



Thinking
beyond
the box

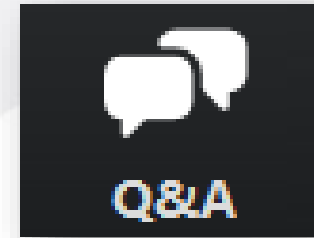
Stewardship Ontario

MHSW Wind Up Plan Single-use Battery Update Webinar

June 3, 2020

Today's Webinar

- To ask a question hit the Q&A button on the bottom of your screen:
 - Note you may have to toggle your cursor on the screen to show the Q&A button on the bottom.



- Presentation and webinar recording will be posted on the MHSW Wind Up page under '**Information Webinars**': StewardshipOntario.ca/mhsw-windup/

Today's Agenda

- MHSW Wind Up Plan Update
- COVID Update
- Single-use Battery Stewards and Key Reporting Deadlines
- Single-use Battery Fee Reduction Update Schedule and Forecasts
- Key Service Provider Dates and Activities
- Communications
- Data Management
- Summary Key Dates
- Questions/Comments

MHSW Wind Up Plan Update

- MHSW Wind Up Plan was approved by RPRA on December 27, 2019.
- MHSW Residual Funds Addendum was approved by RPRA on February 19, 2020.
- In April 2020, Stewardship Ontario received new Ministerial direction to amend the MHSW Wind Up Plan to transfer surplus funds to ISOs.
 - Consultation webinars held May 12 & 13, 2020.
 - Proposed amendments to be submitted to RPRA by June 5.
 - RPRA consultation scheduled for **June 10, 2020.**
- Termination date for single-use batteries remains: June 30, 2020.
 - Stewardship Ontario is proceeding with plans to terminate the single-use battery MHSW program and wrap up related operations.

MHSW Program Operations

COVID-19 Update



- Stewardship Ontario recognizes that organizations are facing unprecedented demands related to the COVID-19 pandemic.
- While some impacts are anticipated, we will continue to manage the MHSW program.
 - For battery stewards and service providers this means the continuation of reports and claims that enable:
 - The implementation of fee reductions for single-use battery stewards and their consumers.
 - Payments to service providers who continue to undertake supply chain and processing activities.
- Recognizing cash flow disruptions Stewardship Ontario has waived interest on late steward payments in 2020 for an additional 60 days.
 - Stewards now have 90 (as opposed to 30) days to pay invoices before interest penalties are applied.

MHSW Program Operations

COVID Update: Steward Reports



- Are we experiencing delays in steward supply reports and payments?
 - Steward supply reports remain critical to ongoing SSA calculations.
 - Stewardship Ontario experiencing an increase in late reporting but following up with individual stewards on a one-on-one basis to minimize this.
- Does this affect stewards who are reporting on time?
 - Stewardship Ontario uses a proxy process to minimize late reporting impacts on the steward group as a whole.
 - Proxy process estimates some stewards' supply in the case of late reports to ensure fair allocations for all Stewards re any particular quarterly invoice.

MHSW Program Operations

COVID Update: Bad Debt

- How is bad debt managed under the program?
 - If a steward does not pay amounts owing to Stewardship Ontario and measures taken to collect amounts owing are unsuccessful:
 - Stewardship Ontario draws from the material reserve to pay for the resulting shortfall – rather than invoice other stewards for the debt;
 - The amount Stewardship Ontario has to disburse as a fee reduction may be reduced as a result;
 - Process of debt recovery can take months or years to resolve.
 - An increase in bad debt or late payments, therefore, increases uncertainty regarding amounts available for fee reductions.
 - Higher amounts in accounts receivable at the time of the final fee reduction will affect amount of the final fee reduction.

MHSW Program Operations

COVID Update: Supply Chain

- There is some reduction in collection sites and activities.
 - Many municipal MHSW collection events have been cancelled, and some now have been rescheduled.
 - Some depots have closed or minimized service in March/April but many are now open or planning to re-open.
 - Most facilities where collection is occurring have introduced physical distancing measures to protect staff and the public.
 - Stewardship Ontario has continued to facilitate service to functioning collection sites.
- Processing operations have continued to function as an essential service:
 - To date processors have continued to function relatively normally – potential COVID-19 impacts on volume is not clear.

Wind Up Plan Steward Supply Reports



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	Feb 14, 2020 Aug 31, 2020	- For 2019 and earlier; - For 2020 only.

- Supply reports associated with the approved MHSW Wind Up Plan have been maintained.
- Appreciate that COVID-19 may create difficulties for some organizations in keeping reports up to date.
- However, on-time steward supply reports will enable Stewardship Ontario to more accurately complete final segment financial reconciliations.

Wind Up Plan Steward Reporting Schedule

Steward Payment Schedule – Single Use Batteries

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

** Due dates subject to an additional 60-day grace period regarding the application of interest penalties.*


- Final invoice regarding single-use batteries will be issued Sept 30, 2020 (not July 31):
 - Stewards with multiple MHSW materials will receive Q3 invoice for other MHSW materials July 31, 2020 as per normal schedule (due August 30, 2020).
- Stewardship Ontario encourages stewards to pay invoices on time.
- Late payments generate financial uncertainty and may affect the reserve fund amounts that Stewardship Ontario can disburse as fee reductions.

Single-use Battery Fee Reduction Schedule

Fee Reduction Schedule: Single Use Batteries

Costs Periods	Program Cost (\$000)	Steward Fee Reduction (\$000)	Percent Reduction
2019 Q4 Period	\$2,189	\$2,184	99%
2020 Q1 Period	\$2,526	\$1,700	67%
2020 Q2 Period	\$2,781*	\$1,490**	54%
Total Reduction	\$7,496*	\$5,490**	

Q2 Period Fee Reduction Target subject to Adjustment



* Adjusted category cost estimates ** MHSW WUP targets.

- Following approval of MHSW Surplus Fund Addendum, Stewardship Ontario will review budget and related fee reduction schedules.
 - Q2 fee reduction amount may vary in light of potential supply report adjustments.
 - Estimate of remaining single-use battery costs will likely include additional contingency provision in relation to a potential program extension.
- Following program termination, any amounts remaining in the single-use battery reserve will be disbursed to stewards as residual funds.

Single-use Battery Financials

- Amount of Q2 fee reduction will be determined prior to issuance of final steward invoices on September 30, 2020:
 - Stewardship Ontario will provide a category financial update prior to sending out final Steward single-use battery invoices.
 - Identify aggregate Q2 fee reduction amounts.
 - Provide an update on wind up category costs and category financials – COVID-19 creates more uncertainty re bad debt.
 - Final steward invoices will be due **October 31, 2020** (subject to 60-day grace period).
 - Timing of distribution of any residual funds associated with the category will be affected by final MHSW program termination date.

Key Service Provider Dates and Activities

Date	Activity
Single-use Battery Termination Date June 30, 2020	<ul style="list-style-type: none">- Materials collected by June 30, 2020 are eligible for transportation and processing incentives.- Municipalities are eligible for single-use battery related incentives (depot hours and collection events).- All Orange Drop branding should be removed from collection sites and depots.- For municipalities that receive depot hour payments, the battery portion of those payments will end.
July 15, 2020	Deadline for pick-up (by approved transporters) of single-use batteries that were collected by June 30.
August 31, 2020	<p>Final submission deadline for municipal incentive claims occurring prior to June 30, 2020 (e.g. MHSW collection events).</p> <p>Final submission deadline for service provider battery incentive claims.</p>

Resources:

- Stewardship Ontario website wind up page will include one-page summary documents outlining the key steward and service provider wind up steps and dates.

Websites and social media:

- Orange Drop (resident-facing) and Stewardship Ontario (stakeholder-facing) website changes will be reflected as of July 1, 2020.
- Twitter and Facebook will no longer feature single-use batteries info for residents as of June 30, 2020.

- Stewards will have access to supply reports on the WeRecycle Portal in 2020:
 - Ability to adjust reports will end as of August 31, 2020.
- MHSW Wind Up Plan requires Stewardship Ontario to transfer program data to RPRA and eventually destroy program data.
 - Data transfer and destruction security protocols to ensure protection of confidential and financially sensitive information.
 - Removal of single-use battery related data from IT systems will take place when all MHSW program data is removed.
 - Access protocols will protect data until removal and destruction.

Summary Key WUP Dates

June 30, 2020	- Single-use battery program termination date
July 15, 2020	- Deadline for pickup of single-use batteries collected prior to June 30, 2020
July 31, 2020	- Steward Q2 supply reports due
August 31, 2020	- Steward final supply Adjustment Reports due - Deadline for service provider and municipal incentive submissions
September 30, 2020	- Stewardship Ontario issues final steward invoices
October 31, 2020	- Deadline for payment of final steward invoices
TBD	- Disbursement of residual funds to stewards if applicable



Questions?



Stewardship Ontario

Thank you



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Appendix

Fee Reduction Documentation

Email Invoice

- Stewardship Ontario covering emails associated with 2019 Q4 invoices will include the following reference to the fee reduction process.
- MHSW Wind Up Plan fee reduction:

As per the approved MHSW Wind Up Plan, the attached invoice includes a fee reduction notice. By accepting this fee reduction notice, you acknowledge the expectation of the Minister of Environment, Conservation and Parks that this fee reduction will benefit consumers.

- Covering email will also include contact information for Stewards who have questions about the invoice or the fee reduction process.

Fee Reduction Documentation

Steward Attachment Page 1 – Invoice List



Stewardship Ontario

Canadian Stewardship Services Alliance
1 St Clair Ave West, 7th Floor
Toronto, ON M4V 1K6
CANADA

Smith Enterprises
123 Main St
Toronto ON M1M 1M1
CA

Invoice Date: October 1, 2019
Steward Number: 1000002
Payment Due Date: October 31, 2019

Steward Payment Obligation

Invoice Number	Program	Charges	Tax	Total
9001234567	Stewardship Ontario MHSW	942.01-	0.00	942.01-
9007654321	Stewardship Ontario MHSW	24,075.00	3,129.75	27,204.75
Total				<u>26,262.74</u>

HST Number 896338407-RT0001 - HST at 13%

Late payments are also subject to interest charges.
If you have any questions about your invoice, please contact Accounts Receivable at
1-855-354-2772 Ext. 117 or accounting@cssalliance.ca

Please send your cheque payable to Canadian Stewardship Services Alliance at:
1 St. Clair Ave. West, 7th Floor, Toronto, ON M4V 1K6

Please send your electronic fund transfer or wire money to:
Canadian Imperial Bank of Commerce, 1 Queen Street East Toronto M5C 2W5
Bank: 010 Branch: 00902 Account: 8503915

Invoice list will include fee reduction amount as a negative entry

Invoice list will include SSA Invoice Allocation

Fee reduction will be applied against SSA Invoice amount to determine amount payable

Fee Reduction Documentation

Steward Attachment Page 2 – Stewards Share Assessment (SSA) Invoice



Stewardship Ontario



Stewardship Ontario

Stewardship Ontario
1 St Clair Ave West, 7th Floor
TORONTO ON M4V 1K6
CANADA

* PLEASE MAIL CHEQUES TO ADDRESS BELOW

Jane Smith
Smith Enterprises
123 Main St
TORONTO ON M1M1M1

Invoice No.: 9007654321
Invoice Date: October 1, 2019
Steward Number: 1000002
P.O.No.:
Payment Due: Oct 31, 2019
Reference: Sales Order # 12345

2019 Q3 Invoice (Q2 Report, Q1 Data)

Reported by: Smith Enterprises

This invoice represents your share of the MHSW Program quarterly costs, as per Ontario Regulation 11/12. For a detailed report of your share of the program's quarterly costs by material class please click on 'Print Report' once you have logged into the WeRecycle Portal. For more information about Ontario Regulation 11/12 please go to www.stewardshipontario.ca.

Current Charges:	24,075.00
Sub-total before Tax	24,075.00
HST Number 896338407-RT0001 - HST at 13%	3,129.75
Total Amount Due:	27,204.75

Late payments are subject to interest charges.
If you have any questions about your invoice, please contact Accounts Receivable at
1-855-354-2772 or accounting@cssalliance.ca

Please send your cheque payable to Stewardship Ontario at:
1 St. Clair Ave. West, 7th Floor, Toronto, ON M4V 1K6
Please send your electronic fund transfer or wire money to:
Canadian Imperial Bank of Commerce, 1 Queen Street East Toronto M5C 2W5
Bank: 010 Branch: 00902 Account: 8503915

**Steward Share
Assessment (SSA)
invoice will be the
same as current
quarterly invoices**

Fee Reduction Documentation

Steward Attachment Page 3 – Fee Reduction Notice



- Fee reduction notice will identify the amount of the steward fee reduction for the quarter.
- Will include the following acknowledgement:
 - MHSW Fee Reduction**
 - Fourth Quarter 2019**
 - In accordance with the Municipal Hazardous or Special Waste Wind Up Plan, this fee reduction is being issued. By accepting this fee reduction notice, you acknowledge the expectation of the Minister of Environment, Conservation and Parks that this fee reduction will benefit consumers.*
- As with regular MHSW quarterly invoices, stewards will have 30 days to pay amounts owing.

Fee Reduction Process

Stewards not in good standing

- As per the MHSW Wind Up Plan, stewards not in good standing with Stewardship Ontario are not eligible for fee reductions.
- Stewards with accounts in arrears to Stewardship Ontario at the time fee reduction notices are issued may have amounts owing to Stewardship Ontario deducted from their potential fee reduction notice.
- Stewards with accounts in arrears will be notified of:
 - Any adjustments made by Stewardship Ontario in relation to potential fee reductions; and
 - The status of the Steward in relation to potential future fee reductions.