

## OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

---

HB-5118

AN ACT CONCERNING WASTE MANAGEMENT AND  
ANAEROBIC DIGESTION.

---

### ***OFA Fiscal Note***

***State Impact:*** See Below

***Municipal Impact:*** See Below

### ***Explanation***

Currently, the Renewable Portfolio Standard (RPS) contains a requirement that a certain percentage of the electric power provided to electric ratepayers be derived from specific certain renewable energy sources. The bill, instead, limits the Class II RPS requirement to only Class II renewable energy sources (i.e., trash to energy facilities).

A typical waste to energy plant generates about 550 kilowatt hours (kWh) of energy per ton of waste. At an average price of four cents per kWh, this form of generating electricity is less expensive than other renewable sources, and as such, a shift to less expensive forms of supplying electricity is anticipated to lead to lower rates for the state and municipalities ratepayers.

The bill also requires that certain compliance payments for failing to meet the new Class II requirement be deposited into a sustainable materials management account established by the bill, rather than be refunded to ratepayers as current law requires. To the extent there are compliance payments made under the bill's provisions, the bill could result in a revenue gain to the newly established account administered by the Department of Energy and Environmental Protection (DEEP). Also, this provision could result in a minimal cost to the state and

municipalities as ratepayers, to the extent refunds are no longer made.

Further, it requires that the Department of Energy and Environmental Protection (DEEP) establish and administer a sustainable materials management program to support solid waste reduction in the state using funds from the account. This is anticipated to result in a cost to DEEP for this purpose to the extent funding is provided in FY 23 and FY 24.

Additionally, the bill allows DEEP to solicit proposals that are in the ratepayers best interest, for anaerobic digestion facilities to supply biogas for use by the natural gas distribution systems. It also requires that the gas companies recover their: (1) net costs for purchasing the biogas from their ratepayers, and (2) related infrastructure costs from the biogas supplier. It also requires that DEEP's reasonable costs associated with the solicitations be recoverable from gas company ratepayers. These provisions are anticipated to have a net zero impact on the state and municipalities as a ratepayer.

Lastly, the bill makes a technical change that has no fiscal impact.

#### Ratepayer Impact Statement

Similarly, to the impacts on the state and municipalities as ratepayers, the bill is anticipated to result in a savings to ratepayers associated with the shift to a less expensive form of supplying electricity.

#### ***The Out Years***

The annualized ongoing fiscal impact described above would continue into the future subject to the price of electricity and the volume of electricity consumed.