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*Ministry of the Environment and Climate Change*  
**Environmental Activity and Sector Registry**  
**Fee Update**

**Information Session for Stakeholders**  
**November 21, 2016**

# Purpose

- To provide an overview of changes to the fee structure for the Environmental Activity and Sector Registry (EASR) coming into effect on December 1, 2016.

# Background

- Since the EASR was launched in 2011, it has been successful in furthering the ministry's Modernization of Approvals initiatives and promoting the government's Open for Business strategy and Business Growth Initiative:
  - As of 2015-16, EASR has resulted in cost savings to business of about \$33 M. For most EASRs, registrants don't have to submit costly technical studies that would have been required under previous approval processes.
  - EASR also greatly reduces processing times associated with review of technical applications under other approvals streams (e.g. Environmental Compliance Approvals and Renewable Energy Approvals).
  - Approximately 50 percent of EASR registrants are new clients to the ministry. This means that more activities and sectors may be monitored for compliance with the ministry's environmental standards.
  - The new Air and Noise Emissions EASR (planned for January 2017) will create a faster, more efficient process for complying with environmental requirements by enabling electronic registration of air and emissions processes.

# Background

- EASR fees were first introduced on November 18, 2012. Current EASR fee is \$1,190 per registration.
- Government-wide drivers:
  - **Commission on the Reform of Ontario's Public Services (CROPS):** Move towards full cost recovery and user-pay models for environmental programs and services. The cost of providing services should be placed on the beneficiary's shoulders rather than the public's.
  - **Provincial Auditor's 2012 Annual Report:** Where fees are collected for services offered to the public, pricing should be based on consideration of the full costs of delivering the service.
  - **Cap and Trade (2017):** The EASR for air and noise emissions planned for January 2017 will complement the ministry's cap and trade initiative. A faster review process will allow more certainty for businesses as they plan for investments to upgrade their facilities to reduce greenhouse gas emissions under the cap and trade program. A modern and efficient process would reduce time and costs involved in implementing low-carbon technologies.
  - **Business Growth Initiative:** Focus on modernizing Ontario's regulatory system by removing regulatory barriers to growth and establishing new, modern regulatory practices.

# New Fee Structure

- The ministry is implementing changes to the EASR fee structure, going from a single EASR fee to three EASR fee categories:
  1. Phase-in increase to the current EASR fee by 10% each year for rules based EASRs (most EASR activities that require one-time registration),
  2. Introduce new EASR fee for air and noise emissions (assessed EASR), and
  3. Maintain current EASR fee for short-term project based activities.
- The creation of three fee categories recognizes the different nature of EASR activities.

# 1. Rules Based EASR

- For rules-based EASRs, the current registration fee of \$1,190 is increasing by 10% to \$1,309 on December 1, with a 10% increase each year thereafter until March 2021.
- The following EASR activities will be subject to this fee:
  - heating systems
  - standby power systems
  - automotive refinishing facilities
  - non-hazardous waste management systems
  - small ground-mounted solar facilities
  - commercial printing facilities
  - end of life (ELV) waste disposal sites
- This is a one-time charge per activity, the same for any activity, and payable at the time of registration.

## 2. Assessed EASR

- The assessed fee for the new Air and Noise Emissions EASR will be set at \$2,353 to address the comprehensive compliance costs associated with this EASR.
- These EASRs require undertaking more comprehensive technical assessments resulting in the ministry undertaking a more comprehensive compliance approach.
- Similar to the rules-based EASR, the fee is a one-time charge per activity.
- The Air and Noise Emissions EASR is expected to be implemented in January 2017.

### 3. Short-term project based EASR

- The existing fee of \$1,190 will be maintained for new EASRs recently approved for construction project water takings. It is being maintained at the current level to mitigate cost impacts for registrants that need multiple short-term EASRs over the course of one construction project.
- The fee will apply to two Water-taking EASRs (road construction and construction dewatering) transitioned from the Permit to Take Water (PTTW) program to the EASR as of April 1, 2016, and may also apply to future short-term project based activities that are added to the EASR.



# How will the new fee structure work?

Fee Category	EASR fee for FY 2016-17 (starting Dec. 1)	EASR fee for FY 2020-21
<b>1. Fee for rules based EASRs (such as automotive refinishing)</b> <ul style="list-style-type: none"> <li>10% increase in fee over next 5 years</li> </ul>	\$1,309	\$1,916
<b>2. New fee for assessed EASR (air and noise emissions)</b> <ul style="list-style-type: none"> <li>Fee remains static for next 5 years</li> </ul>	\$2,353*	\$2,353
<b>3. Fee for multiple registrations (short-term project based activities such as water takings)</b> <ul style="list-style-type: none"> <li>Fee remains static for next 5 years</li> </ul>	\$1,190	\$1,190

\*New fee will apply when the air and noise emissions EASR is implemented in Jan. 2017.

# OUTCOMES

- The new fee structure will provide a balance by allowing businesses to continue to self-register their prescribed activities while the ministry moves towards full cost recovery of its environmental programs and ensures environmental protection.
- The fee increase is necessary because EASR revenues do not cover operating costs. However, Ontario also believes fees must be fair and reasonable. As a result, the EASR fees, even with the increase, will not cover program costs.
- Businesses still benefit from significant cost savings by not having to apply under other approvals streams (e.g. ECA, REA, PTTW) which often require the submission of technical studies, making the approval more costly. Significant time savings are also realized through quick online registrations versus lengthy processing times for technical review of approvals applications. As well, no additional fees are required for EASR (e.g. no renewals, amendments or associated fees).
- A faster review process will allow more certainty for businesses as they plan for investments to upgrade their facilities to reduce greenhouse gas emissions under the cap and trade program. A modern and efficient process would reduce time and costs involved in implementing low-carbon technologies.