. These costs were anticipated and account for the increase in the HWP cost recovery target over 2022, when the HWP</p>

	Registry was not yet online and the program was still in planning and development.
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## Reporting requirements and deadlines

Question	Response
<b>Is it too late to report material supply to RPRA?</b>	The Blue Box and HSP program deadline for supply reporting in 2022 was October 31. If producers have not yet reported their supply in 2022, they can report it through the registry at any time.
<b>When are the 2023 fees due?</b>	Fees are due after producers report supply in 2023. Producers will receive information about the supply reporting deadlines from RPRA in the coming months.

## Proposed fees for Tires, Batteries, ITT/AV, and Lighting

Question	Response
<b>Could you share more information on why the fees for Lighting were increased by at least 15% since this is a new program and there is not yet experience with the actual program expenses? Is it all connected to the shared services increase?</b>	Yes. The increase in fee rates for lighting reflects the increase in the costs of shared services to meet the increased need in registry support resources – primarily front-line staff and IT services – across all RRCEA programs, as well as inflationary pressures.
<b>I see the 2023 budget for Tires is \$2.3 million, what was the budget and actual for 2022?</b>	The Tires Program cost recovery target in 2022 was \$2 Million. The actual revenue from Tires fees in 2022 will be determined at year end.
<b>Would a company that sells small appliances with batteries, but does not produce those batteries, be required to report its battery supply and pay the Battery Program fees?</b>	Please contact our <a href="#">registry support team</a> to speak with a compliance officer for any questions about complying with the RRCEA regulations.  RPRA fees apply only to parties who are obligated under the RRCEA or EPA to register and report with RPRA.

## Proposed fees for Blue Box

Question	Response
<b>Is the threshold over which a per-kg fee is charged based on the quantity declared with Stewardship Ontario for 2021?</b>	No. The 2023 Blue Box per-kg fee will be based on producers' supply of obligated material in 2022 and reported into the RPRA registry in 2023. If a producers supplied 50,000 Kg or less of Blue Box material in 2022, they would be charged the proposed flat fee of \$85. Stewardship Ontario data is not used to calculate fees.
<b>Is the fee on total KGs declared or net KG declared after the deduction of non-blue box material?</b>	RPRA fees are assigned based on the Kg of supplied Blue Box material as defined by the Blue Box Regulation. For more information, please <a href="#">contact</a> the Registry Support Team.
<b>On what data year is the 2023 fee based?</b>	The 2023 Blue Box per-kg fee will be based on producers' supply of obligated material in 2022, and reported into the registry in 2023.
<b>The per kg fee for Blue Box is significantly lower than the fees</b>	The proposed per-kg fee for the Blue Box program is lower than the per-kg fees in other programs because there is significantly

<p><b>for other programs. Is it expected that Blue Box will be allocated a higher share of total RPRA costs as the transition progresses, thereby lowering the fees charged to HSP (and other materials)? If not, what is the reason for the difference?</b></p>	<p>more Kgs of supply reported by Blue Box producers than by producers of other materials. The estimated cost recovery target for Blue Box in 2023 is substantially higher than other RRCEA programs to reflect that it is a substantially larger program (the same was true for 2022). Future years' cost recovery targets will be determined using our cost allocation methodology, which will be reviewed before 2024 fees are consulted on in fall 2023.</p>
<p><b>For a tonnage of 55,000 Kg, the fee would be calculated as 55,000 X \$0.0056? Or would the producer be charged \$85 for first 50,000 Kgs, plus 5,000 X \$0.0056?</b></p>	<p>Blue Box fees are proposed to be flat (at a rate of \$85) if supply reported is up to 50,000 Kg. If reported supply is more than 50,000 Kg, the variable rate would apply to the <i>total</i> Kgs supplied. In the example provided, the fee would be determined by multiplying 55,000 by \$0.0056.</p>
<p><b>For the Blue Box program, you indicate a 27% increase in fees, of which 7% is due to portal cost amortization and interest. Where does the other 20% increase come from?</b></p>	<p>The 20% increase reflects the increase in the costs of shared services – primarily front-line staff and IT services – across all RRCEA programs, as well as inflationary pressures.</p>
<p><b>Thank you for the response to my question about Blue Box vs. other program fees. I note the total cost of managing Blue Box materials is many multiples of the cost to manage other material types, certainly more than 2 - 3 times the cost to manage all HSP. Even though material management and associated costs are outside RPRA's mandate, we request that some consideration be given to the cost to manage each material stream when setting fees, not just the quantity of supplied tonnes. The per unit cost to HSP is significantly higher than the per unit cost for Blue Box.</b></p>	<p>Producers are not obligated to report into the registry on material management costs. This makes comparison of RPRA fee rates to the total cost of material management difficult to do with precision. However, RPRA recognizes that the reasonableness of RPRA's rates can be considered within the context of registrants' total EPR costs. This may become easier to do once all regulations are in force, and all programs are fully implemented.</p>