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## **OLR Bill Analysis**

### **sSB 27**

#### ***AN ACT CONCERNING CONNECTICUT'S RECYCLING AND MATERIALS MANAGEMENT STRATEGY.***

#### **SUMMARY:**

This bill dissolves the Connecticut Resources Recovery Authority (CRRA) and establishes the Materials Innovation and Recycling Authority (MIRA) as a successor authority. It transfers CRRA's functions, powers, and duties to MIRA (see BACKGROUND).

By January 1, 2016, the bill requires the Department of Energy and Environmental Protection (DEEP) commissioner, with MIRA, to seek proposals from solid waste management providers to redevelop the Connecticut Solid Waste Management System Project. It authorizes him to (1) select a provider and (2) direct MIRA to contract with the provider.

The bill also:

1. decreases, from 75 to 45 people, the statutory cap on how many people the authority may employ;
2. requires a two-thirds vote of the authority's board of directors before spending \$50,000 or more for an outside consultant; and
3. repeals the authority's ability to establish ash residue disposal sites, and related statutes.

The bill establishes a nonprofit foundation to (1) coordinate and support educational activities that focus on increasing recycling and reuse and (2) administer funds for these purposes. It also creates an 11-member nonprofit council to support the foundation.

Under the bill, the DEEP commissioner must, by July 1, 2016, revise the state's solid waste management plan to (1) expand the strategies

covered by the plan and (2) increase the state's solid waste diversion rate. He must consult with municipalities when revising it.

The bill also expands the purposes of an existing DEEP-operated electricity purchasing pool to include purchasing electricity for municipal operations. It allows the commissioner to make grants to municipalities that participate in the pool and commit to the state's revised diversion goals.

Finally, the bill also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage, except for the staffing reduction provision and a technical change, which take effect January 1, 2015.

### **§§ 1, 3, 5-7 — CRRA SUCCESSION**

#### ***Connecticut Solid Waste Management System Project Redevelopment***

The bill requires the DEEP commissioner, by January 1, 2016, to request proposals from solid waste materials management services providers to redevelop the Connecticut Solid Waste Management System Project. It must do this in consultation with MIRA. The types of services involved may include such things as recycling, reuse, energy recovery, fuel recovery, organic materials processing, construction and demolition debris recycling, and bulky waste recycling.

Of the submitted proposals, the commissioner may select up to three providers that may then conduct a feasibility study with MIRA's cooperation. The feasibility studies must be finished by January 1, 2017, and final proposals must be submitted to the commissioner by July 1, 2017. By December 31, 2017, the commissioner must choose one final proposal and direct MIRA to enter into an agreement with the selected provider to redevelop the project.

The bill requires the commissioner to consider the following factors when choosing the final proposal:

1. consistency with the waste management goals and strategies provided in the state's solid waste management plan (see

below),

2. if the proposal is in the best interest of municipalities contracting with MIRA,
3. level of investment proposed by the provider,
4. positive impacts on the state's economic development, and
5. other factors the commissioner considers relevant to the redevelopment of the Connecticut Solid Waste Management System Project.

***Authority Activities, Powers, and Purposes***

The bill also revises the authority's activities, powers, and purposes by:

1. eliminating its ability to appoint advisory councils on things such as source-separation and recycling;
2. expanding on its ability to do anything necessary to conduct its comprehensive solid waste disposal and resources recovery program by including reuse and recycling;
3. removing its power to help develop or revise the state's solid waste management plan;
4. reducing the number of votes needed, from two-thirds to a simple majority of the board, to approve the authority's annual operations plan; and
5. specifying that its purposes exclude activities on statewide recycling education and promoting or establishing statewide solid waste management or policy.

The bill also limits the authority's current purpose of helping develop industry, technology, and commercial enterprise related to certain solid waste processes in the state. It does so by requiring the development to be (1) on the authority's property, (2) in consultation

with the DEEP commissioner, and (3) according to the statewide solid waste management plan.

### **§§ 10-15 — CRRA ASH RESIDUE DISPOSAL AREAS**

The bill repeals CRRA's authority to establish up to four ash residue disposal sites in the state. CRRA has not established an ash disposal site in the state, and in 2009 it resolved to indefinitely suspend efforts to develop one.

### **§ 4 — NONPROFIT RECYCLING FOUNDATION**

#### ***Purpose***

The bill establishes a nonstock, nonprofit corporation called Recycle CT Foundation, Inc., as a state-chartered foundation organized under Connecticut law. It requires the foundation to:

1. target and promote coordination and support of research and education activities and public information programs to increase the state's reuse and recycling rate, according to the state's solid waste management plan and
2. receive, administer, and disburse gifts, grants, endowments, or other funds to support solid waste management research and education activities.

#### ***Supporting Council***

***Purpose.*** The bill creates a nonprofit council, the Recycling CT Foundation Council, and requires it to seek tax-exempt status. The council must solicit and accept funds for Recycling CT Foundation, Inc., which must be used for grants to programs that seek to increase solid waste material reuse and recycling in Connecticut.

The council must (1) set the criteria and procedures for awarding the grants and (2) prescribe the form grant applicants must use. Possible grant recipients apply to the council and may include nonprofits, civic and community groups, schools, public agencies, municipalities and regional entities that represent them, and private-sector organizations.

**Membership.** The council consists of the following 11 members:

1. the DEEP and economic and community development commissioners or their designees;
2. five gubernatorial appointees; and
3. four members, one each appointed by the House speaker, Senate president pro tempore, and the House and Senate minority leaders.

The governor appoints the council chairperson whose term is coterminous with the governor. The other council members serve up to three two-year terms. Council vacancies must be filled by appointing authorities and members receive no compensation for their service.

## **§ 2 — SOLID WASTE MANAGEMENT PLAN**

By law, the state's solid waste management plan provides goals and strategies and establishes a priority order for managing solid waste generated in the state. The bill requires the DEEP commissioner to revise the plan by July 1, 2016 and consult with municipalities when doing so. Current law requires the plan to include a strategy to recycle at least 25% of the state's solid waste. The bill (1) includes source reduction and reuse in the strategy and (2) increases the percentage to at least 60% of the solid waste generated after January 1, 2024.

The bill also requires the new strategy to include (1) modernizing the state's solid waste management infrastructure, (2) promoting organic materials management, and (3) recycling construction and demolition debris. Existing law, unchanged by the bill, requires the strategy to include (1) development of intermediate processing centers, (2) recommendations for assigning municipalities to regional recycling programs, (3) options for local compliance with recycling requirements, and (4) composting.

## **§ 9 — ELECTRICITY PURCHASING POOL**

### ***Pool Purpose***

By law, DEEP operates a purchasing pool to buy electricity for state

operations and certain low-income households. The bill expands the pool's purpose to include buying electricity for municipal operations.

### ***Electric Supplier Proposals***

When operating the pool, the bill allows the commissioner, on behalf of any state agency or municipality, to solicit proposals from electric suppliers for electric generation services to (1) buy electricity for state and municipal operations and (2) meet the state's energy policy goals described in the commissioner's comprehensive energy strategy. He may also solicit, for the same entities, proposals from electric suppliers for electric generation services from Class II renewable sources originating from permitted trash-to-energy facilities built by January 1, 2013.

The bill allows the commissioner to choose the electric service based on such things as the (1) delivered price and (2) supplier's practices to further the state's diversion, reduction, reuse, and recycling goals and the solid waste management plan. The bill caps the (1) term of the electric generation service at 20 years and (2) price at two cents per kilowatt hour above the forecasted average price for standard generation service for the contract's term.

### ***Municipal Grants***

The bill also authorizes the DEEP commissioner to provide grants to municipalities that join the pool and commit to achieve the state's diversion, recycling, and reuse goals, including those provided in the state's solid waste management plan.

## **BACKGROUND**

### ***Connecticut Resources Recovery Authority (CRRA)***

CRRA is a quasi-public agency that plans, designs, builds, and operates solid waste disposal, volume reduction, recycling, intermediate processing, and resources recovery facilities. Among other things, CRRA's powers include:

1. employing staff and setting staff responsibilities and compensation;

2. entering into contracts or agreements;
3. making and altering bylaws, rules, and regulations;
4. charging reasonable fees for its services;
5. investing funds not needed for immediate use; and
6. adopting regular procedures (CGS § 22a-265a).

**COMMITTEE ACTION**

Environment Committee

Joint Favorable Substitute

Yea 24 Nay 4 (03/21/2014)