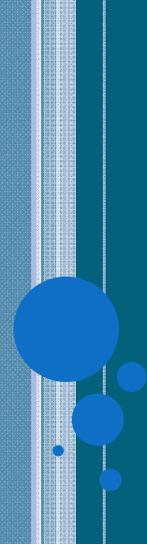


**THE PROBLEM STATEMENT
&
DESIGNING ALTERNATIVES**

Transfer System Task Force
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1. THE PROBLEM STATEMENT

THE PROBLEM STATEMENT...

- Guides development of alternatives.
- That is, alternatives are designed to solve the stated problem.

3

PROPOSED PROBLEM STATEMENT

The current system is not ideally positioned to deliver key public benefits – now or in the future.

1

“The current system is not ideally positioned to deliver key public benefits – now or in the future.”

Some Evidence

Highest & best use of resources

We are recovering only marginally more commercial food scraps than when the program began a decade ago.

Access to services

The limited number of facilities offering self-haul results in some inequity of access. Caps on wet waste prevent efficient use of transfer stations.



“The current system is not ideally positioned to deliver key public benefits – now or in the future.”

Some Evidence

Flexible and responsive

Despite some extra capacity for transfer of wet waste, there is little conversion to alternative uses such as self haul or food scraps transfer.

Good value

The region has a history of “reasonable” (low cost) collection and disposal rates. Tradeoff: good for ratepayers, but a hurdle for higher recovery.



WHY NOT IDEALLY POSITIONED?

Some Reasons

- Some benefits are “public goods” and the market alone will never provide them – *e.g.*, household hazardous waste collection.
- Some services do not align with every operator’s business model so the access/equity benefit is an issue – *e.g.*, self haul.



WHY NOT IDEALLY POSITIONED?

Some Reasons

- The slow ramp-up time for many new recovery programs are a barrier to investment and entry – *e.g.*, food scraps transfer.
- The investment needed to deliver some public benefits requires more certainty in prices and/or flow – *e.g.*, alternative technologies.



WHY NOT IDEALLY POSITIONED?

Some Reasons

- Some benefits require the government to coordinate action among many players.
 - Past example: Metro bundling the region's waste to leverage a landfill.
 - Possible future example: leveraging alternative technologies
- Some benefits require a public mandate if they are to be provided at all.

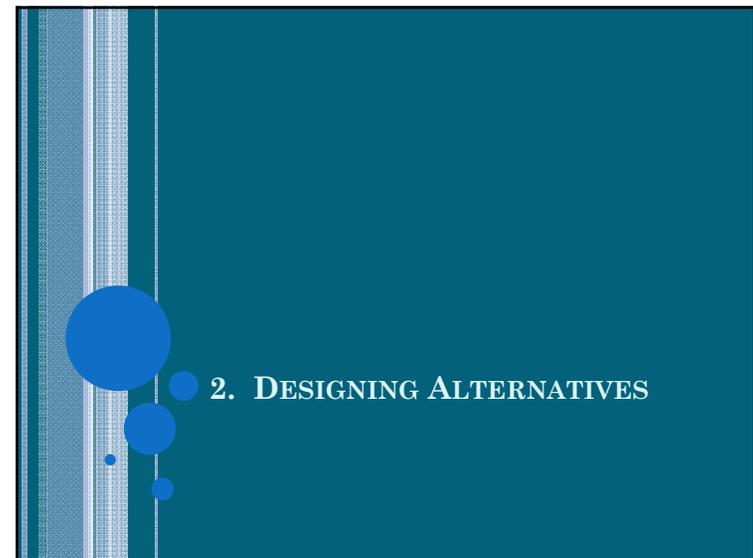
THE PROPOSED PROBLEM STATEMENT

- The current system...
- ...is not ideally positioned...
- ...to deliver key public benefits
 - ...now...
 - ...or in the future.

DISCUSSION

Is the problem statement

- Complete?
- Understandable?
- Compelling?
- Provide a basis for moving forward?
- Questions, comments.



2. DESIGNING ALTERNATIVES

An “Alternative”

- Is a particular way of configuring the system
(addressing services, decision-making, economics, public-private roles, governance, etc.)
- Is designed to solve the problem

DEVELOPING ALTERNATIVES: STEPS

1. Design different ways to deliver benefits.
2. Evaluate performance, estimate cost.
3. Ask:
 - Is the alternative better than the status quo?
 - Does it provide good value for the ratepayer?
4. If no, go back to 1 and revise.
5. Continue until we have a small number of satisfactory alternatives.
6. Perform final evaluation.
7. Decide and recommend.

WHAT DO ALTERNATIVES LOOK LIKE?

Strategy Table
(specifies alternatives)

Features	Alternative 1	Alternative 2	Alternative 3
Services			
Roles			
Decision-making			
Destinations	-- Descriptions --		
Recovery			
Economics			
Governance			
...			

WHAT DO ALTERNATIVES LOOK LIKE?

Evaluation (Scoring) Table
(for each alternative)

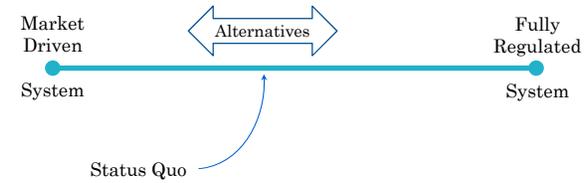
Features	Health	Environment	Highest/Best	Flex/Adapt	Access Services	Good Value
Services						
Roles						
Decision-making						
Destinations						
Recovery						
Economics						
Governance						
...						

GETTING STARTED

- Staff will draft three complete alternatives
- Proposed themes
 - Incentive-based approach to delivering benefits
 - Regulatory (prescriptive) approach to benefits
 - Status quo, with tweaks and adjustments
- Task Force will use these as starting points.

THREE THEMES: ORGANIZING PRINCIPLE

How much market and how much regulation?



Discussion

OK with the 3 draft alternatives?

END