



W2RO Submission:

Regulatory Amendments to Clarify Program Requirements and Improve Program Efficiency for Emissions Performance Standards (EPS) and GHG Reporting programs

ERO: 019-7649

January 15, 2023

Ministry of the Environment, Conservation and Parks
40 St. Clair Avenue West, Floor 8
Toronto, ON
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Re: Consultation on Proposed Amendments to Ontario's Emissions Performance Standards (EPS) Program and GHG reporting programs.

Waste to Resource Ontario (W2RO) appreciates the opportunity to provide feedback on the proposed amendments to Ontario's Emissions Performance Standards (EPS) program and GHG reporting programs. We collected feedback from our membership and ask that the Ministry of Environment, Conservation & Parks, Financial Instruments Branch collaborate and consult with the waste, recycling and resource recovery sector here in Ontario to better understand the impacts of these amendments.

We would like to first acknowledge the positive aspects of the proposed amendments. The tailored approach of the EPS program to suit Ontario's unique environmental and economic context is commendable. It promises to drive more effective and relevant emission reduction strategies, which are crucial for our sector. The economic efficiency aspect, promising significant cost savings over the federal policy, is particularly encouraging. This could spur much-needed investments in cleaner technologies and processes in our sector.

We welcome the proposed amendments to the Greenhouse Gas (GHG) Reporting amendments and the Guideline related to expanding eligibility for Renewable Natural Gas (RNG). This amendment, which allows RNG purchased by an EPS facility through a contract, and not used directly at the facility, to be deducted from the facility's verified emissions, is particularly relevant and advantageous for landfills in Ontario that produce RNG. By limiting eligibility to only RNG that is injected into the Ontario pipeline, it provides Ontario-based RNG producers the platform to build and grow Ontario supporting local businesses and fostering the growth of the Ontario market. Prioritizing Ontario-produced RNG aligns with our goals of supporting local businesses, waste to energy initiatives and more. This approach ensures that the benefits of the EPS program are more directly felt within Ontario, providing a boost to local RNG producers and contributing to the province's environmental objectives.

Additionally, the move towards clarifying program requirements and improving implementation is a welcome change. It could lead to more streamlined processes for compliance and reduce ambiguity, which has often been a challenge. The shift towards sector-based standards is also seen as a positive step, potentially leading to more equitable and industry-specific benchmarks for emission limits.

However, alongside these positive developments, there are challenges and concerns that we believe need to be addressed to ensure the sustainable growth of our sector:

- The potential financial burden of compliance, especially for smaller facilities, could be significant. Adapting to new standards and investing in new technologies might require substantial investment.

- The regulatory complexity that comes with the transition to sector-based standards, while beneficial in the long term, might introduce short-term complexities. This could require additional resources for compliance and reporting, which might not be readily available for all facilities, especially smaller ones.
- We are also concerned about the increased administrative burden due to more detailed reporting and documentation requirements.
- An important consideration is the impact on recycling economics. Increased compliance costs for certain materials might lead to higher costs for recycling services, which could in turn affect recycling rates.
- The risks of carbon leakage and the potential for some businesses to relocate should also be considered. This could have a significant impact on the local economy and job market.
- The uncertainty during transition periods to new standards and methods could temporarily impact operational efficiency. This period of adaptation needs to be managed carefully to avoid disruptions.
- Lastly, the potential market distortions that might arise from the introduction of sector-based standards and the generation of surplus credits could affect the economic dynamics within our sector.

To address these challenges, we propose the following recommendations:

1. To extend the consultation process on these proposed amendments and actively work with the waste, recycling and resource recovery sectors on this to address challenges and concerns to ensure that there is a smooth transition.
2. A gradual and phased approach to implementing new standards to allow adequate time for adaptation, especially for smaller facilities.
3. Additional support or incentives for all facilities to help them transition to new technologies and standards, thus ensuring an equitable playing field.
4. Ensuring that new regulations are communicated clearly and consistently to avoid confusion and ensure smooth implementation.
5. Establishing a mechanism for ongoing feedback and adjustment of the program based on real-world experiences and challenges faced by our sector.

In conclusion, while the proposed amendments to Ontario's EPS program & GHG reporting programs bring forward significant potential benefits, it is crucial to also consider and address the challenges they present. A balanced approach that fosters both environmental stewardship and economic viability is essential for the future of Ontario's waste, recycling, and resource recovery sector. Collaborative efforts between the Ministry, industry stakeholders, and W2RO can help address these concerns, strike a balance between efficiency and compliance, and ensure the ongoing success of this change.

Thank you for considering our members feedback and taking the time to address these important matters. We look forward to the continued improvement of waste management practices in Ontario.

If you require any further information or clarification, please do not hesitate to contact:

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