

# Scope of Study

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## RESOURCE RECOVERY FACILITY OWNERSHIP: OPTIONS AND IMPLICATIONS

Under state law, Connecticut cities and towns must provide for the safe and sanitary disposal of all solid waste generated within their borders and, since 1991, make provisions for recycling of mandated items (C.G.S. Sec. 22a-220). Municipalities must carry out these activities in compliance with the state-wide solid waste management plan prepared by the Department of Environmental Protection (DEP) that, by law, establishes the following priorities for managing solid waste: source reduction; recycling; resource recovery; and incineration and landfilling.

In 1973, the legislature created a quasi-public agency, the Connecticut Resources Recovery Authority (CRRA), to develop and implement solid waste recycling, disposal, and resource recovery systems and facilities designed to serve municipalities, regions, and private entities. Additionally, any municipality is authorized to create its own municipal resource recovery authority or join with other municipalities to create regional resource recovery authorities to manage their solid waste disposal needs.

Almost 60 percent of the state's municipal solid waste is burned at the state's six resource recovery facilities (RRFs). Four are owned by CRRA (Bridgeport Project, Mid-Conn Project in Hartford, Southeast Project in Preston, and Wallingford Project) and two, Bristol and Lisbon, operate as regional resource recovery authority projects. At present, 140 of Connecticut's 169 communities send their municipal solid waste to these in-state resource recovery facilities.

In the coming years, there could be a shift in ownership of much of the state's resource recovery capacity from public to private entities, as bonds that financed the facilities are paid off and existing service contracts expire. Three of the four CRRA facilities could transfer to private ownership, starting with the Bridgeport RRF at the end of 2008. It is unclear what impact this shift could have on municipalities and the state.

Legislation enacted in 2003 requires CRRA to form a special committee to evaluate and present options to CRRA for municipal waste disposal no later than two years before the final maturity date of bonds for any resource recovery project administered by CRRA (C.G.S. Sec. 22a-268f). Prior to that legislative requirement in 2002, reports on disposal options were prepared for the Bridgeport and Wallingford facilities, and municipalities participating in those two projects will be making decisions about how to manage their solid waste after December 2008 and June 2010, respectively. Also, in the 2008 current session, legislation to establish state regulation of resource recovery rates is pending. While DEP, in the state solid waste management plan, does not take a position on the ownership issue, it recognizes its importance and believes it should be fully understood and debated by the public and policy makers.

## **AREA OF FOCUS**

The study will identify and describe any potential future ownership shifts for resource recovery facilities now owned by CRRA that might occur after current RRF contracts expire. Implications of private ownership of in-state resource recovery capacity for municipalities as well as for state solid waste management policies will be examined.

## **AREAS OF ANALYSIS**

1. Describe current operational, legal, contractual, and financial structure of resource recovery facilities in Connecticut, including:
  - a. capacity and services;
  - b. contracted towns;
  - c. operator responsibilities;
  - d. ownership;
  - e. budget and fees; and
  - f. ash residue disposal arrangements.
2. Review the potential impact of the expiration of current contracts and changes in facility ownership on municipalities in terms of options for solid waste disposal and costs.
3. Identify alternatives for public and private roles in solid waste management, particularly with respect to resource recovery facility capacity (e.g., facility ownership, regulation of waste disposal rates, and development of new facilities and technologies).
4. Review experience in other states.

## **SCOPE CAVEAT**

Solid waste disposal is a complex function of vital interest to the all levels of government (federal, state, and local) and involves significant public environmental and energy concerns as well as commercial interests. Looking at the question of resource recovery facility ownership will no doubt interconnect with many other issues related to solid waste disposal. With the relatively narrow focus of this scope, a comprehensive examination of the state's approach to solid waste disposal will not occur, but to the extent possible, this study will identify issues for possible further review.