

Proposed 2025 RPRA program fees for Electronics, Lighting and Batteries

October 23, 2024



About RPRA

The Resource Productivity and Recovery Authority (RPRA) is a regulator mandated by the Ontario government to:

1. Support the transition to a circular economy by winding up and transitioning legacy waste diversion programs under the *Waste Diversion Transition Act, 2016* (WDTA) and implementing a producer responsibility framework under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA)
2. Provide digital registration and reporting services for the province's Excess Soil and Hazardous Waste programs under the *Environmental Protection Act* (EPA), as directed by the Minister

As an administrative authority of the Government of Ontario, RPRA does not receive any government funding and funds its operations through fees charged to regulated parties to recover its costs to deliver its mandate.

Proposal scope

- This proposal is provided for information and to obtain feedback on proposed 2025 Electronics, Lighting and Batteries program fees.
- Fees are being proposed in advance of the calendar year in which they will apply.
- Final RPRA program fees will be posted on **December 1, 2024**, and will take effect on **January 1, 2025**.
- RPRA's 2025 budget, on which all 2025 RPRA program fees are based, has been finalized as part of the [2025 Business Plan](#).
- This presentation provides key financial information excerpted from the [2025 Business Plan](#) that will provide stakeholders with financial and contextual information to inform feedback.

Consultation process

- RPRA's legislative framework requires RPRA to consult on proposed program fees for 45 days and post the final fees for 30 days before they come into effect.
- The consultation on proposed 2025 program fees began on **September 27** and ends on **November 12, 2024**.
- You can send feedback to consultations@rpra.ca anytime until **November 12, 2024**.
- The recording will be posted to the [consultation webpage](#) on RRPA's website following the webinar.
- The finalized 2025 program fees and a consultation report summarizing feedback received during the consultation will be posted to RPRA's website on or before **December 1st**, and stakeholders will be notified of the posting.
- For more information on the consultation process, visit RPRA's [consultation webpage](#).

What do RPRA's program fees support?

RPRA's program fees support the delivery of RPRA's mandate, which consists of the following overarching deliverables:

- **development and ongoing maintenance of registries**
- **operating registries and support to registrants**
- **compliance and enforcement of resource recovery requirements**
- **public reporting of registry data and RPRA's compliance activities**
- **oversight of the operation and wind up of legacy waste diversion programs and industry funding organizations under the *Waste Diversion Transition Act (WDTA)***

[RPRA's Strategic Plan](#) contains RPRA's overarching strategic goals and objectives, and the strategies employed to achieve those goals and objectives.

RPRA's strategic goals

RPRA's budget is driven by its strategic goals:

- **Accessible registry services that provide value to registrants**
- **Effective enforcement that supports waste reduction and a healthy resource recovery sector**
- **Trusted and useful public information about resource recovery, waste and RPRA activities**
- **A connected culture where employees can grow and do meaningful work**
- **Robust internal systems and processes that remain innovative and adaptable to change**

Select new 2025 planned activities supported by RPRA program fees

The full list of RPRA's key new planned activities for 2025 is published in [RPRA's 2025 Business Plan](#). A selection of activities is summarized below:

- Finalize and implement a registry service delivery model, including proposed service standards
- Improve the efficiency of RPRA's billing and payment processes
- Establish working groups for collaboration with other Canadian producer responsibility regulators
- Develop and implement new collection and performance-related system guidelines
- Develop and launch new public-facing website about Ontario's circular economy
- Develop and implement audit procedures, in consultation with stakeholders

The noted new activities are in addition to ongoing improvements to day-to-day service delivery across all our departments, including registrant support, data analytics, finance, and IT.

RPRA's approach to fee setting

RPRA's [General Fee Setting Policy](#) provides guidance for setting fees.

There are four main steps to determining program fees:

- 1. Annual budget setting**
- 2. Allocation of costs to individual programs**
- 3. Subtraction or addition of programs' prior year surplus or deficit**
- 4. Application of each program's fee model**

For more information about RPRA's approach to fee setting, visit the [fees webpage](#) on the RPRA website.

RPRA's cost allocation methodology

The cost allocation methodology distributes RPRA's annual total cost recovery target between programs to fairly recover costs related to each program, and to avoid registrants from any one program subsidizing the costs of another program.

RPRA's cost allocation methodology divides the organization's overall costs into two categories:

- **Direct costs** are attributable to a specific program, including registry amortization and interest, registry foundational costs and interest, professional fees, and certain IT and registry-related expenses.
- **Common costs** cannot be directly attributed to a program as they are either indirect costs or shared service costs. Common costs are divided up among the programs using key cost drivers, such as number or registrants (for HWP and excess soil registries) or number of producers (producer responsibility programs)
 - **Indirect costs** include board remuneration, non-registry amortization, leadership and certain administrative salaries, and office supplies
 - **Shared service costs** include staff salaries and benefits, IT services and support, and software licenses.

Annual contribution to RPRA's contingency reserve is allocated to each program based on the program's share of total budgeted cost recoveries.

Fee revenue sources

RPRA recovers its costs by setting and collecting program fee revenues from three sources:

1. **Producer responsibility program registrants**

Fees to producers that are required to register and report to RPRA under the RRCEA regulations.

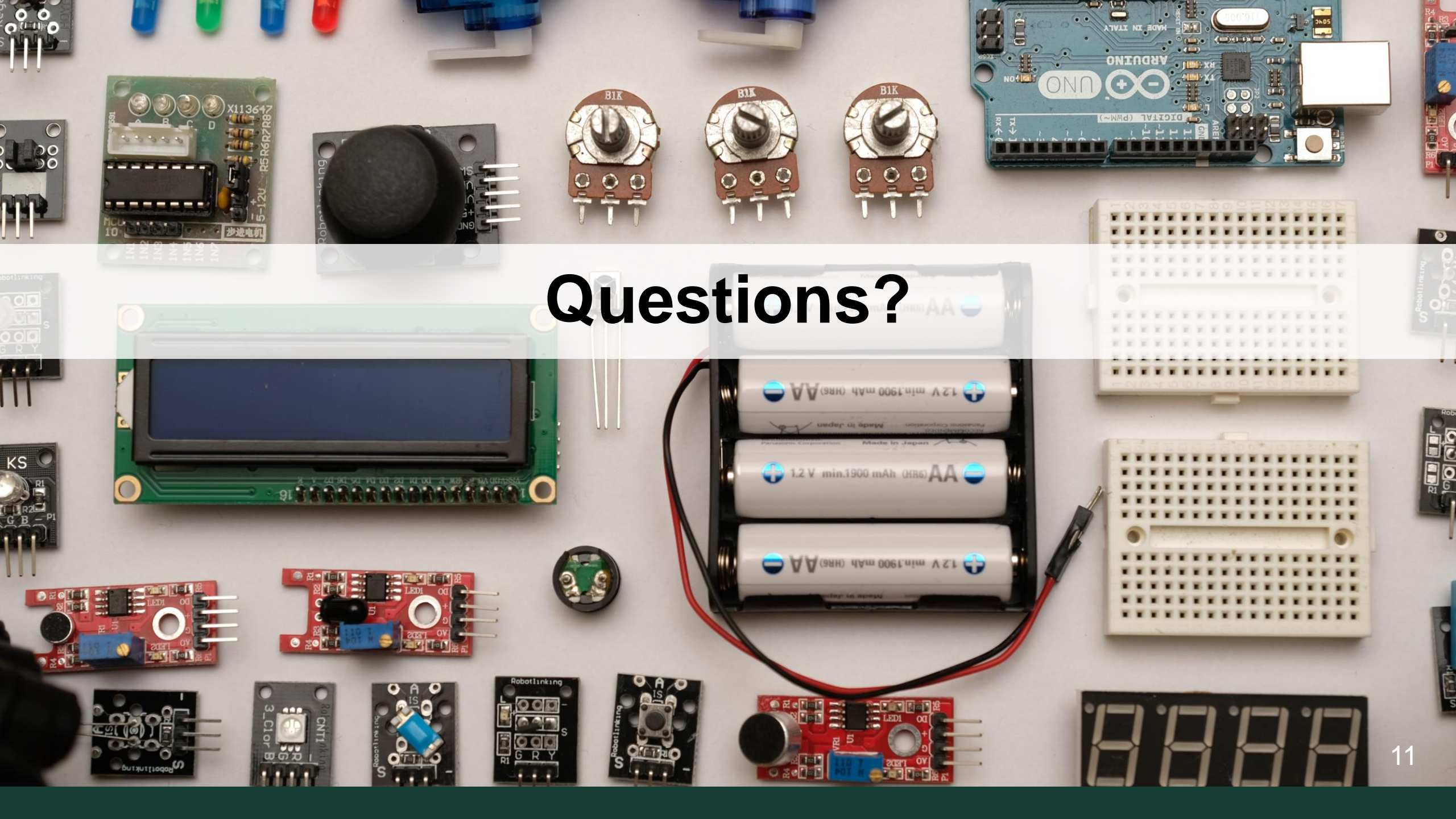
2. **Excess Soil and Hazardous Waste Program registrants**


Fees to parties obligated to register and report through RPRA's Excess Soil and Hazardous Waste Program (HWP) registries. The Ministry of the Environment, Conservation and Parks is responsible for compliance activities related to these programs.

3. **Waste Diversion and Transition Act, 2016 (WDTA) programs**

Monthly cost recovery charges to industry funding organizations (IFOs).

Questions?





**2025 budget, program
cost recovery targets,
and surplus/deficit
applications**

2025 budgeted revenue requirement excluding surplus or deficit adjustments

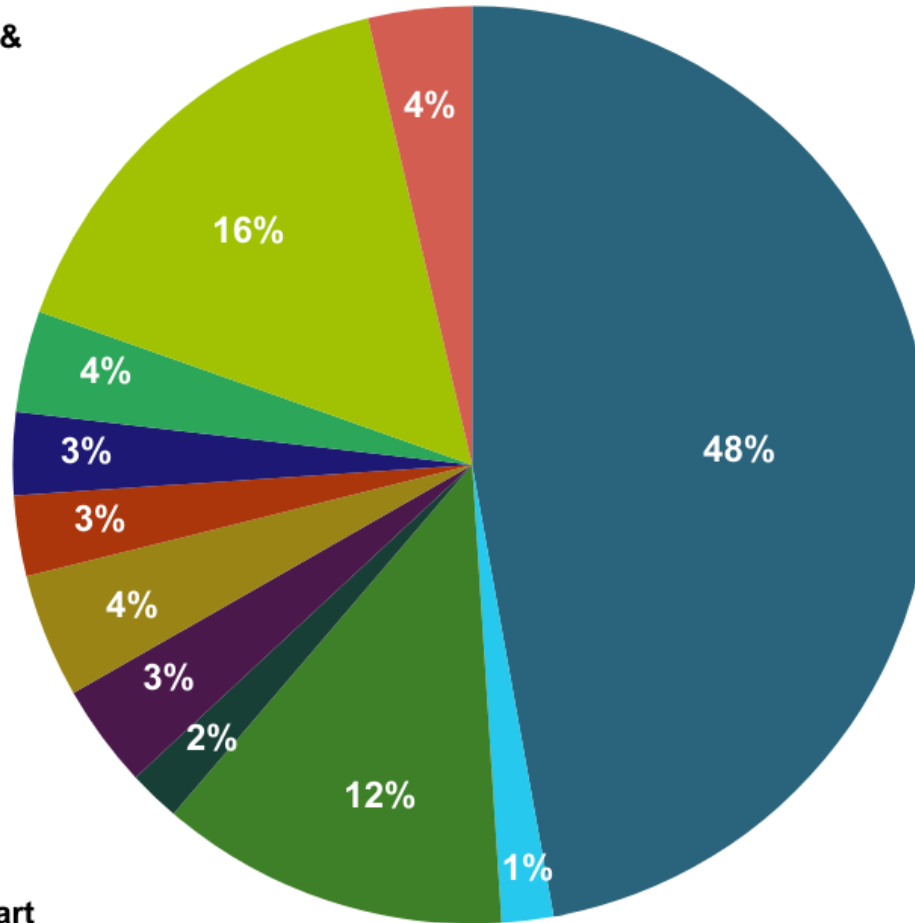
Program allocations	2024 budgeted revenue requirement	2025 budgeted revenue requirement	Notes
Producer responsibility programs (tires, batteries, electronics, hazardous and special waste (HSP), lighting, Blue Box materials)	\$15.2 M	\$16.8 M	The increase in cost recovery targets for registry programs reflects the increased resourcing costs for service and administration of the registry, increased resources to support compliance and enforcement activities, and required technology investments. The Blue Box program needs have driven \$1.2M of \$1.4M increase in the producer responsibility program increase.
Excess soil and hazardous waste registry programs	\$8.9 M	\$9.1 M	
Sub-total – registry programs	\$24.1 M	\$25.9 M	
WDTA programs	\$1.7 M	\$1.3 M	Cost recovery target for WDTA programs will eventually reach zero in future years, once all programs are fully wound-up.
Total RPRA Budget	\$25.8M	\$27.2M	RPRA's budget increased by 5% compared to the 2024 budget – in line with the 2025 forecast published in RPRA's 2024 business plan .

RPRA's 2025 and 2024 Budgets

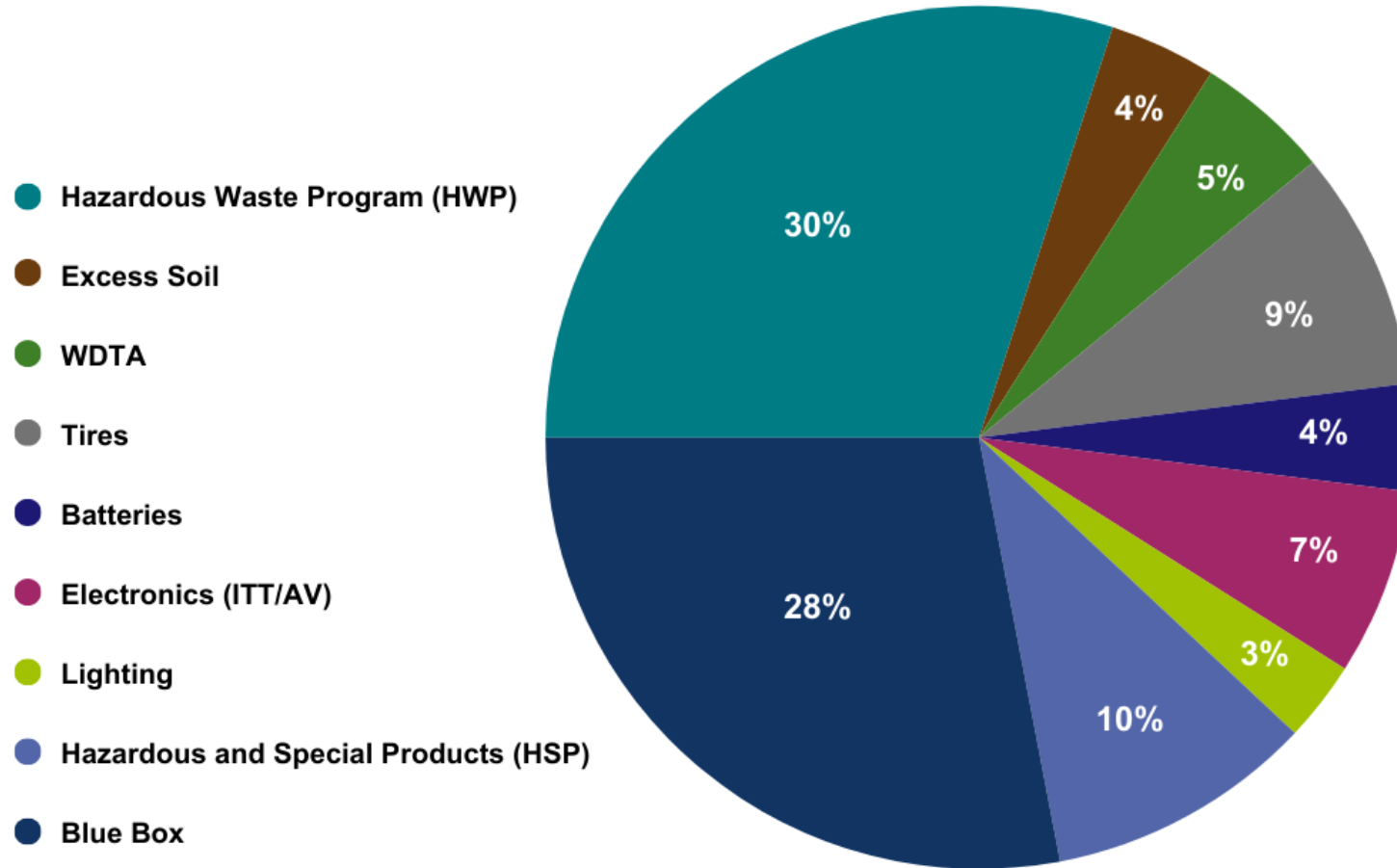
	2024 Business Plan	2025 Business Plan
In Millions \$	2024 Budget	2025 Budget
Revenues		
Cost recovery	24.6	26.1
Recovery of reserve contribution	1.2	1.0
Recovery of start-up costs	0.1	0.1
Interest income	-	0.2
Recovery of prior year's expenses	0.5	0.3
Total Revenues	26.4	27.8
Expenses - Direct, Indirect and Shared		
Salaries and benefits	11.5	12.9
Communications, data analytics & stakeholder engagement	0.4	0.3
Amortization	3.3	3.4
Board compensation and related expenses	0.5	0.5
Rent	0.9	0.9
Interest	1.4	1.2
Other operating	0.7	0.8
Professional fees	1.1	1.0
Compliance and registry support	0.8	0.8
Registry and IT	4.0	4.4
Total Expenses	24.6	26.1
Excess of Revenues over Expenses	1.8	1.6
Total Expenses	24.6	26.1
Reserve recovery and RRCEA start up recovery (add to total expenses)	1.3	1.1
Total Revenue Requirement (including contribution to reserve and RRCEA start up deficit)	25.8	27.2

2025 budgeted expenses (\$26.1 Million)

- Salaries and benefits
- Communications, data analytics & stakeholder engagement
- Amortization
- Board compensation and related expenses
- Rent
- Interest
- Other operations
- Compliance and support
- Professional fees
- Registry and IT
- Reserve recovery and RRCEA start up recovery



2025 program cost allocations



62% - producer responsibility programs

33%- Excess soil and HWP registries

5% - WDTA

Application of program surplus or deficit

- Program surpluses or deficits occur when annual revenue for a program (the amount of fees collected from registrants) exceeds or falls short of the program's cost recovery target.
- Surpluses and deficits for each program are applied to the cost recovery target two years after they occur and may be applied over the span of one or more years, with a goal of minimizing annual fee fluctuations for the program.

Electronics and batteries programs surplus/deficit:

- \$617K of a \$900K surplus accrued in 2023 from the batteries and electronics programs has been applied to reduce the proposed 2025 cost recovery target.
- Any program surplus or deficit amounts incurred in 2024, may be applied (in part or in full) to the program's cost recovery target for 2026, and the amount will be communicated in the 2026 fees proposal for consultation released next fall.

Lighting program surplus/deficit:

- A surplus of \$137K from 2023 is proposed to be held back to even out fee fluctuations in future years, given that a small deficit is currently forecast for the program in 2024
- If there is determined to be a surplus or deficit in the lighting program for 2024, RPRA will consider applying it to the lighting program cost recovery target for 2026, and the amount will be communicated in the 2026 fees proposal for consultation released next fall.

2024-2025 program recovery targets, including surplus-deficit application

Program	2024 program allocation	2024 recovery of prior year deficit / refund of prior year surplus	2024 recovery target	2025 program allocation	2025 recovery of prior year deficit / refund of prior year surplus	2025 Recovery Target
Tires	\$2.37M	(\$43,891)	\$2,327,553	\$2,490,919	\$(94,715)	\$2,396,204
Batteries & ITT/AV	\$2.92M	(\$367,469)	\$2,559,514	\$3,080,626	\$(617,382)	\$2,463,244
Lighting	\$0.90M	\$318,471	\$1,220,144	\$920,965	\$ - *	\$920,965
HSP	\$2.49M	\$74,118	\$2,568,958	\$2,559,771	\$ - *	\$2,559,771
Blue Box	\$6.52M	(\$597,025)	\$5,921,321	\$7,721,814	\$(917,523)	\$6,804,291
Excess Soil	\$1.14M	\$1,105,745	\$2,241,916	\$1,138,659	\$793,756	\$1,932,415
HWP	\$7.81M	\$517,823	\$8,331,344	\$8,012,790	\$318,242	\$8,331,031

* No program surplus or deficit amount applied to the recovery target of these programs in 2025

Breakdown of the electronics and batteries program revenue requirement

Electronics and batteries	
Direct costs	\$0.12M
Indirect and Shared costs	\$2.83M
Reserves and Start-up recovery	\$0.13M
Surplus/deficit	(\$0.62M)
Total revenue requirement	\$2.46M

Breakdown of the lighting program revenue requirement

Lighting	
Direct costs	\$0.04M
Indirect and Shared costs	\$0.84M
Reserves and Start-up recovery	\$0.04M
Surplus/deficit	-
Total revenue requirement	\$0.92M

**Proposed 2025 fees
for Electronics,
Lighting and Batteries
producers**



Proposed 2025 fee model for producer responsibility programs

- **RPRA's producer responsibility program fee model**, unchanged from 2024, consists of:
 - a **nominal fixed flat fee** for small producers (under a program-specific supply threshold)
 - a **variable per kg or per tire rate** for all other producers
- By including variable quantity-based rates, RPRA's proposed fee model is aligned with the government's objective to hold producers responsible for the products and packaging they supply into the market when consumers are finished using them.
- The proposed fee model follows **RPRA's General Fee-Setting Principles**, outlined in the [General Fee Setting Policy](#), including:
 - **Equity:** Protects small producers and registrants from excessive burden, ensures large producers and registrants pay fees that reflect the relative quantity of material they supply into the Ontario marketplace, and ensures that no producers have a competitive advantage on a per product basis.
 - **Simplicity and Predictability:** Per kg/unit variable fees are aligned with regulatory requirements for producers to report by weight/unit and enable revenue estimates based on estimates of future supply volumes.

2025 electronics and batteries program fee proposed for consultation

Program	Registrant	Proposed 2025 fee	2024 fee	Change
Electronics (ITT/AV)	Producer: 6360 Kg or less	\$95 flat fee	\$90	5.6%
	Producer: > 6360 Kg	\$0.033 per Kg	\$0.037 per Kg	-11.1%
Batteries	Producer: 6250 Kg or less	\$95 flat fee	\$90	5%
	Producers: >6250 Kg	\$0.033 per Kg	\$0.037 per Kg	-11.1%

Key take-aways

- RPRA is proposing a 5.6% increase in the flat fee for small producers in RRCEA programs, reflecting the overall the budget increase
- The volume of batteries and electronics supplied are rolling averages of 2021, 2022 and 2023, net of the number of kg that the producer is permitted to count toward a reduction in the management requirement under the regulation

Supply volumes predicted for 2025:

- **Batteries:**
 - 105 small producers (up to 6250 Kg)
 - 49 large producers (>6250 Kg): 6,997,370 Kg (decrease of 8%)
- **Electronics:**
 - 28 small producers (up to 6360 Kg)
 - 165 large producers (>6360 Kg): 67,519,712 Kg (increase of 11%)

Breakdown of electronics and batteries program fee rate change

Electronics and Batteries	
Factors affecting fee rate	% change to fee rate
Increase-in 2025 program allocation	↑ 5.6%
Estimated electronics and batteries supply volume increase	↓ -7.9%
Change in surplus applied from previous years	↓ -9.1%
2025 small producer count	↓ -0.1%
Total decrease in electronics and batteries 2025 fee rate	-11.1%

2025 lighting program fees proposed for consultation

Material Group	Registrant	Proposed 2025 Fee	2024 Fee	Change
Lighting	Producer: 1166 kg or less	\$95 flat fee	\$90 flat fee	5.6%
	Producer: > 1166 kg	\$0.193 per kg	\$0.319 per kg	-39.6%

Key take-aways

- RPRA is proposing a 5.6% increase in the flat fee for small producers in RRCEA programs, reflecting the overall the budget increase
- The volume of lighting supplied is the average of volume supplied in 2021, 2022 & 2023 – supply volume is significantly higher compared to estimates staff made in 2023 – this is a result of a significant amount of tonnage registered in 2024 as a result of a major adjustment

Supply volume predicted for 2025

- 20 small producers (up to 1166 Kg)
- 52 large producers (> 1166 Kg): 4,773,198 Kg (increase 25%)

Breakdown of proposed year-over-year lighting program fee change

Lighting	
Factors affecting fee rate	% change in fee rate
Increase in 2025 program allocation	↑ 1.3%
Supply volume increase	↓ -19.9%
Change in deficit recovery from prior year	↓ -20.9%
2025 small producer count	0.0%
Total increase in Lighting 2025 Fee	-39.6%

Feedback

- If you have questions about the proposal or would like to discuss it in more detail, email us at consultations@rpra.ca.
- All feedback received will be considered in our decision-making process for setting the fee rates.
- The finalized 2025 program fees and a consultation report summarizing feedback received during the consultation and how RPRA considered that feedback will be posted to RPRA's website on or before **December 1st**, and stakeholders will be notified of the posting.
- **Email your feedback to consultations@rpra.ca on or before November 12th, 2024**

A close-up photograph of a person's hands typing on a silver laptop keyboard. The laptop screen is dark and mostly obscured by a semi-transparent grey rectangular overlay. The background is a blurred indoor setting with a window and some greenery. The text 'Help us improve our webinars' is centered in white, bold font within the grey overlay.

**Help us improve
our webinars**

A man in a blue polo shirt with yellow and green stripes, wearing glasses and a black headset with a microphone, is looking down. In the background, a woman is also wearing a headset. The scene appears to be a call center or a training session.

Questions?