

---

## Definitions

1. In this Policy:
  - a. “BCMB” means the Beverage Container Management Board. The BCMB is a management board within the meaning of the *Environmental Protection and Enhancement Act* (Alberta) whose mandate is to regulate and enhance a leading beverage Container system that protects Alberta’s environment;
  - b. “Container” means a bottle, can, plastic cup or paperboard carton or a package made of metal, plastic, paper, glass or other material, or a combination of them, that contains or has contained a beverage;
  - c. “Data Collection Agent” or “DCA” means the person appointed by the BCMB for the purpose of collecting and analyzing information about the beverage Container recycling system in Alberta and reporting on that information;
  - d. “Depot” means a place operated as a business for the collection of empty Containers;
  - e. “Handling Commission” or “HC” means the amount payable to a Depot operator for each Container collected from the Depot operator in accordance with section 13(b) of the Regulation;
  - f. “Handling Commission Review” or “HCR” means a review of Handling Commission amounts directed by the Board pursuant to the Handling Commission By-law;
  - g. “Total System” means all of the permitted and active Depots in Alberta;
  - h. “Total System Building Space” means, in any particular year under consideration, the total Depot building square footage for the Total System as determined in accordance with this Policy; and
  - i. “Uniform Code of Accounts” or “UCA” means the series of forms identified as such and provided to Depot Permit holders by the Data Collection Agent for the purpose of collecting financial and operational data on an annual basis.

## Background to Policy

2. An issue of consideration before the BCMB’s first Handling Commission Review Panel was whether there should be a maximum to the size of building any Depot would be deemed to have for the purpose of determining Handling Commissions. For the 2007 HCR, the Handling

---

Commission Review Panel set a deemed building size cap based upon the geographically-based BCMB classifications as follows:

- a. Rural Depots - building size cap of 3,000 square feet;
- b. Urban Depots - building size cap of 5,000 square feet; and
- c. Metro Depots - building size cap of 7,500 square feet.

After the 2007 Handling Commission Review Panel, the BCMB implemented a policy to cap Depot building square footage based on Container volumes processed rather than the building's geographic location. The concern, as a result of the BCMB classifications, was that Depots that handle larger volumes of Containers may be deemed to have building size caps that are too restrictive for the volume of Containers which they actually handle. The three volume classifications (Small, Medium and Large) already established by the DCA were used. These categories were defined as follows:

- a. Small Depots handle less than 6 million Containers. Their building size was capped at 3,000 square feet;
- b. Medium Depots handle between 6 million and 15.5 million Containers. Their building size was capped at 5,000 square feet; and
- c. Large Depots handle more than 15.5 million Containers. Their building size was capped at 7,500 square feet.

This Policy was used for the 2010, 2013 and 2016 HCRs. As stated by the Policy, this building cap structure "rewarded Depots for increasing the volume of Containers handled by such Depots, because as Depots handle increased volumes of Containers, more Depots move into the larger Volume Classifications, resulting in an overall increase to the Total System Building Space used in BCMB Handling Commission Review and determinations."

The 2018 revision to the Policy is intended to expand the number of volume clusters under consideration to more closely group "peer" Depots (i.e. those with similar volumes). Within each volume cluster (or "peer" group), the point at which 85% of the Depots with the highest ratio of volume/square footage are included will become the benchmark after which the remaining Depot buildings will be capped at the 85% level. This analysis will be revised and updated by the DCA with each Handling Commission Review.

### **Building Size Caps for Depots**

- 3. Due to the variability of Containers processed in the system, and thus the implied variability in square footage requirements, maximum square footage will be determined based on size categories which in turn are based on annual Container returns. As part of each HCR, the DCA

---

will review the volume clusters as identified in the below table, and if required, make changes based on, but not limited to, any of the following criteria:

- a. The percent change between members of each grouping;
- b. The number of Depots in each grouping; and
- c. The total volume processed by the system.

The categories below will form the basis for the DCA's review of volume clusters. In general, volume clusters will follow the structure in the table below, but the specifics are subject to change by the DCA.

Volume Cluster	Annual Container Returns
1	0 – 999,999
2	1,000,000 – 1,999,999
3	2,000,000 – 2,999,999
4	3,000,000 – 6,999,999
5	7,000,000 – 14,999,999
6	15,000,000 – 24,999,999
7	25,000,000 +

4. Following the determination of appropriate volume clusters, the DCA will calculate the maximum square footage for each volume cluster as follows:
  - a. Calculate square footage for each Depot as follows: annual volume divided by total square feet used for Depot operations as measured by the BCMB.
  - b. Using the calculated square footage, the DCA will rank Depots within each volume cluster from the highest Container volume per square foot to the lowest Container volume per square foot. The DCA will then set the maximum for the volume cluster as the largest square footage reported by a Depot that falls within the 85% of Depots with the highest Container volume per square footage for that cluster.
  - c. This maximum square footage cap will then be applied to all Depots in the cluster.
5. The Depot building size caps, based on the volume clusters, will be applied for HCR determinations. The Total System Building Space used for HCR determinations will increase as the total volume of Containers handled by Depots increases. The use of the Depot building size caps by the BCMB rewards Depots for increasing the volume of Containers handled by such

---

Depots, because as Depots handle increased volumes of Containers, more Depots move into the larger volume clusters, resulting in an overall increase to the Total System Building Space used in HCR determinations.

6. Notwithstanding the foregoing provisions of this Policy, no individual Depot can be capped at a building size which is lower than its Depot permit prescribed minimum building size.
7. This Policy shall apply to the review and determination of Handling Commissions during a Handling Commission Review.