



**Governor Ned Lamont
State of Connecticut**



FACT SHEET
2020 Legislative Session

SENATE BILL 11
***AN ACT CONCERNING THE RELIABILITY, SUSTAINABILITY AND ECONOMIC VITALITY
OF THE STATE'S WASTE MANAGEMENT SYSTEM***

Summary of Proposal:

Key components of Connecticut's waste system—recycling and waste-to-energy facilities (WTE)—are experiencing increasing and unpredictable costs, placing economic pressure on municipalities and businesses, and undermining economic incentives to choose environmentally-preferable waste disposal options.

To address these challenges, Governor Lamont is proposing to (1) set an achievable residential waste per capita goal reduction target, and (2) implement a waste reduction and infrastructure development program centered on competitive solicitations to support private sector innovation as well as municipal waste reduction programs.

- Section 1 – Modifies goals of waste management for pounds per capita of residential municipal solid waste (700lbs by 1/1/2022 and 500lbs by 1/1/2024). This goal is to assist in municipal planning and will not lead to penalties if missed.
- Section 2 – Authorizes DEEP to issue RFPs for new, improved, or expanded waste facilities and various waste facility alternatives.
- Section 3 – Requires DEEP to submit recommendations for recycled content requirements for consumer products sold in the state.
- Section 4 – Requires the Material Innovation and Recycling Authority (MIRA) to submit a five-year plan for reliable cost and effective service including providing municipal solid waste management services required by municipalities under contract.
- Section 5 – Modifies trash hauler reporting to collect better data on the status of waste management in the state.

Reason for Proposal:

Connecticut generates approximately 3.5 million tons per year (TPY) of municipal solid waste (MSW). Of those 3.5 million tons, an estimated 1.2 million tons (35%) are composted or recycled through the state's mandatory curbside recycling and bottle redemption programs. Of the

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remaining 2.3 million TPY of MSW, approximately 80% is incinerated by five waste-to-energy (WTE) facilities that were built in the 1980s, and the remaining 20% is exported out-of-state, primarily to landfills.

Connecticut has adopted the “waste hierarchy” (CGS Section 22a-228b) that ranks waste management options based on their environmental impact. The waste hierarchy gives preference to reduction and recycling over WTE, and gives preference to WTE over landfilling. CGS Section 22a-229 requires the actions taken by persons, municipalities and regional authorities who manage solid waste to be consistent with the statewide solid waste management plan that incorporates the waste hierarchy. Emissions from landfills and, to a smaller extent, from WTE facilities, are a significant contributor to climate change. In proposing this legislation, the Governor recognizes that our state must take a proactive approach to modernizing our waste management system in order to counter climate change and to meet our other environmental goals.

WTE facilities receive revenues from tip fees charged on waste tonnage, and from the sale of energy, capacity, and renewable energy credits (RECs) based on electricity generated from burning MSW. In recent years, the state’s aging WTE facilities have faced increased maintenance and capital costs for facility upgrades, and declining energy and capacity revenues due to ISO-NE market trends. The state’s remaining publicly controlled WTE facility—the MIRA facility in Hartford—has identified the need for a \$330 million capital investment to continue reliable operation. This facility is authorized to manage 1/3 of the state’s waste (739,855 TPY). However, in recent years the facility has routinely processed significantly less than that, as low as 450,000 TPY. The loss of the capacity at the MIRA WTE facility cannot be absorbed by other in-state WTEs, and such loss of capacity would create instability for CT municipalities and businesses. MIRA estimates that to make the investments necessary to provide reliable service over the next decades, tipping fees will escalate from \$83/ton to \$145/ton (not including inflation).

Additionally, major changes in global markets have dramatically reduced the value of recovered paper and plastics, changing the economics of recycling and increasing costs for municipalities and businesses. The Chinese “National Sword” policy, implemented in 2018, restricted export to China of all but the highest quality paper and plastics. This policy effectively closed what had been the largest global market for recovered materials. Prior to this policy, municipalities were paid \$5-\$10 per ton for mixed recyclables. Today, many municipalities are paying \$50 per ton or more to cover the cost of processing recyclables.

Municipalities are vulnerable regarding the management of their waste given the uncertain future for WTE in CT. In the absence of state action it is likely that municipalities and businesses will increasingly resort to exporting to out-of-state landfills to dispose of their waste. Currently, about 300,000 TPY of MSW is exported out of state, including to Pennsylvania, New York, and Ohio. The current cost-per-ton for MSW export varies, but is approximately \$95-\$100/ton. Relying on out-of-state landfills increases the greenhouse gas impacts of waste management through transportation-related emissions and landfill-related methane emissions, and exposes businesses and towns to unpredictable cost increases as they compete for limited access to

landfill capacity. In addition, the long-term viability of out-of-state export is unknown and not within Connecticut's control.

With fewer disposal options in the state, we would expect tipping fees to increase at the remaining in-state WTE facilities, along with rates for out-of-state landfilling. In the absence of a program for in-state infrastructure development, the private sector is unlikely to invest in or support the infrastructure necessary to meet the state's waste management needs. A lack of public investment will discourage innovation and investment in CT-based waste management solutions and self-sufficiency.

Significant Impacts:

Section 1 – Modifies goals of waste management for pounds per capita of residential municipal solid waste (700lbs by 1/1/2022 and 500lbs by 1/1/2024). Waste generation reductions may help alleviate capacity shortfall resulting from the loss of MIRA WTE capacity, and reductions in waste generation will avoid GHG emissions from waste transport and landfilling.

Section 2 – Provides for the solicitation for in-state innovative waste management solutions, technology, siting and programs. Allows for the establishment of targeted investments using competitive procurements to leverage private sector solutions as well as support innovative municipal measures. Programs such as unit-based pricing programs could significantly reduce the generation of waste, and organics diversion could further reduce the amount that must be managed or disposed of. To succeed in attracting innovative solutions and technologies, solicitations may include access to bonds or other identified funding, power purchase agreements for anaerobic digestion, and identification of appropriate sites.

Section 3 – Requires DEEP to submit recommendations for recycled content requirements for consumer products sold in the state. May increase demand for recyclable materials and aid in the development of in-state or regional recycling markets that would be triggered through recycled content requirements.

Section 4 – Requires the Material Innovation and Recycling Authority (MIRA) to submit a five-year plan for reliable cost and effective service. Establishes a plan for the management of waste committed to MIRA's WTE facility through to the projected end of existing service agreements and may provide more predictability in tipping costs for municipalities.

Section 5 – Modifies trash hauler reporting to collect better data on the status of waste management in the state. Will provide reliable reporting to assess per capita waste generation and inform decision-making regarding capital improvements to in-state solid waste infrastructure.