



May 3, 2022

Ms. Sue Lo  
Administrator, Stewardship Ontario  
1 St. Clair Ave. West, 7th Floor  
Toronto, ON, M4V 1K6

Dear Ms. Lo,

**RE: Approval of Stewardship Ontario's Plans to Satisfy the Conditions of the Revised Fee Setting Methodology Addendum to the Blue Box Program Wind Up Plan**

I am writing to advise you and Stewardship Ontario (SO) that the Resource Productivity and Recovery Authority (the Authority) has approved SO's proposed Plan for Calculating the Program Recovery Rate and the proposed Plan to Address the Continuation of Bale Audits. The approval of these plans, in conjunction with RPRRA's approval of the 2022 Blue Box Steward Rules, will allow SO to implement the Revised Steward Fee Setting Methodology.

On February 17, 2022, the Authority approved SO's Revised Fee Setting Methodology Addendum to the Blue Box Program Wind Up Plan, which would allow most stewards to forgo reporting supply to market data to SO and thereby reduce stewards' administrative burden, with the following conditions:

1. Before implementing the simplified fee-setting methodology, SO shall provide a comprehensive plan satisfactory to Authority staff for determining the recovery rate of the Blue Box Program through to the transition in 2025. The plan shall include a detailed methodology for calculating generated tonnes considering the proposed elimination of steward supply-to-market reporting to SO.
2. SO shall continue to undertake bale composition studies until an alternative is presented that is satisfactory to Authority staff.

On April 8, 2022, SO submitted the Plan for Calculating the Program Recovery Rate, which outlines the steps SO will take to ensure continued performance monitoring of the Blue Box Program through transition to wind up. The plan confirms that the total amount of Blue Box material that is generated in Ontario for recycling under the Blue Box Program is to be determined using data from annual curbside and depot waste characterization studies reflecting a representative selection of participating communities.

As outlined in the Plan for Calculating the Program Recovery Rate, SO will continue to cooperate with the Continuous Improvement Fund (CIF) and host communities to implement the annual waste characterization studies program through to 2024.



On April 8, 2022, SO further submitted the Plan to Address the Continuation of Bale Audits. With the elimination of the Four-Step Methodology for setting steward fees, SO has established that physical audits of bales of recovered Blue Box material at material recovery facilities are not necessary for reporting on the performance of the Blue Box Program. SO will continue to support the process for calculating the weight of recovered Blue Box materials.

Authority staff have assessed SO's submissions and deem both conditions of approval of the Revised Fee Setting Methodology Addendum to be satisfied. In accordance with the WDTA, this approval will be published on the Authority's Registry. Copies of the plans will be made available upon request.

SO may communicate the Authority's decision to approve the plans to satisfy the conditions of the Revised Fee Setting Methodology Addendum only after the Authority publishes its decision. The Authority will work with SO to develop a coordinated communications strategy including the date on which SO may communicate the Authority's approval with conditions to stakeholders.

Finally, on behalf of the Authority, I would like to express my appreciation for the diligence and cooperation of SO staff working closely with RPRA staff in reaching yet another critical milestone. We look forward to continuing the collaborative approach established between SO and RPRA in the successful implementation of the wind-up plan.

Sincerely,

Frank Denton  
CEO, Resource Productivity and Recovery Authority

c: Robert Poirier, Chair, RPRA Board of Directors  
Lyle Clark, Executive Director, SO  
Barbora Grochalova, Senior Resource Recovery Program Analyst