



PEDRO E. SEGARRA
MAYOR

Testimony by Mayor Pedro E. Segarra
City of Hartford
House Bill 5118

An Act Concerning the Reclassification of Trash to Energy Facilities As Class One Renewable Energy Sources
March 2, 2012, 10:30AM in Hearing Room 2B

Chairmen Meyer and Roy, Ranking Members Roraback and Chapin, Vice-Chairmen Maynard and Miller and Members of the Environment Committee:

Thank you for the opportunity to present testimony on HB 5118, An Act Concerning the Reclassification of Trash to Energy Facilities As Class One Renewable Energy Sources.

This bill, on its surface, may not clearly be seen to affect municipalities in any dramatic and or meaningful ways. However, this legislation is extremely meaningful. The City of Hartford has been the host community for the Connecticut Resources Recovery Authority (CRRRA) Mid-Connecticut waste-to-energy project for approximately thirty years. During this time, Hartford and an additional 69 communities, as well as many private haulers, have deposited hundreds of thousands of tons of municipal solid waste at the Mid-Conn plant. The solid waste has generated electricity and associated revenue and the electric revenue from trash has been a determining factor in tip fee pricing—fees which all towns want to keep consistent and low.

Unfortunately, the January 2012 auction to replace the 2007 power sales agreement resulted in a diminished kilowatt per hour rate of 3.5 cents, dramatically lower than the historical 8 cents. This significant reduction in the kilowatt rate is a result of a glut of natural gas and resulting lowered pricing. There is no question that the diminished revenue rate from CRRRA's auction means municipal budgets will be impacted by tip fees that must be raised to insure continued plant operations.

However, HB 5118 can make the difference long-term. Under reclassification, municipal solid waste will be defined as a Class One renewable energy source and will guarantee an enhanced revenue stream. Retail power providers in Connecticut are required to have a minimum amount of renewable energy in their supply inventories. It is purchased at a premium price and most of it comes from out of state. Reclassification will mean Connecticut waste-to-energy plants can be the source of the retail provider's renewable energy supply. This will not increase cost to providers or rate payers and will translate into stabilization of tip fees for member towns.

As this committee well knows, I believe fiscal impacts of solid waste and energy policy to towns must be seriously considered, debated and addressed in order to provide cost-control and long-term predictability. HB 5118 actually creates an opportunity for solid waste and energy policy to converge and benefit all stakeholders: waste-to-energy plants, retail providers, municipalities and taxpayers.

Thank you for considering this important bill and the City of Hartford urges your favorable consideration.

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