



2005 Clark Blvd., Unit 3
Brampton, Ontario L6T 5P8
Tel: 905-791-9500
Fax: 905-791-9514

November 17, 2016

Deputy Minister Paul Evans
Ministry of the Environment and Climate Change
Ferguson Block, 11th Flr
77 Wellesley St W
Toronto ON M7A2T5

Dear Deputy Minister Evans,

Re: Modernization of Approvals

We are writing to you regarding modernization of approvals in relation to both the Waste-Free Ontario Act and the Climate Action Plan. The province's decision to move towards a more circular economy will necessitate major changes to existing waste management facilities and require new facilities to be built. In order to make these changes a reality it will be important for the current approvals system to adapt. Our goal would be in keeping with yours:

to transform the Ministry's current approvals process to a leading edge, risk based approach, which protects the environment and human health while expediting service to business through process improvements, electronic service delivery and strategic application of resources.

Thank you for your understanding in this area and for helping to facilitate early discussions with Ministry staff, which we believe have been helpful for both sides.

Identifying Early Actions

We are supportive of using the following consideration in order to prioritize potential changes:

- Lowering or mitigating greenhouse gas emissions;
- Encouraging a circular economy in Ontario; and
- Reducing the overall number of approvals the Ministry is managing.

Exemptions

A number of activities that the Ministry of the Environment & Climate Change currently regulates should be considered exempt (with appropriate boundaries), such as:

- Collection facilities (e.g. community recycling depots) - these types of facilities will provide increasingly important infrastructure as the province moves toward a circular economy similar to other jurisdictions with higher diversion rates.
- Facilities, which already have provincial waste approvals to collect or process certain materials - it makes little sense that a transfer or processing facility is required to go through a full Environmental Compliance Approval process to collect designated materials under the Waste-Free Ontario Act such as used tires which can be accepted at any retail outlet without a permit. Likewise, similar allowances could be made for soil

treatment at licensed landfill sites. These facilities already have appropriate controls in place to manage these activities without any environmental impacts.

Use of Qualified Professionals

The OWMA also supports the adoption of a documented policy that allows for modifications to approved facilities or infrastructure without the requirement of a formal ECA amendment. Many modifications to waste processing facilities have little potential negative environmental impacts and many cases offer environmental benefit. For recycling facilities, ensuring these changes can happen in a timely manner is especially important to allow them to adapt to changing markets or incoming stream. The current process of potentially waiting 300 days (the current median) for an approval is simply not practical.

Here are a few examples:

- Equipment changes at a processing facility, such as adding new sorting lines or additional screens that have no new emissions;
- Use of blending additives, or new points in the process where material is introduced (if not exactly as specified in the Design and Operation report);
- New feedstocks that are determined to be within the same realm as currently approved but not on the list of approved feedstocks (these materials may too simply a part of mixed materials already been received); and
- Upgrades to environmental equipment that provides better environmental outcomes such as new gas collection equipment or process upgrades with no new emission points.
- Landfill operation changes such as LDR pre-treatment processes, new leachate storage ponds, run-off ponds that don't discharge offsite, new buildings to a site (container wash building, product storage building, waste storage building), and macro-encapsulation options.

A sign-off letter from a Qualified Professional confirming the outcome meets Ministry criteria could be provided to the Regional Office with updated drawings. This type of amendment would allow facilities to make timely changes enabling them to function within dynamic markets. This process needs to be transparent and the Qualified Professional must have the appropriate knowledge and skills. We would be pleased to work with the government to ensure the right balance.

Environmental Activity and Sector Registry

The OWMA has been a strong advocate for the new Environmental Activity and Sector Registry (EASR) system and believe it has a great deal of potential to be broaden to deal with waste processing facilities including:

- printed paper and packaging material recovery facilities (MRFs),
- construction and demolition recycling facilities,
- waste electronic recyclers,
- used tire recycling facilities,
- transfer stations,

- compost,
- anaerobic digestion facilities,
- leachate collection systems, and
- landfill gas collection systems.

All of these facilities are well understood by the government and the types of conditions placed on them are already relatively standardized. The EASR system, where deemed necessary, could allow for a range of assessment. By way of example the province allows non-hazardous waste systems through the EASR system, and could explore the use of an assessed EASR for hazardous waste systems. As we transition to a circular economy, the sheer amount of resource recovery activities like those described above will necessitate changes to the approvals process. This is a real opportunity to help streamline the current process.

Odour

For the waste management sector, controlling odour is a critical issue given the nature of the materials we manage. Generally, the higher organic content the greater the potential for odour. We understand that finding solutions is vital because waste management is an essential service for residents, businesses and the environment.

Waste management facilities can be and want be good neighbours. Through proper management and the use of best practices, odours can be minimized and managed.

It is however important to stress that there is no one solution for any given challenge; no foolproof system; and no waste facility that has zero odour. The OWMA continues to work proactively within the sector to provide resources and outreach to raise the professional standards. The sector does however need to better understand from the Ministry what the standard odour parameters for waste management facilities are and the assumptions that drive the modeling. This will help to provide greater certainty and clarity for all participants.

Financial Assurance

Financial Assurance (FA) challenges have existed for a number years and are becoming more pronounced. A recent report completed for the OWMA confirms substantial increases in the overall FA held by the Ministry from \$187 million in 2011 to over \$419 million in 2014. The overall FA amount available to the government far exceeds expense related to “real risk”. In some cases, companies will have multiple levels of Financial Assurance provided on the same property.

The challenge for companies is that the funds held through held through FA can substantially impact business investment decisions. In many cases, these funds substantially deplete financial reserves, either reducing cash available or consuming borrowing room. This occurs in a number of ways:

- Large of capital are tied up by Financial Assurance obligations. These funds must be set aside in reserve to cover all obligations.

- Letter of Credit or bonds restrict available cash from operating budgets (e.g. must pay annually)
- Financial Assurance amounts for diversion processes are limiting capital available for technologies.

This is not to say that Financial Assurance is not important, the OWMA is supportive of the recommendation by the Commission on the Reform of Ontario's Public Services, which recommends the government "place greater emphasis on prevention and the polluter-pay principle for contaminated sites using appropriate financial tools, such as financial assurance." However, both the government and industry have been challenged by the existing financial assurance system.

The challenge is two-fold: how does the government reduce the impact from a business investment perspective, while ensuring there are not shortfalls in available funds for potential costs for remediation.

The OWMA has had a number of conversations with Ministry staff on potential options including a 'pooled' industry FA system that provides flexibility in allocating funds as needed without site-specific limitations; or a site specific financial assurance model for sites with multiple operations or a company based pooled model. These later two models would help address redundancies in risks and limit FA costs. We would urge the government to explore these options as part of the discussions.

We look forward to working with the government collaboratively on the above issues and opportunities.

If you have any questions, please contact us at your earliest convenience.

Sincerely,



Peter Hargreave
Chief Executive Officer (Acting)
Ontario Waste Management Association
Tel: (905) 791-9500
Fax: (905) 791-9514
Email: phargreave@owma.org