



June 16, 2014

Anna Trikoupis
Project Manager
Ontario Ministry of the Environment
Environmental Programs Division
Environmental Innovations Branch
40 St. Clair Ave. W., 14th Floor
Toronto, ON M4V 1M2

Dear Ms. Trikoupis:

**RE: Reducing Coal Use in Energy-Intensive Industries – EBR Registry Number:
012-1559**

This submission from Recycling Council of Ontario (RCO) is in respect to a regulation proposal notice from the Ontario Ministry of the Environment (MOE).

Recycling Council of Ontario (RCO) is a multi-stakeholder not-for-profit organization committed to minimizing society's impact on the environment by eliminating waste.

RCO's mission is to inform and educate all members of society about the generation of waste, the avoidance of waste, the more efficient use of resources, and the benefits and/or consequences of these activities.

RCO has a 35-year history in the province of Ontario supporting balanced and progressive policies that focus on environmental outcomes, based on a hierarchy that prioritizes waste prevention and resource conservation.

The proposal, *Reducing Coal Use in Energy Intensive Industries*, would permit energy intensive industries and trade-exposed manufacturing industries (such as cement, lime, iron, and steel sectors) to take advantage of opportunities to reduce the use of coal and petroleum coke by substituting them with alternative, low carbon fuels such as biomass (corn stover), and non-recyclable, non-hazardous residual waste.

While RCO understands and supports the environmental benefits of reducing coal as a fuel, it nonetheless has concerns regarding this government proposal to facilitate the use of non-recyclable materials as fuel substitutes.

Lack of Overall Provincial Waste Reduction Strategy

Effective waste reduction policies are best supported through a strategy that:

- provides a comprehensive approach;
- establishes clear objectives;
- uses a range of management options;
- addresses all materials in the waste stream;
- designs a total system against those objectives;
- supports the best environmental outcome;
- is economically sustainable; and
- is socially acceptable.

Jurisdictions around the world that achieve the highest waste reduction rates have done so through a comprehensive policy approach that focuses on overall environmental outcomes and economic effects.

The MOE should examine the policies developed by these jurisdictions to support a provincial waste reduction strategy that meets the needs of Ontario.

The following links provides examples of broad, comprehensive waste plans from other jurisdictions.

1. Nova Scotia

<http://www.novascotia.ca/nse/waste/docs/SolidWasteStrategyFinalReport1995.pdf>

2. New Zealand

<https://www.mfe.govt.nz/publications/waste/waste-strategy/wastestrategy.pdf>

3. England

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/69401/pb13540-waste-policy-review110614.pdf

Conflicting Policy Directions

The MOE has made several commitments to focus on reducing waste and increasing diversion from disposal. In June 2013, the MOE released a proposed *Waste Reduction Strategy* that outlines directives that would improve Ontario's lagging diversion rate, which has been plateaued at 25 per cent for more than a decade. In the strategy, the MOE recognizes both the economic and environmental benefits of recycling, including its ability to support innovative businesses across Ontario to turn waste into new products.

From page 7 of the *Waste Reduction Strategy*:

The province recognizes that there are significant economic, environmental and innovative opportunities to increasing recycling. In particular:

- *Seven jobs are created for every 1,000 tonnes of waste recycled.*
- *Recycling creates 10 times more jobs than disposal.*
- *The market value of wastes that are currently landfilled in Canada is estimated at over \$1 billion annually.*
- *The waste management sector currently contributes annually over \$3 billion to GDP and \$300 million in capital expenditures in Ontario.*

RCO agrees with MOE's assessment of the need to divert more waste to recycling, and work within its mandate to support policies that drive that outcome. However, utilizing non-recyclable material, as a fuel substitute, without definitions and controls, appears to be in conflict with what is stated and committed to in the *Waste Reduction Strategy*.

In particular, the proposal suggests where those materials, considered non-recyclable and that could be made available for fuel alternatives, could originate (including but not limited to): the construction and demolition industry, and Industrial Commercial, and Institutional (IC&I) sectors. Other government policy directives and discussion documents, however, emphasize the need to capture more materials generated from these sources toward recycling applications. In the absence of a comprehensive provincial strategy, it is difficult to understand how these proposals will not conflict or compete.

In February 2013, the MOE committed to undertake a review of Ontario Regulation 103/94 (IC&I Source Separation Programs). As stated by the MOE in the Terms of Reference, the main objective of this review is *to ensure a more comprehensive approach to achieving greater waste diversion in the IC&I sectors.*

The MOE has reported Ontario's IC&I sectors' current diversion rate to be as low as 12 per cent, underscoring the need for this regulatory review. Thus, it appears that the proposal to facilitate materials to be burned as fuel has the potential to be in direct conflict to the policy direction that intends to expand and improve recycling of materials generated in the IC&I sectors.

Waste Hierarchy

In several of its policy discussion documents, the MOE has formally recognized a hierarchy that clearly demonstrates its preference regarding materials management in Ontario. (Please see Addendum I to this letter.) In the absence of a broader, comprehensive strategy, we are unclear how this proposal supports this hierarchy.

Quantifying the Benefits of the Proposal

RCO supports policies that have quantifiable environmental benefits that are driven through sustainable economic models. However, this proposal does not provide any background analysis or research to demonstrate how either of these objectives would be achieved.

In the absence of a clear definition of what constitutes non-recyclable waste; the size, scale, and type of industrial facility that burns the materials; and information on monitoring and oversight processes and protocols; it is difficult to understand the net effects of what is being proposed.

Furthermore, without a comprehensive strategy that delineates what portions and type of materials would be handled by each type of management option, this proposal appears open-ended and challenging to oversee if implemented.

Competing with the Recycling Industry for Materials Sources

The recycling industry depends on the availability of feedstock materials whose value is determined by commodity pricing. These commodity values fluctuate according to marketplace supply and demand realities, but could be positively impacted by government policies. Recycling industries require sufficient and consistent material feedstock to ensure the economies of scale required to incent investments.

Notably, feedstock materials that once may have been considered non-recyclable, are now routinely re-directed into recycling applications, either as a result of improving market values, and/or government policy intervention such as disposal levies, bans, or stewardship regulations. Government policies have also been highly successful in attracting public and private investment by changing the economic values, and driving market activities where previously none existed.

Take for example the designation of scrap tires under the *Waste Diversion Act*. Prior to the *Act*, tires were either stockpiled and or landfilled. Through policy directive in the *Waste Diversion Act*, the Government of Ontario required producers to invest in recycling solutions for tires, which resulted in what is today a \$60 million annual program that employs 831 people and diverts 131,190 tonnes of material from disposal. The recycling rate of used tires is now 97 per cent.

Quantifiable environmental and economic losses associated with disposal can create the policy impetus to drive sustainable recycling solutions. The opposite is true when materials (whether currently recyclable or not) are dedicated to fuel use. In fact, once committed, industries may become dependent on potentially recyclable feedstock, which removes incentives for industry to create new, higher end-use of materials through recycling. If these burning activities compete with the recycling industry it may stifle recycling innovation and undermine existing investments.

Other jurisdictions that entertain energy-from-waste applications do so only in conjunction with high diversion rates. RCO suggests the MOE focus on its first commitment as outlined in the *Waste Reduction Strategy* before it moves to consider waste as fuel.

RCO recommends that the MOE assess the environmental benefits and economic viability before moving forward with this policy direction.

Monitoring and Enforcement: Defining Non-Recyclable

The MOE does not have a clear definition of *recyclable* or *waste*. Given that recycling commodity markets continually change, what is currently considered waste may soon be a recycling commodity. As such, setting parameters and monitoring these industries to limit them to using what is truly non-recyclable feedstock may be difficult.

Removing the Requirement to Obtain an Environmental Compliance Approval

Energy-from-waste facilities that have received an operating permit from the MOE have undergone extensive testing and approvals processes to ensure their emissions are below allowable pollutant levels and the management of the residual substances abides by strict disposal requirements. RCO is concerned about the MOE removing this Environmental Compliance Approval requirement given these facilities are not designed to burn solid waste materials, and no information is given with respect to how residual ash would be monitored and managed.

Recommendations with the Proposal

Undertake More Consultation

Given the significance of this policy proposal and the potential negative impacts on further waste diversion and recycling in Ontario, RCO recommends the MOE expand and extend its consultations with affected and interested stakeholders and the Ontario public. RCO would gladly support such a consultation to ensure it is fulsome and inclusive.

Provide More Background Information on Environmental Gains, Health and Economic Impacts

RCO requests the MOE provide more background details on how this proposal will result in overall environmental gains, and ensure it will not divert from the commitments that the province has made previously on waste reduction and expansion of recycling.

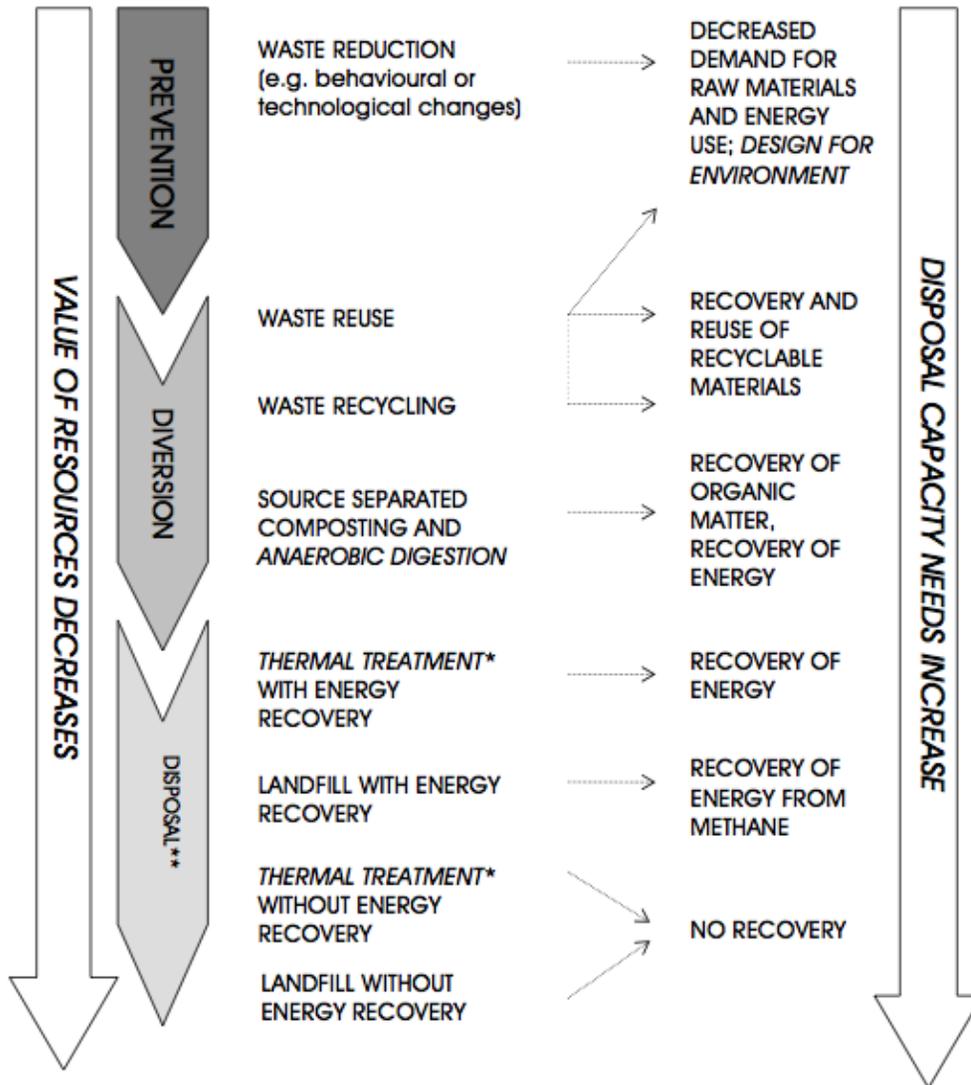
Thank you for your consideration, and we would be pleased to discuss the contents of this submission at your convenience.

Best regards,



Jo-Anne St. Godard
Executive Director
Recycling Council of Ontario

Figure 3: The Waste Value Chain



* With potential use of ash or recovery of metals.

** Waste generators and managers should consider waste reduction as a first priority, followed by diversion. All disposal options have unique environmental concerns and should only be considered as a last option. Where disposal is necessary, waste generators and managers should carefully reflect on these environmental concerns in light of their local circumstances. Recovering energy from landfill or thermal treatment should be considered prior to thermal treatment or landfill without energy recovery.