

Postponement of the Ready-to-drink Containers Deposit System (except for PET and HDPE): Impact on the 2025 PFP

1. Background

On November 28, the *Ministry of the Environment, the Fight Against Climate Change, Wildlife and Parks* announced an additional phase in the deployment of the modernized deposit-refund system (DRS) by postponing the inclusion of ready-to-drink beverage containers (except for PET and HDPE plastic containers) to March 1, 2027. Consequently, these materials will continue to be processed through the curbside recycling system and remain under the responsibility of ÉEQ. PET and HDPE plastic containers are still on track to be integrated into the deposit system as scheduled on March 1, 2025.

2. Revised Financial Framework

ÉEQ has updated the financial framework for the curbside recycling system following the Ministry's announcement and anticipates that producers will bear the cost of \$457 million instead of the previously announced \$402 million. This 13.7% increase is primarily due to higher sorting costs associated with materials (77,000 tonnes) remaining in the curbside recycling system until 2027.

3. Lower Unit Rates

Maintaining ready-to-drink glass, gable-top, aseptic, steel, and porcelain containers in the curbside recycling system impacts the 2025 annual Producers' Financial Participation (PFP) fee schedule presented during the November 7 webinar.

In summary, keeping these materials in the recycling system increases the obligated volume, which, in turn, reduces the average unit rate for the 2025 PFP by 4%, since the amount to be financed, although higher, is spread over a greater tonnage of materials.

The most affected materials are Glass and Gable-Top Containers. Other materials, such as Newspapers, benefit from lower unit rates, as their relative weight in the total reported tonnage decreases due to the maintenance of materials whose deposit is delayed.

However, since the DRS for plastic containers (PET and HDPE) will still be effective on March 1, 2025, the unit rates for the Plastic category remain largely unaffected.

4. Deposit-Refund Containers Billing

The 2025 PFP will be billed based on the quantities reported under the 2024 Schedule of Contributions. As planned, materials subject to the DRS starting on March 1, 2025 (e.g., PET and HDPE bottles) will be billed at the same rate as the equivalent non-deposit materials, but only for the first two months of the year. A factor of 1/6 will be directly applied when invoicing these materials. This measure will, however, not apply to materials whose transfer to the DRS has been postponed to 2027. Therefore, producers who have reported quantities of such materials (e.g., Glass, Gable-Top Containers, Aseptic Containers, Steel, and Porcelain) will be billed for the entire year.

5. Revised 2025 PFP Fee Schedule

Material	2025 PFP <u>before</u> deposit- refund postponement \$/t	2025 PFP <u>after</u> deposit- refund postponement \$/t	Variation %
Printed Matter	574.68	563.18	-2.0%
Newsprint inserts and circulars	486.75	468.26	-3.8%
Catalogues and publications			
Magazines			
Telephone books	693.96	691.93	-0.3%
Paper for general use			
Other printed matter			
Containers and packaging	810.35	771.82	-4.8%
Paper, cardboard and other fibers	649.08	646.97	-0.3%
Corrugated cardboard			
Kraft paper shopping bags	517.81	501.87	-3.1%
Kraft paper packaging			
Boxboard and other paper packaging	685.14	672.64	-1.8%
Alternative fibers			
Gable-top containers	814.24	787.32	-3.3%
Paper laminants	1,074.41	1,094.49	1.9%
Aseptic containers	949.20	940.42	-0.9%
Wood and cork	1,376.97	1,434.72	4.2%
Plastics	1,232.41	1,247.64	1.2%
PET bottles and containers	860.80	844.41	-1.9%
HDPE bottles and containers < 5 L	449.94	450.47	0.1%
Plastic laminants	1,609.69	1,640.99	1.9%
Plastic HDPE/LDPE films	1,676.27	1,715.83	2.4%

Material	2025 PFP <u>before</u> deposit- refund postponement \$/t	2025 PFP <u>after</u> deposit- refund postponement \$/t	Variation %
HDPE, LDPE shopping bags			
Expanded polystyrene – food packaging Expanded polystyrene – cushioning packaging Non expanded polystyrene Polyvinyl chloride (PVC) PLA and other degradable plastics	2,839.98	2,904.76	2.3%
Polypropylene (PP)	817.83	826.02	1.0%
Other plastics, polymers and polyurethane	1,054.73	1,065.41	1.0%
Aluminum	267.08	260.87	-2.3%
Food and beverages aluminum containers Other aluminum containers and packaging Aluminum aerosol containers	267.08	260.87	-2.3%
Steel	405.51	414.88	2.3%
Steel aerosol containers Other steel containers	405.51	414.88	2.3%
Glass	603.87	582.26	-3.6%
Clear glass	602.42	581.02	-3.6%
Colored glass	603.29	581.83	-3.6%
Ceramic and porcelain	1,268.50	1,319.75	4.0%
Containers, packaging and printed matter average rate	775.31	745.68	-3.8%
Newspapers average rate	483.71	465.12	-3.8%

2025 PFP Flat Fees

The deposit-refund system deferral has no impact on the PFP flat fee schedule.

Eligibility criteria	2025 PFP
> 1 t and < 2,5 t	\$1,920
> 2,5 t and < 5 t	\$3,870
> 5 t and < 10 t	\$7,730
> 10 t and < 15 t	\$11,620