



Thinking
beyond
the box

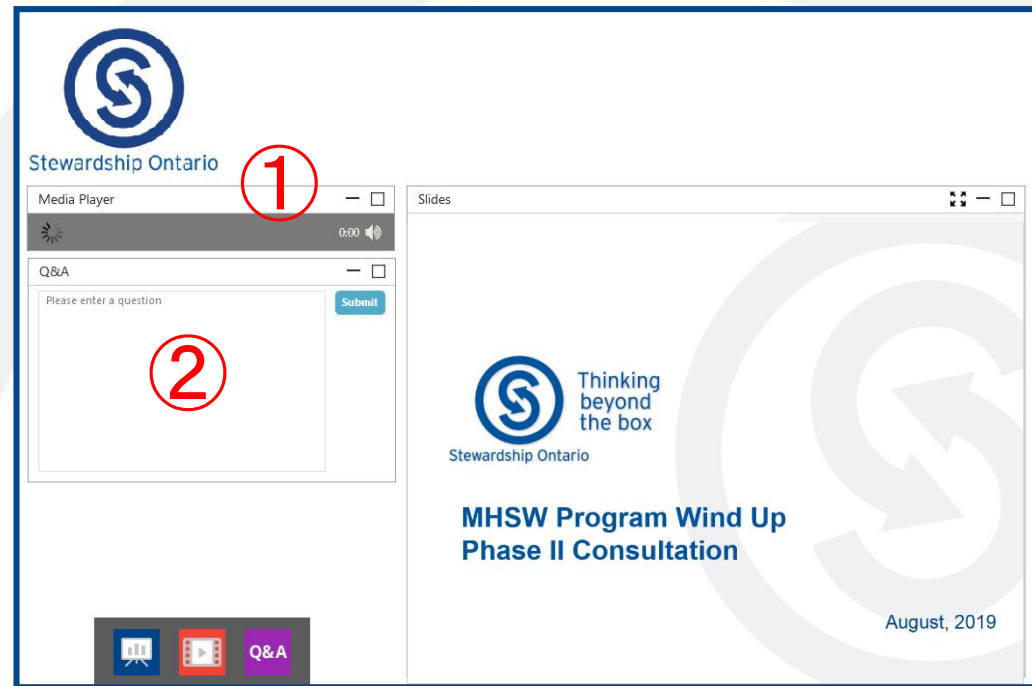
Stewardship Ontario

MHSW Program Wind Up Phase II Consultation

August, 2019

Webinar details

- Speaker advances slides
- Sound slider ①
- Questions/comments at 'Q&A' ② then click 'submit'
- If you have technical issues also let us know via 'Q&A' box



The screenshot displays a webinar interface with several key components:

- Stewardship Ontario Logo:** Located in the top left corner of the interface.
- Media Player:** A window titled "Media Player" with a volume slider and a "0:00" timer. A red circle with the number "1" is overlaid on the volume slider.
- Q&A Box:** A window titled "Q&A" containing a text input field with the placeholder "Please enter a question" and a "Submit" button. A red circle with the number "2" is overlaid on the input field.
- Slides Window:** A window titled "Slides" showing a slide with the Stewardship Ontario logo, the text "Thinking beyond the box", and the title "MHSW Program Wind Up Phase II Consultation". The date "August, 2019" is visible in the bottom right corner of the slide.
- Navigation Bar:** A bar at the bottom of the interface with icons for a chat window, a video player, and a "Q&A" button.

- **Tina Caputo**

Project Manager, MHSW Program Wind Up*

- **Doug Mander**

Consultant, MHSW Program Wind Up

- **Howard Morrison**

CFO, MHSW Program Wind Up

- **Cullen Hollister**

Director, MHSW Operations

- Program wind up process and Ministerial direction
- Overview of New MHSW Wind Up Plan proposals:
 - Updated MHSW financials
 - Fee elimination/reduction options (single-use batteries and pressurized containers)
 - Options to return surplus funds to consumers (other MHSW materials)
 - Managing residual program funds
 - Proposed operational schedules
- Other wind up proposals
- Next steps
- Questions

WDTA wind up process and MHSW Program



- Under the *Waste Diversion Transition Act* (WDTA), Industry Funding Organizations (IFOs), such as Stewardship Ontario, are obligated to develop wind up plans for submission to the Resource Productivity and Recovery Authority (RPRA) when directed by the Minister.
 - Ministerial direction related to an IFO program wind up can be changed throughout the wind up process.
- Based on Ministerial direction received in Feb 2018 (and Dec 2018), Stewardship Ontario consulted on a number of MHSW wind up proposals in April 2019 (Phase I Consultation) to inform submission of a Wind Up Plan to RPRA by June 30, 2019.
- New Ministerial direction, received July 2, 2019, replaced important elements of the previous Ministerial direction and extended the timeframe for submission of the Wind Up Plan to RPRA to September 30, 2019.
- Stewardship Ontario is now preparing a revised Wind Up Plan based on the new Ministerial direction and seeking stakeholder feedback on the proposals associated with that direction.

New Ministerial direction

- Termination date for all MHSW materials other than single-use batteries – moved from December 31, 2020 to June 30, 2021 (termination date for single-use batteries remains June 30, 2020).
- Wind Up Plan to include proposals to *return surplus program funds to Ontario consumers* in order to substantially eliminate the amount of surplus funds projected to be held in the program for any MHSW category once the program has ceased operations:
 - For categories managed by Stewardship Ontario, proposal to include rules governing a fee elimination (single-use batteries and pressurized containers);
 - For categories managed by ISPs, proposal to include options to return surplus funds to MHSM* consumers.
- Direction to return surplus funds to consumers replaces requirement in previous direction regarding the return of excess funds to stewards.
- Wind Up Plan to include a proposal to deal with any residual funds left in the program after return of surplus funds to consumers has been implemented and other financial obligations have been addressed.

Transition to RRCEA framework

Stewardship Ontario:

- Develops and submits MHSW Wind Up Plan to RPRA
- Implements MHSW Wind Up Plan once approved

RPRA (administers both WDTA and RRCEA):

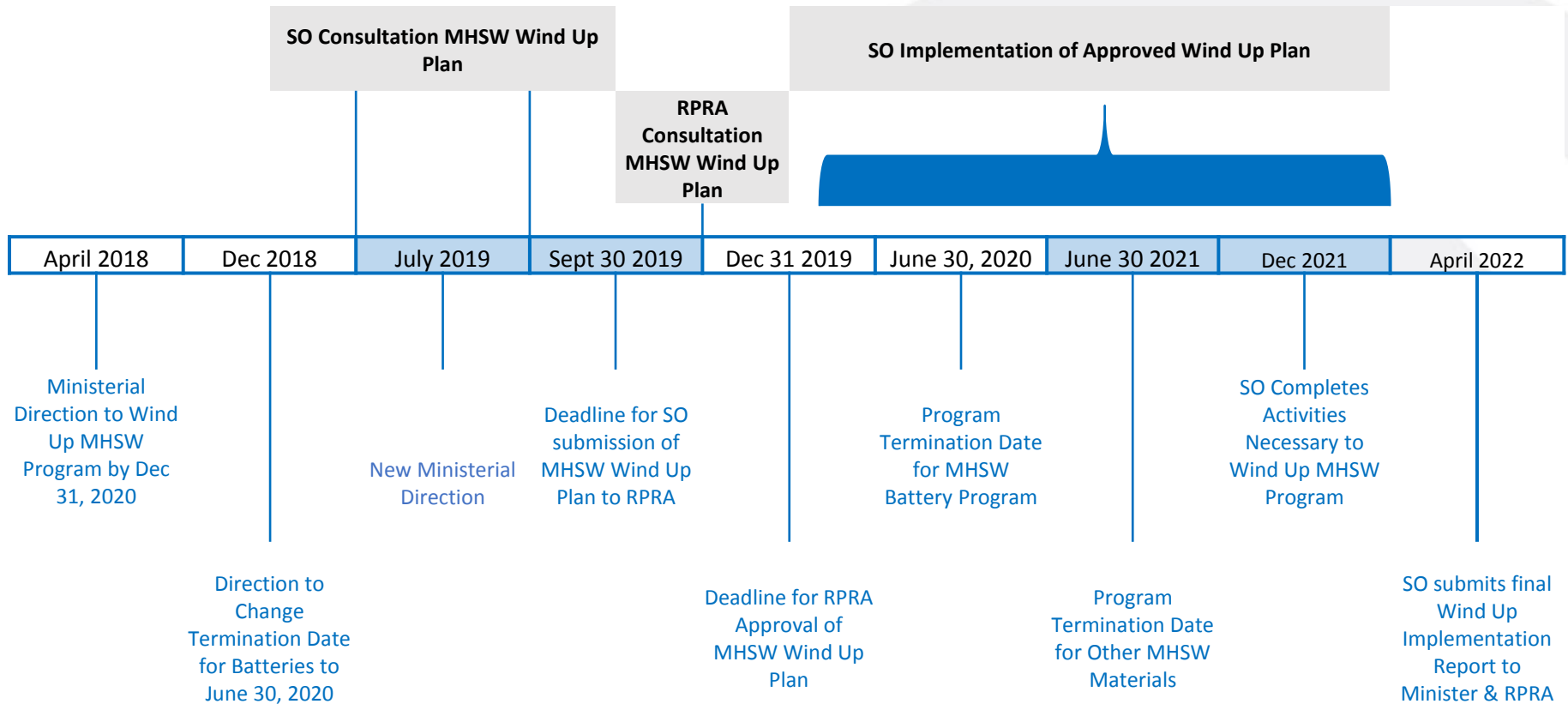
- Reviews and approves MHSW Wind Up Plan and oversees implementation
- Registers producers under RRCEA and oversees requirements

Ministry of Environment, Conservation and Parks (MECP):

- Minister initiates program wind ups under WDTA and provides direction on implementation
- Develops RRCEA regulations that define producer obligations

Updated MHSW wind up dates

MHSW Wind Up Plan process



MHSW Wind Up Plan must be consistent with statutory requirements and Ministerial direction



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Financials



Financial disclaimer

All financial projections, forecasts and options disclosed in this presentation, including forecasts and options relating to surplus amounts that may be available at the conclusion of the wind-up of the Municipal Hazardous or Special Waste program, are based on assumptions about future events and conditions that are not ascertainable at this time.

Therefore, the actual results achieved during the wind-up period may vary from the projections and forecasts and options disclosed herein, even if the assumptions materialize, and such variation may be material. Stewardship Ontario makes no representation, warranty or other assurance that any of the estimates, forecasts, projections or options will be realized.

MHSW 2018 financials

2018 MHSW Operating Results Overview

\$ Millions

Revenue

	Steward Fees	\$19.6
	Investment Income	0.4
Total		\$20.0

Expenses

	Direct Material Costs	\$12.3
	Promotion and Education	0.08
	Administration	3.3
	RPRF Fees	0.2
Total		\$15.9

Operating Surplus/(Deficit)

	CRA HST Refund *	29.4
Total 2018 Surplus		\$33.5

Accumulated MHSW Reserves as of December 2018

\$53.1

* CRA HST Refund represents claims for input tax credits for fees related to the MHSW Program since its inception in 2008.

MHSW 2018 reserves by material category

MHSW Reserves December 2018 Including HST Adjustments (\$'000)

	Accumulated Surplus	Deferred Revenue (2012)	Total Reserve Estimate December 2018
Antifreeze	\$1,583	\$527	\$2,110
Fertilizers	\$127	\$5	\$132
Oil Containers	\$9,779	\$715	\$10,494
Oil Filters	\$7,684	\$2,688	\$10,372
Paints/Coatings	\$11,793	\$3,141	\$14,934
Pesticides	\$58	\$11	\$69
Solvents	\$1,410	\$37	\$1,447
Pressurized Containers (Non-Refillable)	\$405	\$110	\$515
Pressurized Containers (Refillable)	\$286	\$2	\$288
Single-Use Batteries	\$5,393	\$1,903	\$7,296
Total Reserves Allocated by Material	\$38,518	\$9,139	\$47,657
MHSW General Unrestricted Reserves	\$3,329		\$3,329
MHSW Portion of Sustaining Fund	\$2,100		\$2,100
Total Unallocated Reserves	\$5,429		\$5,429
Total MHSW Reserve Dec 2018	\$43,947		\$53,086

MHSW Unallocated Reserves include \$2 million from 2018 HST adjustment with remainder of HST refund (\$27.4 million) allocated to material reserves.

Estimating available surplus funds in MHSW categories

- Implementation of both a fee elimination/reduction and return of surplus funds requires estimating available surplus funds in each MHSW category.
- Levels of surplus funds by category affected by:
 - Implementation of new common cost allocation methodology in 2019;
 - Forecasts of MHSW wind up costs, including contingencies for 2019 – 2021.

New common cost allocation (CCA) methodology

- ~\$3 million in common MHSW Program costs in 2018.
- Original program plan allocation of common costs:
 - 85% allocated in proportion to the direct costs of managing each material;
 - 15% shared equally across program categories.
- Based on discussions with RPRA, Stewardship Ontario will implement a new CCA methodology to address concerns related to the creation of ISPs and the migration of stewards to those programs since 2015:
 - 85% allocated in proportion to the direct costs of managing each material (no change);
 - 15% to be allocated by material category based on the relative share of stewards in that category.
 - Implemented retroactively to July 1, 2015 through material reserve adjustments:
 - Net impact on overall MHSW reserves will be zero but individual category reserves will increase and decrease (more on next slide).
 - Steward costs for Q3 2019 to reflect the CCA change going forward (October invoice).

Impact of new CCA methodology

Impact of MHSW Wind Up on Reserves and Deferred Revenue (\$000)

December 2018 December 2019

Antifreeze	\$2,110	\$2,127
Fertilizers	\$132	\$239
Oil Containers	\$10,494	\$10,308
Oil Filters	\$10,372	\$10,252
Paints/Coatings	\$14,934	\$14,517
Pesticides	\$69	\$208
Solvents	\$1,447	\$1,443
Pressurized Containers (Non-Refillable)	\$515	\$526
Pressurized Containers (Refillable)	\$288	\$339
Single-Use Batteries	\$7,296	\$7,086
Total Reserves Allocated by Material	\$47,657	\$47,045
MHSW General Unrestricted Reserves	\$3,329	\$1,883
MHSW Portion of Sustaining Fund	\$2,100	\$2,100
Total Unallocated Reserves	\$5,429	\$3,983
MHSW Total	\$53,086	\$51,028

Categories with smaller number of stewards subject to reserve increase

Categories with larger number of stewards subject to reserve decrease

Note: 2019 material reserve amounts include estimates of reserve adjustments in addition to CCA implementation impact

MHSW wind up budget forecast

Initial MHSW Wind Up Forecasts (\$000) - Based on Fee Elimination Option #1

	2019	2020	2021
Estimated Revenue	\$16,058	\$11,187	\$2,914
Program Operating Expenses			
Direct Material Costs	\$13,110	\$8,773	\$1,792
Administration	\$3,560	\$3,057	\$2,325
Sub-Total	\$16,670	\$11,830	\$4,117
Initial Estimate MHSW Wind Up Costs			
Plan Development/Implementation	\$996	\$1,231	\$945
RPRA Fees**	\$450	\$450	\$610
Contingencies	\$0	\$1,000	\$1,610
Annual Wind Up Costs	\$1,446	\$2,681	\$3,165
3-Year Total			\$7,292

- As noted during Phase I consultation in April, Stewardship Ontario is proposing to finance general wind up costs by drawing down from general MHSW reserves.
- Stewardship Ontario will also draw from material MHSW reserves to cover material specific wind up costs and general wind costs not covered by general MHSW reserves.

** Note RPRA Fees represent the estimated wind up cost (i.e. a portion of RPRA's total MHSW projected costs. Stewardship Ontario has no control over potential fluctuations in relation to actual RPRA costs.

Impact of wind up on material reserves



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Impact of MHSW Wind Up on Reserves and Deferred Revenue (\$'000) Based on Fee Elimination Option #1

	Actual December 2018	Forecast December 2019	Forecast December 2020	Forecast December 2021
Antifreeze	\$2,110	\$2,127	\$2,127	\$1,955
Fertilizers	\$132	\$239	\$239	\$200
Oil Containers	\$10,494	\$10,308	\$10,308	\$9,787
Oil Filters	\$10,372	\$10,252	\$10,252	\$9,608
Paints/Coatings	\$14,934	\$14,517	\$14,517	\$14,523
Pesticides	\$69	\$208	\$158	\$117
Solvents	\$1,447	\$1,443	\$1,443	\$1,329
Pressurized Containers (Non-Ref)	\$515	\$526	\$526	\$44
Pressurized Containers (Refillable)	\$288	\$339	\$332	\$234
Single-Use Batteries	\$7,296	\$7,086	\$4,906	\$4,930
Total Reserves Allocated by Material	\$47,657	\$47,045	\$44,808	\$42,727
MHSW General Unrestricted Reserves	\$3,329	\$1,883	\$202	\$0
MHSW Portion of Sustaining Fund	\$2,100	\$2,100	\$2,100	\$0
Total Unallocated Reserves	\$5,429	\$3,983	\$2,302	\$0
MHSW Total	\$53,086	\$51,028	\$47,110	\$42,727

Estimate of amount available to finance surplus fund options:
~ \$37 Million

Estimate of amounts available to finance fee elimination or reduction for batteries and pressurized containers

Fee elimination options (single-use batteries & pressurized containers)

- Ministerial direction requires proposal re rules governing a fee elimination for single-use battery and pressurized container categories;
- Anticipation is that fee elimination will benefit consumers through elimination of consumer fees or through reduced product cost;
- Stewardship Ontario proposing two options re Ministerial direction:
 1. **Fee Elimination to zero** (shorter implementation timeframe); or
 2. **Fee Reduction** (longer implementation timeframe).

1. Fee elimination to zero

Stewardship Ontario reduces MHSW charges to zero for a specified period of time in each related MHSW category:

- Estimated 2 final quarters for single-use batteries;
- Estimated 3 final quarters for refillable pressurized containers;
- No Fee elimination for non-refillable pressurized containers.

Pros:

- Most consistent with language of Ministerial direction;
- More predictable reduction for stewards.

Cons:

- Aggregate level of surplus funds directed to offset stewards costs reduced in relation to fee reduction option for two reasons:
 - Larger contingency amounts required for hold back;
 - Diverts MHSW surplus funds to CRA in order to address potential HST liability.

2. Fee reduction

Stewardship Ontario reduces MHSW invoices for stewards over a longer period – exact level of final fee reduction based on final program financial reconciliations and completed steward supply reports:

- Estimated 3 final quarters for single-use batteries;
- Estimated 5 final quarters for refillable pressurized containers;
- Potential fee reduction for non-refillable pressurized containers in final quarter.

Pros:

- Maximizes aggregate level of surplus funds directed to offset steward costs;
- Minimizes residual funds left in program categories after termination.

Cons:

- Not as consistent with language of Ministerial direction as fee elimination to zero.

Example of fee reduction: single-use batteries

- Reduce the final three quarterly single-use battery aggregate invoices by estimates of the available single-use battery reserve fund.
- Delay the final single-use battery steward invoices by 90 days (instead of 30) after program termination to enable accurate program cost true ups.
- Stewardship Ontario to monitor visible consumer fees and work with retailers to ensure related reductions/adjustments.

(\$000s)	2019 Q4 Invoice	2020 Q1 Invoice	2020 Q2 Invoice	Totals (\$000s)
Billing date	Jan 31, 2020	April 30, 2020	Sept 30, 2020	
Single-use battery program cost	\$2,334	\$1,881	\$2,632	\$6,847
Reserve drawdown	\$2,300	\$1,700	\$1,490	\$5,490
Actual steward billing (aggregate)	\$34	\$181	\$1,142	\$1,357
Reserve drawdown as a percent of quarterly cost	98.5%	90.4%	56.7%	80.2 %

Comparison: fee elimination to zero vs fee reduction

	Fee Elimination to Zero		Fee Reduction	
	Implementation Timeframe	Estimated Fee Reduction Aggregate	Implementation Timeframe	Estimated Fee Reduction Aggregate
Single-use batteries	2 Quarters	\$4.5 Million	3 Quarters	\$5.5 Million
Pressurized containers (refillable)	3 Quarters	\$180,000	5 Quarters	\$225,000
Pressurized containers (non-refillable)	0 Quarters	0	Potentially Last Quarter	Potentially up to \$40,000

Stakeholder feedback: fee elimination/reduction options

- Do you have any initial comments or feedback related to the fee elimination/reduction options for single-use batteries and pressurized containers?
- Which fee elimination/reduction option do you support for single-use batteries and pressurized containers?

Consumer surplus fund options: other MHSW materials

- Approximately \$37 million in total surplus funds available
- Stewardship Ontario is assessing four general approaches to return surplus funds to consumers in relation to other MHSW materials:
 1. Fee elimination/reduction for ISP materials;
 2. Rebate consumers that purchase MHSW materials;
 3. Rebate consumers that return MHSW materials for recycling; or
 4. Implement a single general MHSW consumer rebate through various awareness initiatives.

Surplus fund options: other MHSW materials

Key Objectives:

- Maximize consumer benefits
 - Minimize administrative costs
 - Minimize residual funds remaining in program after implementation
- Support MHSW recycling awareness
- Minimize disruption to the program
- Workability
- Predictability

1. Implement equivalent to a fee elimination for MHSW materials managed by ISPs

Stewardship Ontario would reduce or eliminate steward fees for MHSW categories managed by ISPs (both for Stewardship Ontario stewards and ISP member stewards):

- Stewardship Ontario would need to work with ISPs to develop appropriate reporting and verification procedures.
- Length of fee elimination/reduction would vary by MHSW category dependent on surplus fund reserve levels and estimated costs for each material.

Pros:

- Consistent treatment with single-use battery and pressurized container categories.
- Surplus funds returned to related MHSW categories.

Cons:

- Benefit to consumer is indirect in the form of eliminated fees or reduced product costs.

2. Rebate consumers that purchase MHSW materials

Consumers that purchase MHSW materials would be eligible for product specific rebates, either implemented automatically at point of sale or through coupons provided by retailers.

Pros:

- Convenient for consumers – rebate goes to purchasers of MHSW materials.
- More direct benefit to consumers.

Cons:

- MHSW rebate amounts for various materials would be relatively small and difficult to determine.
- Relies on cooperation with MHSW retailers which may be difficult given the small rebate amounts.
- Administratively complex and costly to implement – significant portion of surplus funds would be needed to administer the program.
- Design challenges and uncertainty make full allocation of funds difficult.

3. Rebate consumers that return MHSW materials for recycling

Consumers would be eligible for product specific rebates when they drop off MHSW materials for recycling (potentially through coupons or credit notes).

Pros:

- Supports MHSW recycling – may drive higher collection recycling rates.

Cons:

- Relies on cooperation with collection sites generally not set up to do the paperwork necessary to support such rebates.
- Design challenges and uncertainty make full allocation of funds difficult.
- To the extent that program was successful, steward recycling costs would increase just prior to transitioning to the RRCEA framework.
- Administratively complex and costly to implement – significant portion of surplus funds would be needed to administer the program:
 - Audit record keeping process required to prevent fraudulent claims and ensure that rebates are allocated to consumers.

4. Single MHSW consumer rebate

Consumers would be eligible for a single MHSW rebate (one per Ontario household), promoted through various consumer awareness activities and events. Consumers could be directed to website to register for e-Transfer or credit card. Stewardship Ontario issues rebates until funds run out.

Pros:

- Increases the consumer rebate amount and likely uptake.
- Issuing rebates could be linked to consumer awareness events that promote education and benefits of recycling generally.
- Easier to fully allocate surplus funds during program wind up.
- Less reliance on third parties to administer.
- Lower administrative costs than options two or three.

Cons:

- Not directly linked to either MHSM purchases or returns – assumes all households have utilized MHSM at some point and are entitled to rebate.

Stakeholder feedback: consumer surplus fund options

- Do you have any initial comments or feedback related to surplus fund options for MHSW materials managed by ISPs?
- Which approach do you support with respect to returning surplus funds to consumers with respect to MHSW materials managed by ISPs?

MHSW budget forecast including fee elimination and surplus fund option



MHSW Wind Up Forecasts – based on Fee Elimination (Option 1) and Surplus Fund Option (\$000)

	2019	2020	2021	
Estimated Reserves Beginning of Year	53,086	51,028	14,669	
Estimated Revenue	\$16,058	\$6,618	\$2,789	Impact of fee elimination drawn from single-use battery and pressurized container reserves
Program Operating Expenses				
Direct Material Costs	\$13,110	\$8,773	\$1,792	Wind up costs financed from general and material reserves
Administration	\$3,560	\$3,057	\$2,325	
Sub-Total	\$16,670	\$11,830	\$4,117	
Operating Surplus/Deficit	-\$612	-\$5,212	-\$1,328	Surplus fund option financed by material reserve drawdown (other materials)
Estimate MHSW Wind Up Costs	-\$1,446	-\$2,681	-\$3,165	
HST on Fee Elimination		-\$594	-\$16	
Surplus Fund Option		-\$27,872	-\$9,291	Residual program funds (unspent contingencies)
Estimated Reserves End of Year	51,028	14,669	869	
General Reserve Drawdown	\$1,446	\$1,681	\$2,302	
Material Reserve Drawdown	\$612	\$34,678	\$11,497	

MHSW budget forecast including fee reduction and surplus fund option



MHSW Wind Up Forecasts – based on Fee Reduction (Option 2) and Surplus Fund Option (\$'000)

	2019	2020	2021
Estimated Reserves Beginning of Year	53,086	48,728	14,172
Estimated Revenue	\$13,758	\$7,827	\$2,859
Program Operating Expenses			
Direct Material Costs	\$13,110	\$8,773	\$1,792
Administration	\$3,560	\$3,057	\$2,325
Sub-Total	\$16,670	\$11,830	\$4,117
Operating Surplus/Deficit	-\$2,912	-\$4,003	-\$1,258
Estimate MHSW Wind Up Costs	-\$1,446	-\$2,681	-\$3,165
HST on Fee Elimination		\$0	\$0
Surplus Fund Option		-\$27,872	-\$9,291
Estimated Reserves End of Year	48,728	14,172	458
General Reserve Drawdown	\$1,446	\$1,681	\$2,302
Material Reserve Drawdown	\$2,912	\$32,875	\$11,411

Impact of fee reduction drawn from single-use battery and pressurized container reserves

Wind up costs financed from general and material reserves

Surplus fund option financed by material reserve drawdown (other materials)

Residual program funds (unspent contingencies)

Managing residual funds

Initial MSHW Residual Fund Forecast (\$000) Based on Fee Elimination Option #1

Antifreeze	\$35
Fertilizers	\$50
Oil Containers	\$87
Oil Filters	\$78
Paints/Coatings	\$23
Pesticides	\$45
Solvents	\$39
Pressurized Containers (Non-Refillable)	\$44
Pressurized Containers (Refillable)	\$54
Single-Use Batteries	\$417
Residual Funds at Program Termination	\$872

- Allocations from material reserves throughout will be tracked during the wind up period.
- Stewardship Ontario is proposing that any residual funds remaining after program termination (and resolution of outstanding financial obligations) be transferred to RPRA to help offset producer costs related to the creation and implementation of the registry related to MHSW recycling under the RRCEA.
- Stewardship Ontario will identify residual amounts related to each current MHSW category as part of this transfer.

* Actual residual funds will depend upon a number of financial factors and the surplus funds options selected.



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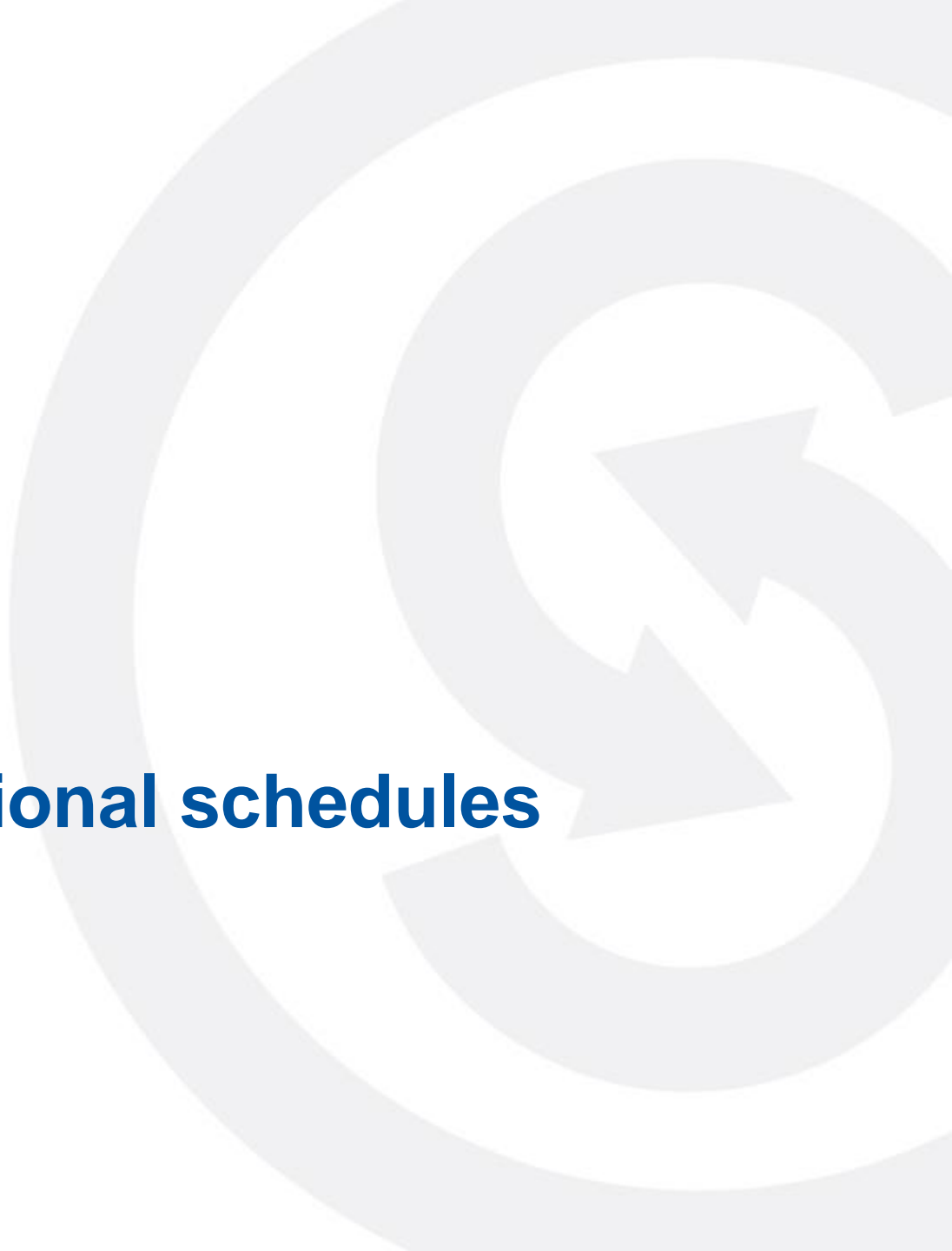
Questions on MHSW Wind Up Plan proposals?



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Proposed operational schedules



Single-use batteries: no changes to proposed service provider wind up schedule

- Stewardship Ontario will provide transportation and processing incentives for batteries collected up to June 30, 2020.
- Service providers will have until August 31, 2020 to submit transportation and processing claims for batteries collected by June 30, 2020.
- Transporters will be responsible for servicing collection sites with pickups by July 10 (for materials collected up to June 30, 2020) to ensure eligibility for incentives.
- Stewardship Ontario will work with stakeholders to transition Orange Drop branded materials.
- Stewardship Ontario to monitor claims to ensure consistency with historical practice.

Single-use batteries: steward Wind Up Plan reporting & payment schedule

Supply Report	Report Due Date	Data Included
Q2 2020	April 30, 2020	Q1 Data (Jan 1 – Mar 31)
Q3 2020	July 31, 2020	Q2 Data (April 1 – June 30)
Final Adjustment Requests	May 31, 2020 Aug 31, 2020	- For 2019 and earlier; - For 2020 only.

Steward Payment Schedule

Invoice Payment	Costs	Invoice Due Date	Summary
Q2 Invoice (sent April 30)	Q1 material management & administrative costs	May 31, 2020	Q1 Report (Q4 data) Q1 Costs Q2 Invoice
Q3 Invoice & Final True Up (sent Sept 30)	Q2 material management & administrative costs & true up	Oct 31, 2020	Q2 Report (Q1 data) & Previous 3 Quarters Q2 Costs Q3 Invoice

Changes to previous schedule noted in red

Single-use batteries: final steward reporting and payments

- Steward adjustments reporting window shorter than the current two year period to accommodate program wind up.
- Final steward invoice would be delayed until September 30 to facilitate accurate program true up.

Pressurized containers (refillable and non-refillable): service provider wind up schedule

- Stewardship Ontario will provide transportation and processing incentives for pressurized containers collected and picked up prior by **June 30, 2021**.
- Service providers have until **August 31, 2021** to submit transportation and processing claims for containers collected by **June 30, 2021**.
- Transporters will be responsible for servicing collection sites by **July 10, 2021** (for materials collected up to **June 30, 2021**).
- Stewardship Ontario will work with stakeholders to transition Orange Drop branded materials.
- Stewardship Ontario to monitor claims to ensure consistency with historical practice.

Automotive materials: service provider wind up schedule

- Stewardship Ontario will seek to extend commercial terms to purchase performance credits for automotive materials* from Automotive Materials Stewardship (AMS) until **June 30, 2021**.
- Stewardship Ontario will propose amendments to the AMS service contract to extend the termination date to **June 30, 2021**.
- Stewardship Ontario will propose to process final financial arrangements with AMS after the program termination date in a manner consistent with existing contractual terms.

* Automotive materials includes oil filters, oil containers, antifreeze and antifreeze containers.

Paints, pesticides, solvents & fertilizers: service provider wind up schedule

- Stewardship Ontario will seek to extend commercial terms for the purchase of performance credits for PSF* from the Product Care Association (PCA) until **June 30, 2021**:
 - Stewardship Ontario will propose amendments to PCA service contract re PSF materials to terminate agreement on **June 30, 2021**;
 - Stewardship Ontario will propose to process final financial arrangements with PCA after the program termination date in a manner consistent with existing contractual terms.
- Stewardship Ontario will propose to continue to purchase paints** credits up until program termination from PCA.

* PSF includes pesticides, solvents and fertilizers and containers

** Paints includes paints, stains, coatings and containers

Changes to previous schedule noted in red

Municipalities & First Nations communities

Events:

- Single-use batteries: municipalities and First Nation communities will have until August 31, 2020 (two months after program termination date of June 30, 2020) to submit final claims for collection events scheduled prior to program termination.
- Pressurized containers: municipalities and First Nation communities will have until **August 31, 2021** (two months after program termination date of **June 30, 2021**) to submit final claims for collection events scheduled prior to program termination.

Depot Hour Payments:

- Municipal contracts will need to be amended to accommodate different MHSW material program termination dates:
 - Stewardship Ontario will circulate amendments for municipal review well before program termination dates;
 - Will propose that municipalities & First Nations communities receive depot hour payments:
 - For batteries up until June 30, 2020;
 - For other MHSW materials until **June 30, 2021**.

All MHSW materials excluding single-use batteries: steward Wind Up Plan reporting & payment schedule

Supply Report	Report Due Date	Data Included
Q2 2021	April 30, 2021	Q1 Data (Jan 1 – Mar 31)
Q3 2021	July 31, 2021	Q2 Data (April 1 – June 30)
Final Adjustment Requests	May 31, 2021 Aug 31, 2021	- For 2020 and earlier; - For 2021 only.

Steward Payment Schedule

Invoice Payment	Costs	Invoice Due Date	Summary
Q2 Invoice (sent April 30)	Q1 material management & administrative costs	May 31, 2021	Q1 Report (Q4 data) Q1 Costs Q2 Invoice
Q3 Invoice & Final True Up (sent Sept 30)	Q2 material management & administrative costs & true up	Oct 31, 2021	Q2 Report (Q1 data) & Previous 3 Quarters Q2 Costs Q3 Invoice

Changes to previous schedule noted in red

All MHSW materials excluding single-use batteries: final steward report adjustment requests

- Steward adjustments reporting window shorter than the current two year period to accommodate program wind up.
- Final steward invoice would be delayed until September 30 to facilitate accurate program true up when calculating final fees.



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Other wind up proposals



Other MHSW wind up proposals

- New Ministerial direction only changed certain aspects of previous Ministerial direction.
- MHSW Wind Up Plan will include proposals related to other areas based on feedback received during Phase I consultation:
 - Data management;
 - Asset management (including Orange Drop);
 - Wind up communications plan;
 - Final wind up steps, etc.
- As per Ministerial direction, revised wind up plan will include a summary of stakeholder comments and input from both Phase I and Phase II consultation.



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Feedback and next steps



Phase II consultation webinar materials will be made available

- All MHSW Wind Up information is available at: stewardshipontario.ca/mhsw-windup
- Today's webinar recording and presentation will be available on the above webpage by tomorrow.
- Q&A document with questions received during the webinar will be posted within the next couple of weeks.

We require further stakeholder feedback

- Feedback needed by **Friday, August 30, 2019:**
 - Email feedback to consultation@stewardshipontario.ca;
 - Submit feedback via the online [feedback form](#); or
 - Mail feedback to Stewardship Ontario,
1 St. Clair Ave. W, Suite 700, Toronto, ON M4V 1K6.
- We welcome one-on-one meetings as needed.
- MHSW Wind Up Plan will include a consultation report outlining feedback and how it was considered in the plan's development.

Next steps

- Stewardship Ontario will consider comments and additional stakeholder feedback in developing the final MHSW Wind Up Plan.
- Stewardship Ontario will submit the Wind Up Plan to RPRA by September 30, 2019.
- RPRA will release and conduct further consultations on MHSW Wind Up Plan content after September 30, 2019.



Thinking
beyond
the box

Stewardship Ontario

Questions?





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the box

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Thank you





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Appendix



MHSW program targets

Material	Collection	Diversion
Antifreeze	50%	50%
Fertilizer	NA	NA
Oil containers	52%	52%
Oil filters	85%	85%
Paints and coatings	77%	62%
Pesticides	57%	NA
Pressurized containers: non-refillable	46%	46%
Pressurized containers: refillable	98%	98%
Single-use batteries	40%	28%
Solvents	46%	6%

2018 MHSW operating expenses by program material

2018 MHSW Program Costs by Material Category (\$000)

	Total Program Costs
	(\$000)
Antifreeze	\$426
Fertilizers	64
Oil Containers	1,984
Oil Filters	2,330
Paints/Coatings	263
Pesticides	52
Pressurized Containers (Non-Refillable)	1,038
Pressurized Containers (Refillable)	776
Single-Use Batteries	8,831
Solvents	80
Total	\$15,844

Key wind up dates summary for service providers

Key Wind Up Date	Description
Single-use Batteries	
June 30, 2020	Program Termination Date (Deadline for arrangement of collections)
July 10, 2020	Deadline for pick up of materials from collection sites
August 31, 2020	Deadline for Service provider claims submissions for both transportation and processing
Pressurized Containers	
June 30, 2021	Program Termination Date (Deadline for arrangement of collections)
July 10, 2021	Deadline for pick up of materials from collection sites
August, 2021	Deadline for Service provider claims submissions for both transportation and processing

Key wind up dates summary for stewards

Key Wind Up Date	Description
Single-use Batteries	
May 31, 2020	Deadline for steward supply report adjustments 2019 (and earlier)
June 30, 2020	Program Termination Date
July 31, 2020	Final Steward Supply Report (Q2 2020)
August 31, 2020	Deadline for steward 2020 supply report adjustments
October 31, 2020	Final steward invoices due
Other MHSW Materials	
May 31, 2021	Deadline for steward supply report adjustments 2020 (and earlier)
June 30, 2021	Program Termination Date
July 31, 2021	Final Steward Supply Report (Q2 2021)
August 31, 2021	Deadline for steward 2021 supply report adjustments
October 31, 2021	Final steward invoices due
TBD Target Oct-Dec 2021	Final Program Financial Reconciliations (All Materials)