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Stewardship Ontario

# MHSW Wind Up Plan Single-use Battery Update Webinar

September 28, 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 **'Single-use Battery Program Wind Up'**: [StewardshipOntario.ca/MHSW-WindUp/](https://StewardshipOntario.ca/MHSW-WindUp/).

# Today's Agenda

- MHSW Wind Up Plan Update
- Update on Single-use Battery Material Reserve
- Single-use Battery Fee Reduction Updated Schedule and Forecasts
  - Final Steward Invoices
- Residual Fund Process
- Data Management, Communications and Key Dates
- Questions

# MHSW Wind Up Plan Update

- The MHSW Wind Up Plan was approved by RPRA in December 2019.
  - MHSW Residual Funds Addendum approved by RPRA on February 21, 2020;
  - ISO Surplus Fund Transfer Agreement approved by RPRA on June 26, 2020:
    - Stewardship Ontario transferred approximately \$35 million to ISOs in July 2020 to be disbursed as fee reductions for ISO members.
    - Stewardship Ontario initiated fee reductions for Pressurized Container stewards July 31, 2020.
    - Fee reductions for Stewardship Ontario Stewards in other categories to be reviewed.
- Final battery fee reduction scheduled to be implemented on September 2020 invoice:
  - Fee reduction amount subject to remaining budget contingencies.
  - Any single-use battery reserve amounts not disbursed in final fee reduction may, dependent of general wind up costs incurred, be returned to stewards as residual funds following the termination of the MHSW Program.

# Update on MHSW Single-use Battery Reserve



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Single-use Battery Material Reserve Update – September 2020	Column A WUP Forecast Dec 2019	Column B Updated Financials and Forecasts*
<b>1. Single-use Battery Reserve as of Dec 31, 2019</b>	<b>\$7,086,000</b>	<b>\$7,069,300</b>
2. Material WUP Cost Estimate	<b>(\$593,000)</b>	<b>(\$848,000)*</b>
3. 2020 Q1/Q2 Material Reserve Adjustments (Steward report adjustments)	<b>\$0</b>	<b>(\$228,900)</b>
4. 2020 Jan April Battery Fee Reductions	<b>(\$4,000,000)</b>	<b>(\$3,884,400)</b>
5. Bad Debt Hold Back Amount	<b>\$0</b>	<b>(\$260,200)*</b>
6. Reserve re Potential Program Extension	<b>\$0</b>	<b>(\$426,400)*</b>
7. Final Reserve Adjustments (Steward Adjustment Reports)	<b>\$0</b>	<b>TBD</b>
8. WUP Material Contingency	<b>(\$1,000,000)</b>	<b>\$0</b>
<b>9. Reserve Estimate June 2020</b>	<b>\$1,493,000</b>	<b>\$1,400,000</b>
<b>10. Final Program Fee Reduction</b>	<b>\$1,490,000</b>	<b>TBD (\$1,400,000 plus amount line 7)</b>
11. Residual fund estimate	<b>\$27,000</b>	<b>\$21,400*</b>

Amounts, if unused, will contribute to residual funds

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anticipating further Steward adjustment payment

Contingency amount added to final fee reduction

\* These forecasts are subject to further adjustments depending on actual program costs incurred.

# Single-use Battery Fee Reduction Schedule

## Fee Reduction Schedule: Single-use Batteries

	Program Costs SSA Actuals (\$000)	WUP Fee Reduction Target (\$000)	Actual Steward Fee Reduction (\$000)	Percent Reduction
2019 Q4 Period (Jan Inv)	\$2,215	\$2,300	\$2,184	99%
2020 Q1 Period (Apr Inv)	\$2,996	\$1,700	\$1,700	57%
2020 Q2 Period (Final Inv)	<b>\$3,342 (forecast)</b>	\$1,490	TBD	
<b>Total</b>	TBD	\$5,490	TBD	

- Stewardship Ontario is anticipating a significant final steward adjustment payment:
  - Further postponement of final steward invoices enables Stewardship Ontario to include this amount in final program fee reduction.
  - Final fee reduction notices will include notification of aggregate fee reduction amounts for single-use battery category (i.e. completion of above table).
- Following final MHSW Program termination, single-use battery stewards may also be eligible for residual fund disbursements (if final wind up costs are less than remaining reserve amounts - see slide 5).

# Final Single-use Battery Steward Invoice Deadline

Steward Payment Schedule – Single Use Batteries			
Invoice Payment	Costs	Invoice Due Date	Summary
Q3 Invoice & Final True Up (TBD)	Q2 material management & administrative costs & true up	TBD (30 days after final invoice)	Q2 Report (Q1 data) & Previous 3 Quarters Q2 Costs Q3 Invoice

- Stewardship Ontario had anticipated issuing final battery invoices on September 30, 2020, however, postponing issuance of this invoice allows us to include anticipated steward adjustment in fee reduction amount.
- Format of final fee reduction documentation and invoice will be similar to previous fee reductions (issued in January and April).

# MHSW Residual Fund Process

- Following termination of the MHSW Program, as per the approved Residual Funds Addendum, any residual funds remaining in the program will be disbursed to stewards, where reasonably possible, in proportion to each stewards' contribution to the funds in each MHSW category.
- With respect to single-use battery stewards, determination of residual amounts cannot be completed until the entire MHSW Program has been terminated (as the final termination process has implications for general wind up costs and final residual amounts in all MHSW categories).
  - Any unused contingency amounts will contribute to category residual fund disbursement.
- If the MHSW Program terminates as currently scheduled, Stewardship Ontario anticipates that residual funds would be disbursed to stewards early in 2022.



# Data Management

- Stewards will continue to have access to their historic single-use battery data on the WeRecycle Portal until MHSW Program termination.
- The 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.

# Communications – Single-use Batteries

## Resources:

- Stewardship Ontario (stakeholder-facing) website wind up page includes single-use battery fee reduction documents, notifications and previous webinar presentations. It also includes information on general MHSW wind up and other material fee reduction processes.

## Consumer website and social media:

- Orange Drop (resident-facing) website now directs consumers to RPRA site regarding single-use battery recycling.
- Twitter and Facebook no longer feature single-use batteries info for residents (as of June 30, 2020).

# Summary Key Wind Up Plan Dates

<b>June 30, 2020</b>	- Single-use battery program termination date
<b>TBD</b>	- Stewardship Ontario issues final steward invoices
<b>TBD – 30 Days after invoices issued</b>	- Deadline for payment of final steward invoices
<b>June 30, 2021</b>	- MHSW Program Termination date
<b>TBD 2022</b>	- Disbursement of residual funds to stewards if applicable



# Questions?



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**Thank you**



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# Appendix

# Fee Reduction Documentation

## Email Invoice

- Stewardship Ontario covering emails associated with final 2020 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
<b>Total</b>				<b><u>26,262.74</u></b>

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](mailto: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](http://www.stewardshipontario.ca).

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

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](mailto: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**
  - Second Quarter 2020**
  - 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.