

Subject: PEI Transition to EPR for Beverage Containers — Deposit/Refund Structure, CRF Rates & Other Key Updates

Notice to beverage product brand owners/producers,

The Government of Prince Edward Island (PEI) is <u>transitioning its Beverage Container Program to an Extended Producer Responsibility (EPR) model</u> effective **April 1, 2026**. The province's newly revised <u>Environmental Protection Act Materials Stewardship and Recycling Regulations</u>, which govern all PEI EPR programs, outline how EPR rules will apply to beverage containers (see Division 9, page 48).

Encorp Atlantic/Encorp Atlantique ("Encorp") has been working with the PEI Department of Environment, Energy, and Climate Action, as well as other stakeholders, to prepare for this transition. Following its successful leadership of New Brunswick's (NB) shift to EPR in 2024, Encorp has been chosen as the producer responsibility organization (PRO) for PEI and has submitted a Stewardship Plan for the new EPR Program. Encorp is pleased to announce that its Stewardship Plan has recently been approved by the PEI government. Encorp will serve as the designated agent for beverage producers to fulfill certain of their obligations under the Regulations and will work closely with both producers and retailers to build awareness of their responsibilities under the new EPR program.

We invite all producers selling beverage products in PEI to review the following pages of this document for important updates on anticipated program fees (deposits and container recycling fees) under the new EPR program. For your convenience, this document also includes details about an upcoming information webinar in November for which you will receive a separate Teams invitation for the session, a list of next steps/key deadlines, as well as a helpful FAQ.

Producers are encouraged to monitor Encorp's communications closely in the coming months and attend our upcoming webinars. For immediate assistance, please contact us at **1-877-389-7320** or epr-rep@encorpatl.ca.

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Deposit-Refund Structure

Under PEI's revised <u>Environmental Protection Act Materials Stewardship and Recycling Regulations</u>, the Beverage Container Program will transition from a half-back model to a full deposit-refund model. Setting the deposit amounts is the responsibility of the PRO in its Stewardship Plan.

Retailers must collect deposits on beverage containers at the point of purchase, and consumers will receive a full deposit refund when returning empty containers for recycling at designated return facilities (PEI's network of beverage container depots).

Effective April 1, 2026, the deposit amounts, established by Encorp in its Stewardship Plan, will be as follows.

IN EFFECT: APRIL 1, 2026		
CONTAINER TYPE*	DEPOSIT	REFUND
All container types except non-refillable glass alcohol containers over 500 ml	10 cents	10 cents
Non-refillable glass alcohol containers over 500 ml	20 cents	20 cents
Refillable glass (beer bottles)	10 cents	10 cents

^{*}Will apply to all beverage containers 5 L and under for products that fit the Regulations' definition of "beverage."

- Deposits must just as they always have be charged to consumers separately from the beverage product's price. They are required to appear as distinct line items on consumer receipts and may also be shown separately on business-to-business invoices.
- As of April 1, 2026, because deposits will be fully refundable when empty beverage containers are returned for recycling at beverage container depots, they will not be subject to PEI's Harmonized Sales Tax (HST).

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Container Recycling Fee

Effective April 1, 2026, Encorp will introduce a container recycling fee (CRF) on certain container types, as needed, to cover the estimated net costs of handling, transportation, processing, and administration of post-consumer deposit-bearing beverage containers. **The CRF rates for each container type, effective April 1, 2026, will be set by Encorp as follows.**

CONTAINER TYPE*	CRF (IN EFFECT: APRIL 1, 2026)
Aluminum	2 cents
PET/HDPE (non alcohol)	4 cents
PET/HDPE (alcohol)	1 cent
All other plastics	1 cent
Non-refillable glass	10 cents
Refillable glass (beer)	0 cents
Steel	3 cents
Cartons (Polycoat containers + wine boxes/bag-in-box)	0 cents

^{*}Will apply to all beverage containers 5 L and under for products that fit the Regulations' definition of "beverage."

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Webinars & Next Steps/Deadlines

Producers selling beverage products in PEI will be able to appoint Encorp as their agent/PRO for the new EPR program. For those already familiar with Encorp's process in NB, registration will be very similar. It will involve signing an official agreement authorizing Encorp to fulfill specific EPR obligations on the producer's behalf. **The registration process will open in January 2026, at which time producers will receive a complete information package.**

Beginning April 1, 2026, all registered producers must remit beverage container deposits and CRFs to Encorp through monthly online reports covering all applicable beverage product sales. Producers will receive user login credentials (username and password) to access Encorp's online reporting portal, which includes a streamlined remittance form. This form will automatically calculate the applicable deposit and CRF amounts by container material type, based on reported sales. More detailed guidance on reporting and remitting deposits and CRFs will be provided in the January information package.

Beverage producers are invited to attend an informational webinar on November 20, 2025, at 1:00 p.m. AST. This session will provide an overview of the confirmed details of PEI's new EPR Program, as outlined in Encorp's approved Stewardship Plan. You will receive a separate Teams invitation for the session. A second webinar will be held in February 2026, following the official opening of registrations.

- **November 2025**: Encorp will share its Stewardship Plan recently approved by the PEI Department of Environment, Energy and Climate Action with beverage industry stakeholders and publish it on its website.
- November 20, 2025, at 1:00 p.m. AST: First informational webinar.
- **January 2026:** Registrations to appoint Encorp as agent/PRO opens. Producers will have access to a complete information package, including guidelines and consumer education materials for retailers.
- February 26, 2026, at 1:00 p.m. AST Second informational webinar, following the opening of registrations.
- April 1, 2026: Official launch of the EPR program in PEI. Producers will begin reporting and remitting deposits
 and CRFs to Encorp for all applicable beverage containers sold in PEI starting this date. The program will also
 transition to a full deposit-refund model, with CRFs and the new deposit amounts specified in this document.



Frequently Asked Questions (FAQ) PEI Transition to EPR for Beverage Containers

What is changing in Prince Edward Island (PEI)?

PEI is transitioning its Beverage Container Program to an Extended Producer Responsibility (EPR) model, effective April 1, 2026. Under this system, beverage producers will be responsible for funding and managing the collection and recycling of their post-consumer beverage containers.

Why is Encorp involved?

Encorp was established in 2023 to support producers in meeting EPR obligations in New Brunswick (NB). Encorp successfully led NB's transition to EPR for beverage containers on April 1, 2024, and is now working with the Department of Environment, Energy and Climate Action and other stakeholders to do the same in PEI.

Does Encorp have an approved Stewardship Plan?

Yes. Encorp submitted its Stewardship Plan for PEI in September 2025 to the Department of Environment, Energy and Climate Action. The plan was recently approved and outlines how Encorp will manage collection, recycling, awareness/education, and reporting for beverage containers under the new EPR program. It is currently in translation and will be shared with all stakeholders and posted on Encorp's website in November 2025.

Do I need an agreement with Encorp for PEI?

Beverage producers will be able to appoint Encorp as their agent/producer responsibility organization (PRO) by signing an official agreement that assigns Encorp the responsibility for fulfilling certain EPR obligations on their behalf. Registrations with Encorp will open in January 2026, and a complete information package, including guidelines and consumer education materials for retailers, will be available to producers at that time.

When does the new EPR program start?

The new EPR program will launch on April 1, 2026, as confirmed in PEI's recently revised <u>Environmental Protection Act Materials Stewardship</u> and Recycling Regulations.

What will program fees look like?

The program will transition to a full deposit-refund structure, as stated in PEI's <u>Environmental Protection Act Materials Stewardship and Recycling Regulations</u>. In addition, a container recycling fee (CRF) will be introduced by material type and charged by Encorp to producers to cover the net costs of collection, transportation, and processing of post-consumer beverage containers. As of October 28, 2025, Encorp has confirmed the deposit-refund structure and CRF rates for PEI, which will take effect on April 1, 2026. For complete details, please consult the attached document or <u>visit Encorp's website</u>.

Which beverage products will be subject to deposits and CRFs?

Containers for products that meet the definition of "beverage" under PEI's <u>Environmental Protection Act Materials Stewardship and Recycling Regulations</u> will be subject to a deposit and CRF. The Regulations define a beverage as: "a ready-to-serve liquid that is intended for human consumption, but does not include milk, plant-based milk product alternatives that are fortified and a source of protein, unprocessed apple cider, concentrated drinks, infant formula, meal replacements, or formulated liquid diets." This definition is identical to the one used in NB, for consistency and harmonization across Atlantic Provinces.

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Which materials will be acceptable for deposit-bearing beverage containers sold in PEI?

The same types of materials accepted by Encorp in NB will also be accepted by Encorp in PEI under the new EPR program. This will help ensure harmonization across Atlantic Provinces and simplify compliance for producers operating in multiple jurisdictions. The accepted materials for beverage containers will be as follows:

- Aluminum containers.
- PET containers marked with the #1 PET (or PETE) resin code.
- HDPE translucent containers marked with the #2 HDPE resin code.
- Non-refillable glass (clear, green, or brown) bottles not intended for reuse.
- Refillable glass (industry-standard brown beer bottles and proprietary refillable bottles) intended to be washed, sterilized, and reused.
- Cartons & polycoat containers (aseptic & gable-top) and boxed wine cartons (bag-in-box).
- Steel beverage containers.
- Other plastics & pouches—opaque HDPE (#2), polypropylene (#5), polystyrene (#6), other plastics (#7), and LDPE (#4) pouches.

What are the next steps?

- In the coming weeks, Encorp will share its Stewardship Plan, which was approved by the PEI Department of Environment, Energy and Climate Action.
- Webinars will be held on November 20, 2025, and February 26, 2026, both at 1:00 p.m. Atlantic Time.
- Producers will receive instructions regarding registration/signing agreements and program fee reporting/remittance procedures with Encorp in January 2026.
- Consumer education and outreach will begin in April 2026, with major advertising campaigns scheduled for early summer and again in the fall.

Where can I get more information?

Encorp will continue to provide regular updates as we near the April 1, 2026, start date of the new EPR Program. In the meantime, you may Contact us at **1-877-389-7320** or **epr-rep@encorpatl.ca**. For the latest updates, visit the dedicated PEI EPR Program webpage on Encorp's website via the *Beverage Industry* menu at <u>encorpatl.ca</u>.

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