

O. Reg. 30/20: Batteries

Understanding Ontario's New Batteries Regulation

March 10, 2020

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Webinar Interface

Understanding Ontario's New Batteries Regulation

Tuesday, March 10, 2020 1:00 PM EDT

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Q&A Tech Support

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During this webinar, we will walk through Ontario's new Batteries Regulation and help those affected by it meet their obligations and participate in the new market for recycling, reusing and refurbishing batteries.

For more information, visit our website: <https://rpri.ca/learn/>.



To ask a question at any time during the presentation or for technical assistance, type your question in the text box and press 'Enter.'

Agenda

1. What is changing?
2. What is a battery?
3. Who are the key players?
4. Registration, reporting, promotion & education
5. How can a PRO work with batteries stakeholders?

Batteries: What is Changing?



Key Changes

- On June 30, 2020 Stewardship Ontario's single-use battery recycling program is ending
- On July 1, 2020 battery producers (formerly called "stewards") will be individually accountable and financially responsible for collecting and reusing, refurbishing or recycling their batteries when consumers discard them
- New system is based on individual producer responsibility (IPR) regulated by RPRA
- New program applies to both single-use (primary) and rechargeable batteries

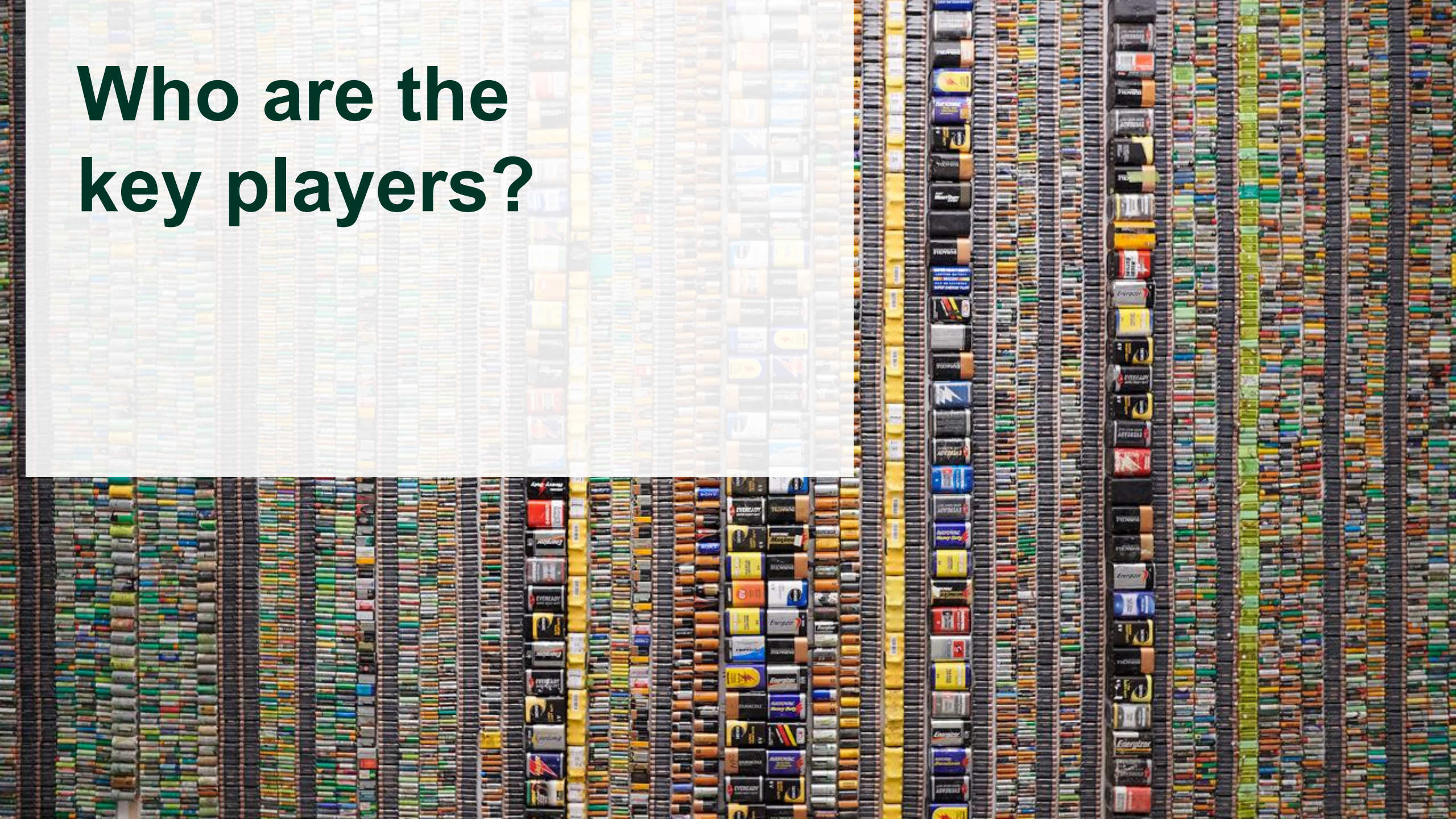
What is a battery?

- Rechargeable and single-use batteries 5 kg or less (< or = to 5 kg), and sold separately from products
- Supplied into Ontario, regardless of end user (i.e., includes Industrial, Commercial and Institutional)

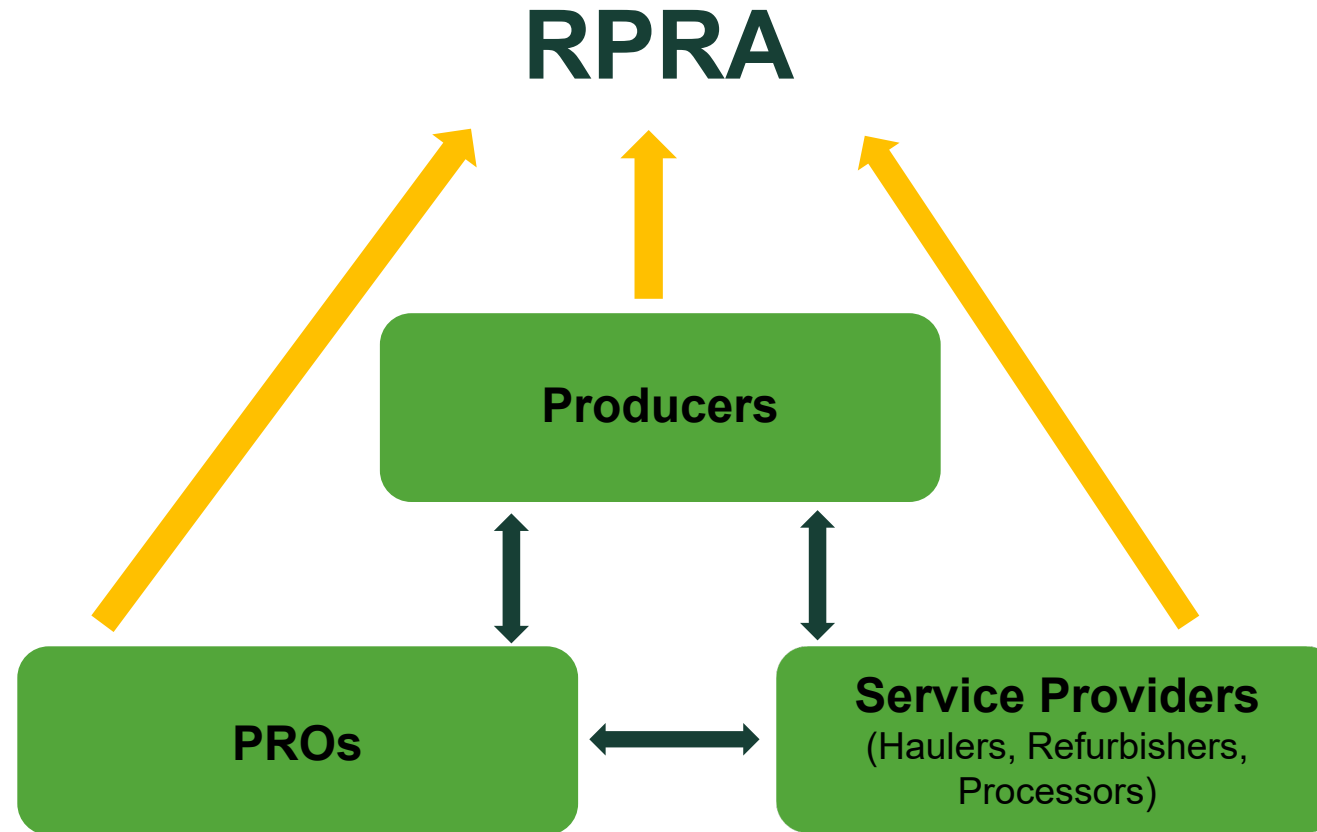


- For example, button cells, AA, AAA, C, D, 9V, lantern batteries, Small Sealed Lead Acid batteries, replacement batteries for products (e.g., drill, cell phone, laptop)
- Does not include batteries
 - sold with or in products (e.g., battery sold with or in drills, cell phones, laptops, toys, vapes, fire alarms)
 - over 5 kg (e.g., car batteries, forklift batteries, stationary batteries)

Who are the key players?



Who are the key players?



The Resource Productivity and Recovery Authority

- Regulatory body created by the Ontario government to enforce new IPR requirements
- The Registrar is responsible for:
 - establishing and operating an electronic registry; and
 - overseeing compliance by producers and service providers (haulers, refurbishers, processors, and PROs)
- RPRA is **not** replacing Stewardship Ontario.
- We will not:
 - contract with producers and service providers
 - collect money from producers to pay service providers
 - pay incentives
 - set environmental handling fees (EHF) for batteries

Producers

- A person is considered a battery producer if they supply batteries into Ontario and is:
 - a brand holder resident in Canada (not just Ontario)
 - the importer resident in Ontario, if there is no resident brand holder
 - the person resident in Ontario marketing the batteries to Ontario consumers, if there is no resident importer
 - the non-resident marketer, if there is no resident marketer
- Resident in Ontario or Canada means having a permanent establishment as defined in the *Income Tax Regulations*

Producers – Management of Batteries (Resource Recovery)

- Every producer shall establish and operate a system for managing batteries
- Producers must ensure that every battery picked up from a collection site, regardless of whether it is part of the producer's collection system, is managed (reused, refurbished or processed) within three months of the pickup date
- Managed means reused, refurbished or processed (i.e. is now a recovered resource)
- Recovered resources are:
 - materials used or destined to be used by a person for the making of new products or packaging;
 - materials used to enrich soil;
 - materials used as aggregate (**up to a 15% max**); and
- The weight of the recovered resources may only count once, and the following cannot be used to satisfy the management requirements under the Batteries Regulation:
 - materials that are land disposed, incinerated or used as fuel or a fuel supplement; and
 - materials that are stored, stockpiled, used as a daily landfill cover or otherwise deposited on land.

Performance Periods

- From **July 1, 2020** to **December 31, 2021**, every producer shall make best efforts to meet their management requirement, as calculated in the Batteries Regulation. This means that producers must make best efforts to reuse, refurbish, or recycle 40% of the batteries they supply in Ontario.
- This applies to both single-use and rechargeable battery producers
- Subsequent performance periods are based on calendar years, starting with 2022
- Management requirements will be calculated based on supply data
 - The first two performance periods are based on “best efforts” (July 1, 2020 to December 31, 2021, and calendar year 2022)
 - The percentages will increase for the third and again in the fourth performance years

Battery Management Requirements

Single-Use Batteries

Performance Period	Management Requirement	Calculation
July 1, 2020 to December 31, 2021	Best efforts – 40%	$[(2018 + 2019) / 2 \times 0.4] \times 1.5$
2022	Best efforts – 40%	$[(2018 + 2019 + 2020) / 3 \times 0.4]$
2023	40%	$[(2019 + 2020 + 2021) / 3 \times 0.4]$
2024	45%	$[(2020 + 2021 + 2022) / 3 \times 0.45]$
2025	50%	$[(2021 + 2022 + 2023) / 3 \times 0.5]$
And so on		

Rechargeable Batteries

Performance Period	Management Requirement	Calculation
July 1, 2020 to December 31, 2021	Best efforts – 40%	$[(2018) \times 0.4] \times 1.5$
2022	Best efforts – 40%	$[(2018 + 2019) / 2 \times 0.4]$
2023	40%	$[(2018 + 2019 + 2020) / 3 \times 0.4]$
2024	45%	$[(2019 + 2020 + 2021) / 3 \times 0.45]$
2025	50%	$[(2020 + 2021 + 2022) / 3 \times 0.5]$
And so on		

Producer exemptions – Step 1 – management requirement

Single-Use Battery Producers					
Performance Period	Management Requirement	Calculation of Management Requirement	Supply Data Reported	Report Due	Exempt if average annual supply is not more than (kg)
July 1, 2020 to Dec 31, 2021	Best efforts - 40%	$[(2018+2019)/2 \times 0.4] \times 1.5$	2018 and 2019	November 30, 2020	6250
2022	Best efforts - 40%	$[(2018+2019+2020)/3 \times 0.4]$	2020	April 30, 2021	6250
2023	40%	$[2019+2020+2021]/3 \times 0.4]$	2021	April 30, 2022	6250
2024	45%	$[(2020+2021+2022)/3 \times 0.45]$	2022	April 30, 2023	5560
2025	50%	$[2021+2022+2023]/3 \times 0.5]$	2023	April 30, 2024	5000

Rechargeable Battery Producers					
Performance Period	Management Requirement	Calculation of Management Requirement	Supply Data Reported	Report Due	Exempt if average annual supply is not more than (kg)
July 1, 2020 to Dec 31, 2021	Best efforts - 40%	$[(2018) \times 0.4] \times 1.5$	2018	November 30, 2020	3125
2022	Best efforts - 40%	$[(2018+2019)/2 \times 0.4]$	2019	April 30, 2021	3125
2023	40%	$[(2018+2019+2020)/3 \times 0.4]$	2020	April 30, 2022	3125
2024	45%	$[(2019+2020+2021)/3 \times 0.45]$	2021	April 30, 2023	2770
2025	50%	$[(2020+2021+2022)/3 \times 0.5]$	2022	April 30, 2024	2500

Producer exemptions – Step 2 – What is my exemption?

- If I meet the weight based exemption, what am I exempt from?
 - Less than five employees
 - Exempt from everything
 - Five or more employees
 - Exempt from battery management requirements
 - Must still register
 - Must still report supply data



Questions?

Collection system requirements - Small vs. Large Producers

- Different management requirements for small and large producers
- A small producer is defined as someone who must manage:
 - more than 1.25 and less than 40 tonnes of rechargeable batteries, or
 - more than 2.5 and less than 80 tonnes of single-use batteries
- A large producer is defined as someone who must manage
 - 40 tonnes or more of rechargeable batteries, or
 - 80 tonnes or more of single-use batteries
- How to determine whether you are a small or large producer as of July 1, 2020:
 - Single-use batteries = $[(2018 \text{ supply weight}) + (2019 \text{ supply weight}) / 2 \times 0.4] \times 1.5$
 - Rechargeable batteries = $[(2018 \text{ supply weight}) \times 0.4] \times 1.5$

Large Producers – Battery Collection System

- Starting **July 1, 2020**, obligated producers are required to establish and operate a collection system for their single-use or rechargeable batteries.
- Collection sites can be shared by producers
- All large producers must establish a collection system for their category of batteries as follows

Municipality with population greater than 1,000 and less than 500,000	Municipality with population greater than 500,000	Territorial district with population greater than 1000
At least one battery collection site for every 15,000 people or portion thereof	At least 34 battery collection sites for the first 500,000, and at least one battery collection site for every 50,000 people, or portion thereof, for the portion that surpasses 500,000	At least one battery collection site

Small Producers – Battery Collection System

- All small producers must establish one of the following collection systems for their category of batteries as follows:
 - In each municipality in which the producer has retail locations, the number of collection sites the producer must have must be equal to or greater than 75% of the number of retail locations in the municipality; OR
 - Similar requirements as large producers

Site Requirements – Battery Collection System

- Producers must ensure that consumers can drop off batteries free of charge at each site that is part of their collection system and must satisfy the following requirements:
 - If the battery collection site is not part of a retail location, it must accept all batteries.
 - If the battery collection site is part of a retail location, the site must accept, at a minimum, all batteries that are of a similar size and function and fall into the category of batteries supplied by the producer at that location.
 - The battery collection site must be readily accessible to the public and must be operated and accept batteries during normal business hours throughout the performance period.
 - The battery collection site must accept, at a minimum, up to 15 kg of batteries per day from any person.
 - If the battery collection site is not part of a retail location and the battery collection site accepts more than 15 kg of batteries from a person on a single day, the operator of the site shall record the person's name, contact information, and the weight of batteries accepted.

Battery Collection System - Alternatives

- Producers can reduce their accessibility requirements by providing the following options:
 - **Curbside collection:** A producer may reduce the number of collection sites required in a municipality or territorial district by the percentage of residences in the municipality or territorial district from which the producer collects batteries, at least four times per year (adequate collection containers must be provided at no charge).
 - **Mailback program:** A producer may reduce the number of collection sites in a municipality or territorial district by the percentage of batteries that the producer supplied in Ontario that allowed consumers to return used batteries in the manner they were supplied or by mail at no charge to the consumer.
 - **Events:** A producer may replace the number of collection sites required in a municipality by the number of events held, up to a maximum of 25%, provided each event is at least four hours and accepts all batteries.
- Regardless of the above reductions, there must be at least one site or one event in every municipality and territorial district with 1,000 people or more.

Haulers, Processors, Refurbishers

- A battery hauler is a person that arranges for transport of batteries (i.e., not necessarily the person who transports)
- A battery processor is a person that processes batteries. They must meet a prescribed recycling efficiency rate, verified in accordance with a registry procedure
- A battery refurbisher is a person who prepares or refurbishes used batteries for reuse (rare, usually lead acid)

* No battery collector concept, however, collection sites must be established for a producer to meet their collection and management system requirements

Producer Responsibility Organizations (PROs)

- A PRO is a service provider established to contract with producers to provide collection, management and administrative services to help producers meet their regulatory obligations under the Batteries Regulation, including:
 - Arranging the establishment or operation of battery collection and management systems (hauling, recycling, reuse or refurbishment services).
 - Establishing or operating a collection or management system
 - Preparing and submitting reports
- A battery processor is not a PRO if it only provides processing services to producers
- A battery refurbisher is not a PRO if it only provides refurbishing services to producers

Volunteer Organizations

A volunteer organization is a person who,

- (a) is a brand holder who owns a brand that is used in respect of batteries;
- (b) is not resident in Canada;
- (c) has registered in the Registry in accordance with subsection 19 (5); and
- (d) has entered into a written agreement with a producer for the purpose of carrying out one or more producer responsibilities relating to batteries under section 19, 22, 23 or 24

- A volunteer organization is not a producer
- Producers remain responsible for battery management
- We will work with producers and potential voluntary organization who want to pursue this arrangement



Questions?

Registration, Reporting, and Promotion & Education



Registration: Battery haulers, processors, refurbishers

- Register on or before **March 31, 2020**
- Service provider registration form includes:
 - Name, contact information, authority to bind, battery categories, types of processed materials (for processors), processing & refurbishing sites
 - Notify RPRA within 15 days if information changes
- Any battery processor who processed less than 300 tonnes of batteries in 2019 is exempt from the registration requirement
- To obtain a registration form contact the Compliance Team at registry@rpra.ca or call (647) 496-0530 or toll free (833) 600-0530

Registration: PROs

- No due date for registration; 30 days after being retained by a producer
- Encourage all PROs to register as soon as possible
- PRO registration form includes:
 - Name, contact information, authority to bind, battery categories, who has been retained by the PRO and a description of what they have been retained for
 - Notify RPRA within 15 days if information changes
- Interested PROs should contact the Compliance Team at registry@rpra.ca or call (647) 496-0530 or (833) 600-0530

Registration: Producers

- Register on or before November 30, 2020
 - Note: collection and management requirements begin July 1, 2020
- Producer registration includes:
 - Name, contact information, authority to bind, battery categories
 - The weight of single-use batteries supplied in 2018 and 2019
 - The weight of rechargeable batteries supplied in 2018
 - Weight of recycled content, if any
 - Producers can reduce their supply data up to a max of 50% if they use recycled content, provided it is verified in accordance with RPRA's Registry Procedure
 - E.g., 2% post-consumer recycled metal by weight in batteries supplied in 2020 means a 2% supply weight reduction for that year)
- Same requirements for new producers (30 days after marketing if after Nov 30, 2020) – required to provide date they first supplied batteries

Producers: Determining Battery Supply Data

- To determine how many batteries (units) producers supplied into Ontario, they can:
 1. Use actual units, or
 2. A formula based on Ontario population as set out in the Registry Procedure
- To determine the weight of the battery units supplied, they can:
 1. Use actual weight
 2. Use the weight conversion calculator as set out in the Registry Procedure (single-use batteries calculator is provided in the procedure; rechargeable battery weight conversion calculator to be developed in 2020)
- Producers may also bring forward their own methodology for the Authority to review
- Producers reducing their supply data based on recycled content in battery, must do so in accordance with the Registry Procedure, which requires a third-party verification report (starting in 2022)
- Battery supply data is provided by **November 30, 2020** and every year thereafter by **April 30**

Producer 2021 Report: Battery Supply Data, Collection & Management

- **April 30, 2021** (and every year thereafter) producers must submit
 - The weight of single-use batteries supplied in 2020
 - The weight of single-use batteries and the weight (if any), of post-consumer recycled content contained in the batteries supplied in Ontario for 2020
 - The weight of rechargeable batteries supplied in 2019
 - The weight of rechargeable batteries and the weight (if any), of post-consumer recycled content contained in the batteries supplied in Ontario for 2019.
- **April 30, 2021** producers (or PROs on their behalf) report:
 - The location of every collection site that is part of their collection system to satisfy the accessibility requirements
 - A description of their collection services (e.g., curbside)
 - Every hauler, processor and refurbisher that is part of their collection or management system

Producer: Annual Performance Reporting

- Beginning in 2022 (on or before April 30), producers or PROs on their behalf must report on their performance for the previous performance period (July 1, 2020 to December 31, 2021 is the first performance period), including the weight of batteries recycled, reused and refurbished. There is no audit required for the first performance period (July 1, 2020 to December 31, 2021).
- Beginning in 2024, producers (or PROs on their behalf), will be required to submit an audit verifying their performance reporting. The first audit of performance is due April 30, 2024 (based on the 2022 and 2023 performance periods).
- Performance is audited every three years for the previous three performance periods, meaning the second audit will be due on April 30, 2027 (for the performance years 2024, 2025 and 2026)

Service Provider: Annual Performance Reporting

- On or before April 30, 2022, PROs, haulers, processors and refurbishers report their performance for the first performance period (July 1, 2020 to December 31, 2021).
- PROs report: weight of batteries (by category) collected, refurbished and processed; and the number of collection sites and other collection activities.
- Haulers report: weight of batteries they picked up from each collection site; and, the weight they delivered to refurbishers and processors (includes batteries outside Ontario if applicable).
- Refurbishers report: weight of batteries received from haulers; weight of batteries sent to processors; weight of batteries refurbished (includes batteries outside Ontario if applicable).

Service Provider: Annual Performance Reporting (cont.)

- Processors report:
 - weight of batteries received from haulers;
 - weight of recovered resources;
 - a description of their process,
 - list of products or packaging made from the recovered resources (including material to enrich soil and material used as aggregate);
 - materials land disposed;
 - the processor's Recycling Efficiency Rate and verification report of RER (includes batteries outside Ontario if applicable).

Recycling Efficiency Rate (RER)

- “Recycling efficiency rate” (RER) means the ratio of the weight of resources recovered from batteries received by a battery processor, to the weight of batteries received by that battery processor
- Beginning in 2023, producers can only use a battery processor, for the purposes of meeting their management requirement, that is registered (unless exempt registration) and has:
 - At least 70% RER for rechargeable batteries
 - At least 80% RER for single-use batteries
- The verification of RER is conducted in accordance with the RPRA procedure

Management Requirement: Auditing

- The first audit of performance is due April 30, 2024 (based on two years only: 2022 and 2023 performance periods)
 - This means there is no audit for July 1, 2020 to December 31, 2021 performance – reporting of the management only.
- The performance is audited every three years for the previous three performance periods.
 - This means the next audit due (after the April 30, 2024 audit) is April 30, 2027.
- The audit is conducted in accordance with the RPRA procedure

Registry Procedure – Verification & Audit

- Section 1: verification of battery supply data
 - Verification of supply data and post-consumer recycled content is required starting with the April 30, 2022 report and is required every year thereafter.
- Section 2: battery management performance
 - Battery processors will calculate and verify the Recycling Efficiency Rate (RER) of their processing facilities; and
 - Producers, or producer responsibility organizations (PROs) on their behalf, will conduct third-party audits of the resources recovered from the management of batteries used and collected in Ontario.
 - Reminder: The first audit of performance is due April 30, 2024 (based on the 2022 and 2023 performance periods).
- We will consult further on these procedures in 2020

Processor List

- Every year, the processor reports their RER for the previous year
- RPRA will take these reports and calculate an average RER
- RPRA will publish a list of processors who producers can use to satisfy their management requirements

Annual report	Years reported on	Approved processor list published	Processor approval period
April 30, 2022	2021	June 30, 2022	2023 to 2025
April 30, 2023	2022 to 2024 (three-year average RER)	June 30, 2025	2026 to 2028
April 30, 2024			
April 30, 2025	2025 to 2027 (three-year average RER)	June 30, 2028	2029 to 2031
April 30, 2026			
April 30, 2027			
April 30, 2028			
And so on			

Promotion & Education

From July 1, 2020 to December 31, 2022, producers, at a minimum need to:

- Make reasonable efforts to raise public awareness of the producer's efforts to collect, reduce, reuse, recycle and recover batteries and to encourage public participation in those efforts;
- Publish and clearly displaying the following information on their website
 - The location of each battery collection site that is part of the producer's collection system, for each category of batteries, where consumers may return the batteries at no charge
 - A description of any collection services provided by the producer that are available other than at a battery collection site
 - A description of the resource recovery activities engaged in by the producer for each category of batteries in the course of managing the batteries



Questions?

Working with PROs and other service providers

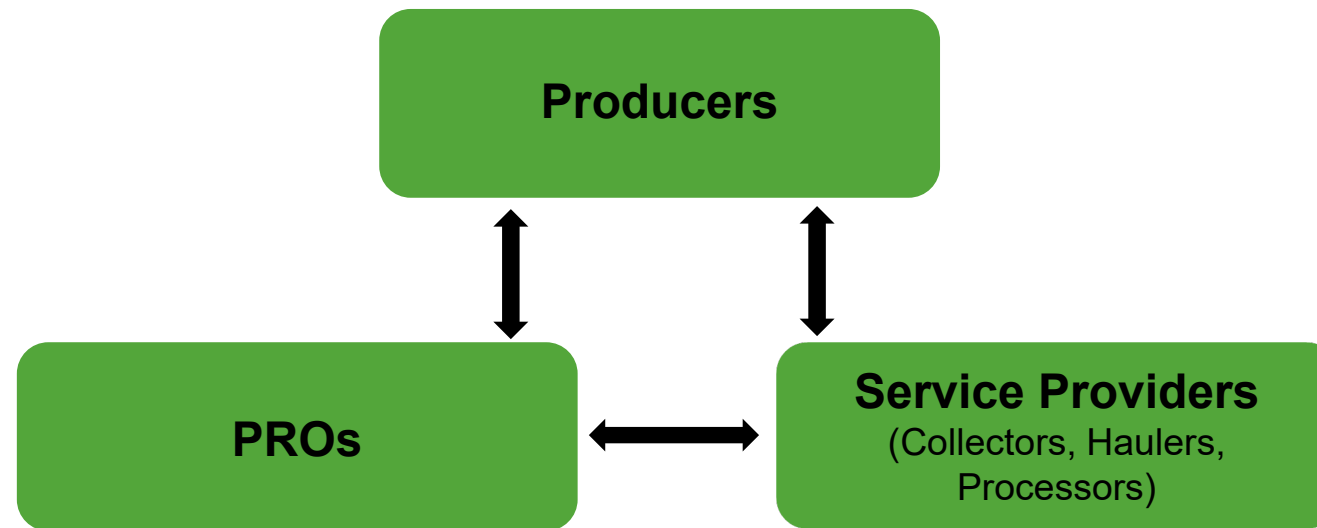


Producer Obligations

- As a producer, you will have management requirements and obligations.
- You can choose to meet these management requirements yourself or you can hire a PRO to do it for you, but these requirements must be in place by **July 1, 2020**.
- Do you need a PRO?
 - Unless you fall under the two producer exemptions, you will likely need the services of a PRO, unless you have your own recycling or refurbishing facilities.
- Regardless if you choose to retain a PRO to meet your management requirements, you're still legally responsible to meet those requirements

New World – New Market Relationships

RPRA



Producers and PROs

- A PRO can provide or arrange for collecting, hauling, refurbishing and processing of used batteries
- A PRO can submit the following information to the Registry on a producer's behalf:
 - The collection sites that make up the producer's battery collection system
 - The refurbishers and processors that make up the producer's battery management system
 - The weight of batteries (per category) recycled and refurbished towards the producer's performance requirement
- Given the number of PROs and other service providers operating in the marketplace, producers have options and should consider which PRO or service provider best meets their needs
- When entering into a contract with a PRO or other service provider, keep in mind you remain responsible for meeting your battery collection and management requirements
- Make sure you build in requirements relating to audit and verification

Service Providers and PROs

- On a producer's behalf, PROs can enter into commercial agreements with haulers, refurbishers, and processors for the collection and management of batteries
- PROs cannot report on behalf of service providers

PROs Registered with the Authority

As of March 4, 2020, two entities have registered as PROs with RPRA (see below). Continue to check rpra.ca/programs/batteries/ for updates to the list of registered PROs.

Ryse Solutions Inc. (Burlington, ON)
905-330-9206 | info@ryseinc.ca | <https://ryseinc.ca/>

Call2Recycle (Toronto, ON)
1-888-224-9764 | mmacdonald@call2recycle.ca |
<https://www.call2recycle.ca>

When do you need to find a PRO?

- If you plan to use a PRO or other service providers to meet your producer responsibilities, you should make those commercial arrangements as soon as possible
- While there are no explicit deadlines for retaining a PRO, you should give yourself sufficient time to arrange and manage your collection networks (whether on your own or with a PRO) so you can meet your collection and management requirements beginning **July 1, 2020**.



Questions?

Have more questions after the webinar? Please send them to our Compliance Team at registry@rpra.ca or call us at (647) 496-0530 or toll free at (833) 600-0530.

