MAYOR LAURETTI

Re: H.B. 5817

For years we in southwestern Connecticut have been paying some of the state's highest prices for disposing of trash. We should be getting some relief, but unless something dramatic happens the situation could get worse, especially if the industry is deregulated.

Since 1988, our towns and the others that comprise the Connecticut Resources Recovery Authority's Bridgeport Project have been paying above-market rates to send our trash to the Wheelabrator trash-to-energy plant in Bridgeport. December 31, 2008, will mark the end of a 20-year contract we have had with Wheelabrator, 20 years being the term of the bonds sold to finance construction of the plant.

You might reasonably assume that once the debt service is paid off that Wheelabrator's price might drop accordingly. But you would be wrong. For over a year, CRRA has been in good-faith negotiations with Wheelabrator on behalf of Bridgeport Project towns, and Wheelabrator has yet to offer anything resembling a price reduction, even though the debt service equates to more than $24 per ton on what they charge us.

Our towns are extremely frustrated with this situation. We feel like the landlord who pays off his mortgage, but then must give the house to his tenant. That's because at the end of the contract, Wheelabrator takes full control of the plant and, without a new contract with CRRA and/or the Bridgeport Project towns, will be able to charge whatever it wants and be able to take garbage from whoever is willing to pay the price – even if it means importing trash from New York.

In the 1970s, Connecticut made a commitment to trash-to-energy, and today the state is served by six trash-to-energy plants. This system makes sense for three reasons:

- These plants are clean. The U.S. Environmental Protection Agency says trash-to-energy produces power "with less environmental impact than almost any other source of electricity."
- These plants generate power with a virtually limitless, locally-produced fuel supply.
- They reduce by 90 percent the volume of waste that winds up in landfills.

Despite these benefits, and despite the fact that Connecticut already exports more than 400,000 tons of trash to other states each year, there hasn't been a new trash-to-energy plant built in Connecticut since 1997. And given the current "NIMBY" climate in our state, it's hard to envision a new plant being built anytime soon, so Connecticut has allowed the creation of a de facto unregulated monopoly for trash disposal.

Yet under their current operating agreements, five of the state's six trash-to-energy plants – including those in Bristol, in Wallingford, in Preston and in Bridgeport – could be privately owned and operated by the year 2015. The plant in Lisbon already is private. That would be tantamount to a complete deregulation of the trash disposal industry. Trash disposal is vital to protecting the public health and our environment; we can't afford this industry to go the route of the deregulated electric industry.

Fortunately, there is a proposal to prevent that from occurring. SB 636, "An Act Concerning Resources Recovery Facility Contracts," will prevent this from happening. This bill would regulate rates charged by privately-owned disposal facilities while allowing their owners a reasonable return on equity. Further, by ensuring Connecticut trash-to-energy plants serve Connecticut, it would prevent these plants from importing waste from out of state while forcing us to truck waste to other states, easing the burden on our highway system and preventing needless increases in diesel emissions. Most importantly, it will protect our taxpayers from submitting this vital service to the uncertainties of the market.

We urge you to pass this important legislation.