
OLR Bill Analysis

sHB 6664 (File 580, as amended by House "A")*

AN ACT CONCERNING MANAGING WASTE AND CREATING A WASTE AUTHORITY.

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BACKGROUND

SUMMARY

This bill makes assorted changes to the state's solid waste management laws. Among them, it:

1. creates a successor to the Materials Innovation and Recycling Authority (MIRA) and establishes a winddown for the authority;
2. establishes a post-consumer recycled content requirement for certain plastic beverage containers;
3. allows municipalities to identify additional recyclable solid

- wastes for diversion (e.g., food scraps);
4. expands the state's organics recycling law to include certain institutions (e.g., correctional and educational facilities);
 5. increases funding for the state's sustainable materials management account and expands use of the account's fund;
 6. allows the Department of Energy and Environmental Protection (DEEP) commissioner to issue a request for proposals (RFP) from solid waste management servicers providers and enter into agreements to manage waste from municipalities and waste authorities;
 7. requires certain state solid waste planning documents to be submitted to the Environment Committee for review;
 8. increases, from 2.5 cents to three cents, the Class II alternative compliance payment for wholesale electric suppliers that provide electricity to electric distribution companies under the state's renewable portfolio standard; and
 9. allows the Green Bank to issue bonds to finance a solid waste facility selected in DEEP's RFP and increases, from \$250 million to \$500 million, the total amount of special capital reserve fund (SCRF)-backed bonds that the Green Bank may issue.

Allows the Green Bank to issue bonds to finance a solid waste facility selected in DEEP's RFP; increases, from \$250 million to \$500 million, the total amount of SCRF-backed bonds that the Green Bank may issue.

*House Amendment "A" principally (1) eliminates requirements in the underlying bill for (a) a statewide stewardship program for packaging, packaging-like products, and paper materials (§ 1) and (b) municipalities to provide for food scrap separation and collection by October 1, 2028 (§ 5); (2) replaces the underlying bill's post-consumer recycled content requirements for plastic beverage containers with a narrower one specific to containers covered by the state's bottle bill; (3) beginning January 1, 2025, eliminates the 20-mile radius threshold for

subjecting entities to the organic materials recycling law; (4) renames MIRA's successor as the "MIRA Dissolution Authority," (MDA) delays MDA's termination by a year, and changes the composition of the new board; and (5) adds the provisions on approving the state solid waste and materials management documents, the solid waste processing system request for information (RFI), reporting recommendations for a new solid related quasi-public agency, the alternative compliance payment increase, and the Connecticut Green Bank.

EFFECTIVE DATE: Upon passage, except as provided below.

§ 2 — PLASTIC BEVERAGE CONTAINER RECYCLED CONTENT

Establishes recycled content requirements for plastic beverage containers subject to the state's bottle bill and associated registration requirements, including an initial registration fee of \$500, for the producers of these containers

Post-Consumer Recycled Content Requirements

Under the bill, beginning January 1, 2027, plastic beverage containers sold, offered for sale, or distributed in Connecticut by each producer must contain, on average and in total, at least 25% post-consumer recycled content. The bill increases the percentage requirement of these beverage containers to contain, on average and in total, at least 30% post-consumer recycled content by January 1, 2032. These requirements apply to "producers," that the bill requires to annually register with DEEP and have a third party certify the containers' recycled content (see below).

However, by December 31, 2032, the bill requires the DEEP commissioner to submit a report to the Environment Committee that reviews the above content requirements, which must include the following:

1. an evaluation of the bill's requirements;
2. recommendations on future minimum post-consumer recycled content standards for these containers;
3. recommendations for expanding the content requirements to other packaging or product categories, including the associated

percentage content requirements for each; and

4. an evaluation of any third-party certification methods for plastic beverage containers and if they should be applied to future minimum post-consumer recycled content requirements.

The bill establishes the method for calculating the recycled content requirement and determining compliance. It allows a producer to rely on (1) state-specific data on plastic beverage container sales and material use, if available, or (2) the same type of data applicable to a U.S. region or territory that includes Connecticut. If a producer chooses the latter option, it must (1) prorate that data to determine state-specific figures based on market share or population in a way that ensures that the percentage of plastic calculated for containers sold in Connecticut is the same percentage as calculated for the larger region or territory and (2) document in its report the methodology used to determine its state-specific figures.

“Post-consumer recycled content” is the amount of post-consumer recycled material used to manufacture or produce a new product. It does not include pre-consumer or post-industrial secondary waste material like materials and by-products generated from, and generally used as, part of original manufacturing and fabrication. “Post-consumer recyclable material” is a material or product households, or commercial, industrial, or institutional facilities generate that can no longer be used for its intended purpose or was returned from the distribution chain and is separated from the solid waste stream for collection and recycling purposes.

Scope of Content Mandate

The bill’s content requirements apply to beverage containers that are subject to the state’s beverage container redemption law (“bottle bill”) and made of plastic (i.e., a manufacturer or synthetic material made by linking monomers through a chemical reaction to create a polymer chain that can be molded or extruded into solid forms at high heat). They do not apply to (1) items affixed to the containers like labels, caps, or closures, or (2) refillable beverage containers such as those that are

durable enough for multiple rotations of their original or similar purpose and that are intended for reuse.

The bill allows producers to ask the DEEP commissioner for a waiver from the content and associated requirements, but not more than once per calendar year. To do this, a producer must (1) file a written request on a commissioner-prescribed form; (2) give the specific reason for the waiver and any applicable timeframe for the request; and (3) submit any proof the commissioner determines is needed and give any other information she specifies. The bill requires the commissioner to consider requests submitted between September 1 and October 1 each year, and approved waivers take effect on the following January 1. It allows her to consider factors, like feedstock availability, when determining to approve a waiver request.

Under the bill, a “producer” is (1) the owner or licensee of a brand or trademark for a plastic beverage container that is sold under its brand or trademark (regardless of trademark registration status); (2) the manufacturer of a plastic beverage container that does not identify its brand or manufacturer at the point of sale; or (3) if there is no person over which the state can exercise jurisdiction, the person that imports or distributes the beverage container in the state. The bill makes any person that produces or generates a plastic beverage container a “manufacturer,” but not a government agency, municipality, or other political subdivision of the state; federally tax-exempt nonprofit organization; or a producer that annually sells, offers for sale, distributes, or imports into the country for sale in Connecticut (1) less than one ton of plastic beverage containers each year or (2) these containers, in total, generate less than \$1 million in sales in the state.

Producer Registration

Beginning by April 1, 2026, the bill requires producers that offered for sale, sold, or distributed plastic beverage containers in or into the state in the previous calendar year to register with the DEEP commissioner as she prescribes. It allows them to do this individually or through a third-party representative that registers on behalf of a group of producers.

The bill generally sets an initial registration fee of \$500 for each producer, which a producer must submit as the commissioner prescribes when it registers. Entities that become producers for the first time after April 1, 2026, must submit the registration and fee within 180 days after they become a producer and register on the schedule explained below. Exempt from the initial fee are producers that sold, offered for sale, or distributed (1) less than 10,000 plastic beverage containers or (2) in total, less than 200 pounds of plastic that is not post-consumer recycled plastic (i.e., small-scale producer).

By April 1, 2031, and then every five years, each producer that offered for sale, sold, or distributed plastic beverage containers in or into the state in the previous calendar year must (1) register with DEEP (again, either individually or through a representative) and (2) remit a registration fee to cover, and be used only for, DEEP's cost to implement, administer, monitor, and enforce the recycled content and associated requirements. The commissioner determines the fee, which (1) must be scaled to reflect the producer's or representative's market share during the prior five calendar years, as determined by information provided in the filed reports (see below) and (2) may be changed to reflect updated implementation costs, such as by setting a maximum amount. The small-scale producers that are exempt from the initial registration fee are also exempt from this fee.

Under the bill, each producer must annually, beginning by April 1, 2026, submit a report to DEEP that includes the following information for all plastic beverage containers sold, offered for sale, or distributed for sale in the state in the prior calendar year:

1. brand names of the containers represented in the report;
2. weight, in pounds, of post- and non-consumer recycled plastic;
and
3. percentage of post-consumer recycled plastic in the total weight.

The commissioner prescribes the form and manner of the report, which must also be certified and signed by an authorized official of the

producer.

Multistate Clearinghouse

The bill allows the DEEP commissioner to participate in the creation and implementation of a multistate clearinghouse to help carry out these requirements. The clearinghouse must do the following:

1. help coordinate reviews of producer registrations, waiver requests, and certifications;
2. recommend acceptable third-party certifications; and
3. implement state reporting activities and any other related functions.

However, if the commissioner opts to participate in a related multistate clearinghouse, as described above, the bill allows for producers to register on a centralized portal offered by the clearinghouse instead of a state-specific portal as long as the registration will not be otherwise impacted by this use.

EFFECTIVE DATE: October 1, 2023

§ 3 — SOLID WASTE MANAGEMENT RFP

Allows the DEEP commissioner, on behalf of municipalities and solid waste authorities, to issue an RFP for proposals from providers of solid waste management services

The bill allows the DEEP commissioner, on behalf of one or more municipalities, municipal authorities, or regional solid waste authorities, to issue an RFP for proposals from providers of existing or proposed solid waste management services like reuse, recycling, and composting (e.g., anaerobic digestion, waste conversion, energy and fuel recovery).

From the proposals she receives, the bill allows the commissioner to select one or more providers and enter into agreement for the management of the municipalities' or authorities' solid waste at a facility of the existing or proposed services, but any proposed facility must use anaerobic digester and fuel cell technology or any other method that uses gas at the generation point. The bill requires her to get

consent from the municipalities and authorities when entering into these agreements for them.

The commissioner must consider all relevant information when considering whether to select a proposal, including the following:

1. the proposal's consistency with the state's solid waste management plan,
2. available capacity at an existing or proposed facility,
3. the fee charged for managing the waste, and
4. the proposed facility's location and likelihood that it will be authorized and constructed.

The bill requires that an agreement to manage solid waste at a proposed facility is contingent on the facility getting all necessary state and local permits authorizations and beginning operation by a date set in the agreement.

Under the bill, the selected project may be funded through the existing sustainable materials management program, for which the bill increases funding and allows the commissioner to pledge funds for revenue bonds (see § 18, below).

EFFECTIVE DATE: July 1, 2023

§§ 4 & 6 — MUNICIPAL SOLID WASTE

Allows municipalities to adopt an ordinance or use another legal instrument that identifies additional recyclable solid wastes (e.g., food scraps) and expands the list of items that a municipality may have a designated area for collection from residential properties to include food scraps and food processing residues

By law, municipalities must provide for the safe and sanitary disposal of all solid waste generated within their boundaries. This includes the separation, collection, processing, and marketing of items designated by the DEEP commissioner as recyclable ("designated recyclables," e.g., bottles, cans, newspaper, cardboard) (CGS § 22a-220).

The bill allows municipalities to adopt an ordinance, or use another

legal instrument to which it is a party, identifying additional recyclable solid wastes, like food scraps, food processing residues, yard waste, and other suitable recyclable organic material for diversion to recycling facilities designed to process and beneficially use the waste. Food scraps and processing residues do not include unused food that is suitable for sale or donation for human or animal consumption.

Existing law also authorizes municipalities to designate (1) disposal areas for solid waste generated within their boundaries and (2) where certain recyclable items from residential properties must go for processing or sale (e.g., cardboard, glass, newspapers). The bill expands this list of recyclables to include food scraps and food processing residues.

§ 7 — LARGE ORGANIC MATERIALS GENERATORS

Expands the scope of the law requiring certain organic materials generators to separate the materials and recycle them such as by applying it to hospitality, entertainment, health care, educational, and correctional institutions beginning on January 1, 2025, and eliminates the current 20-mile radius requirement that subjects entities to the law

The bill expands the scope of the law requiring certain organic materials generators to separate the materials and recycle them.

Under current law, commercial food wholesalers or distributors, industrial food manufacturers or processors, supermarkets, resorts, or conference centers located within 20 miles from a permitted source-separated organic material composting facility and generating an average projected volume of at least 26 tons of source-separated organic materials must (1) separate the materials from other solid waste and (2) recycle them at a permitted source-separated organic material composting facility that has available capacity and is willing to accept them. The bill additionally applies this requirement to these generators within 20 miles from an authorized transfer station or other collection location authorized to receive source-separated organic materials.

Beginning January 1, 2025, the bill:

1. applies this requirement to institutions that provide hospitality, entertainment, or rehabilitation and healthcare services;

hospitals; public or private educational facilities; and correctional facilities;

2. eliminates the 20-mile radius requirement, thus requiring all generators of at least 26 tons of the organic materials to have them recycled.

By law, generators may comply with the requirements by composting the organic materials or treating them with certain organic treatment equipment on-site. The bill correspondingly extends this ability to institutions.

The bill also requires, by March 1, 2025, each entity that is subject to the law's requirements to begin annually submitting an electronic report to DEEP that summarizes its (1) amount of donated edible food and (2) amount of food scraps recycled, and the organics recyclers and associated collectors used.

§§ 8 & 18 — SUSTAINABLE MATERIALS MANAGEMENT ACCOUNT & PROGRAM

Requires the amount beyond \$2.8 million of the per-ton solid waste fee from resource recovery facility owners to be for the sustainable materials management account and allows funds in the account to be pledged for revenue bonds for waste infrastructure projects

By law, resources recovery facility owners pay a \$1.50 per ton fee for the solid waste they process, which are remitted quarterly to the revenue services commissioner. Beginning July 1, 2023, the bill requires \$2.8 million of the fees to be deposited by the revenue services commissioner into the General Fund, with the remainder to be deposited into the sustainable materials management account.

PA 22-118, § 167, established the sustainable materials management account as a separate, nonlapsing General Fund account to be used for an associated program for solid waste reduction in the state. It already receives funding from energy alternative compliance payments (i.e., payments for failing to meet renewable energy requirements). The program must provide funding for programs and projects that promote affordable, sustainable, and self-sufficient waste management by reducing solid waste generation or diverting it from disposal.

In addition to using account funds for the above projects, the bill allows the DEEP commissioner to pledge the funds for revenue bonds and use the proceeds to support waste infrastructure projects of the same type. It specifically allows the program's funding to support the development of infrastructure needed to manage solid waste at upgraded, expanded, or proposed facilities the DEEP commissioner selects under the bill's RFP process (see § 3, above).

EFFECTIVE DATE: July 1, 2023, for the provision on additional funding for the sustainable materials management account.

§ 9 — SOLID WASTE COLLECTION CONTRACTS

Applies contract requirements between solid waste collectors and business clients to other customers and increases the types of items that must be collected under the contracts

Current law sets requirements for commercial contracts between solid waste collectors and their business customers. Among other things, it requires each (1) commercial contract for solid waste collection to provide for designated recyclable item collection and (2) collector to give each business clear written or pictorial instructions on how to separate designated recyclable items.

The bill expands these requirements to contracts with any customers, not just business clients. It also increases items that must be collected under these contracts to include any items designed for recycling by a municipal ordinance or other enforceable legal instrument to which a municipality is party.

§§ 10-17 & 19-20 — MIRA WINDDOWN

Establishes the "MIRA Dissolution Authority" as a successor to MIRA; tasks MDA with things such as winding down MIRA's operations and identifying the needs related to redeveloping certain MDA properties; requires \$2 million of MDA resources to be used for these purposes; creates a new operating board for MDA

MIRA Dissolution Authority (MDA) (§§ 10-11, 15-17 & 20)

The bill creates MDA as a successor quasi-public authority to MIRA. In addition to the duties and powers inherited from MIRA, the bill requires MDA to do the following:

1. identify the immediate environmental needs and knowledge

needed for future redevelopment of the authority's properties at 300 Maxim Road and 100 Reservoir Road in Hartford;

2. engage representatives of Hartford and other stakeholders, as appropriate, concerning the future of the above properties;
3. continue to operate MIRA's transfer stations until DEEP determines that acceptable non-MDA operated alternatives have become available; and
4. orderly and responsibly wind down operations and activities, including marketing and selling surplus real and personal property.

The bill requires MDA to submit a report to the Office of Policy and Management (OPM) secretary and the Environment and Planning and Development committees, by January 1, 2024, that includes a plan and timeline for the above tasks. It allows MDA and any other state agency to enter memoranda of understanding (MOUs) to facilitate the duties and powers MDA assumes from MIRA. These MOUs terminate June 30, 2025.

The MDA terminates on July 1, 2026. On that date, its rights and properties are passed to and vested in the state. However, the bill makes DAS the successor agency to MDA beginning July 1, 2025, and repeals the statutes and provisions in the bill creating and empowering MIRA and MDA, respectively, on that date.

MDA Board of Directors (§ 15)

Membership. Beginning July 1, 2023, the bill ends the terms of MIRA's board of directors and creates a new board.

Under current law, MIRA's board has 11 appointed members, three appointed by the governor and eight by the legislative leaders, generally each being a municipal official or someone with expertise in energy, finance, industry, or an environmental field. MDA's board instead includes the following 11 members:

1. the governor or his designee;
2. the OPM secretary or his designee;
3. the DAS and DEEP commissioners, or their designees;
4. one each appointed by the Senate president pro tempore, House speaker, and the Senate and House majority and minority leaders; and
5. one appointed by Hartford's mayor.

Under current law, the governor may appoint ad hoc members to MIRA's board to represent facilities operated by the authority. The bill eliminates this provision for MDA, but it allows the Hartford City Council to appoint up to five members to the board, whose terms would be coterminous with that of the applicable appointing authority.

Like with MIRA, MDA board members are not paid, but are entitled to reimbursement for actual and necessary expenses when fulfilling their duties.

The governor or his designee serves as the board chairperson, who must, with the other directors' approval, appoint an MDA president. Like MIRA's president, the MDA president is a paid employee responsible for supervising MDA's administrative affairs and technical activities.

Under current law, it is not a conflict of interest for a trustee, director, partner, or officer of a person, firm, or corporation (or an individual having a financial interest in the person, firm, or corporation) to serve as a director. The bill eliminates this provision for MDA's board. However, like MIRA board appointees, those appointed to MDA's board may be employed or have a business provided they follow any applicable laws, rules, and regulations on official ethics or conflicts of interest.

Director Removal. The bill allows an appointing authority to remove a director for inefficiency, neglect, or misconduct, after giving the

director notice of the charges and an opportunity for a hearing. If a director is removed, the appointing authority must file with the secretary of the state a complete statement of the charges and proceeding record and the appointing authority's findings. Unlike for MIRA board members, the bill does not have a mechanism for refilling an appointment.

Operations & Liability. Under the bill, six directors make a quorum to transact MDA business and the board acts by a majority of directors present at a meeting in which there is a quorum. The bill prohibits directors from designating representatives to perform in their absence.

The bill extends to MDA directors, members, and officers the personal immunity on bonds or notes that currently applies to MIRA directors, members, and officers (and those who execute the bonds or notes on their behalf). It similarly makes them immune from personal liability for damage or injury caused in the performance of their role, excluding wanton or willful damage or injury.

Outside Consultants (§ 19)

The bill repeals a law requiring any expenditure of at least \$50,000 for an outside consultant by MIRA (MDA, under the bill) to be approved by a two-thirds vote of the board, thus discontinuing the requirement for the MDA board actions.

Environmental Liabilities (§ 12)

The bill specifies that the assumption of MIRA's authority by MDA does not alter the liability of a person who (1) established a resources recovery facility, (2) created a condition or is maintaining a resources recovery facility or condition that may reasonably be expected to create a pollution source to the waters of the state, or (3) is the certifying party to a facility's transfer.

It also provides that any conveyance of real property or business operations under the bill's provisions from MIRA to MDA, or from MDA to DAS, is not considered a transfer of an establishment under the state's Transfer Act (i.e., property remediation law for locations

involving hazardous waste or certain business operations).

Transfer of Permits or Licenses (§ 12)

Under the bill, when MIRA's ownership or oversight of a permitted facility transfers to MDA, the permits or licenses it holds are correspondingly transferred to MDA and remain in effect. The same occurs when DAS takes over for MDA on July 1, 2026. The bill requires this notwithstanding existing law requiring the registration and acceptance of proposed transfers with DEEP.

Authority Funds (§§ 13 & 14)

The bill specifies that MIRA funds are not surplus revenues and requires them to be used to support its properties systems and facilities, including for environmental remediation. It also prohibits the funds from being distributed or redistributed to users of MIRA's services and makes the users liable for the environmental remediation costs if, and to the extent, funds were distributed or redistributed by MIRA to the users on or after January 1, 2023.

The bill transfers \$2 million from the MDA to a nonlapsing General Fund account the OPM secretary must establish to fulfill the bill's requirements related to MIRA's wind down.

EFFECTIVE DATE: July 1, 2023, except the liability and permit transfer provisions are effective upon passage and the provisions on MDA's transfer to DAS and certain repealers on MDA's termination are effective July 1, 2025.

§ 501 — LEGISLATIVE APPROVAL OF STATE SOLID WASTE PLANNING DOCUMENTS

Requires proposed revisions to the SWMP or the CMMS be submitted to the Environment Committee for review and approval; establishes a process by which a proposed revision that the committee rejects can be subsequently approved by the General Assembly

The bill requires the DEEP commissioner to submit any proposed revision to the statewide solid waste management plan (SWMP) or Comprehensive Materials Management Strategy (CMMS) to the Environment Committee for approval before implementing it (see

BACKGROUND). Currently, the DEEP commissioner approves changes to the plan and strategy after a process for public hearing and comment (CGS § 22a-228, Conn. Agencies Regs., § 22a-228-1, and CGS § 22a-241a).

The bill (1) requires the Environment Committee to hold a public hearing on the proposed revision within 15 days after receiving it and (2) allows the committee to hold a meeting within 30 days after receiving the revision to approve, reject, or amend it. If the committee does not meet, the proposed revision is deemed approved.

If the committee rejects the proposal, the bill allows the commissioner to file it with the House and Senate clerks for consideration, by resolution, by the General Assembly. During its legislative session, the General Assembly must vote to approve or reject the proposed revision within 30 days after its filing. If the legislature is not in session when the proposed revision is filed, then it must be submitted to the General Assembly within 10 days after (1) the first day of the next regular session or (2) special session is called for voting on the revision. The bill also deems rejected a proposed revision that the General Assembly does not vote on within 30 days after its filing.

§ 502 — RFI ON SOLID WASTE PROCESSING SYSTEMS

Requires the DEEP commissioner to issue an RFI on certain solid waste processing systems and report to the legislature her recommendations for issuing an RFP on these systems

The bill requires DEEP commissioner to (1) issue a request for information (RFI) on certain solid waste processing systems by October 1, 2023, and (2) report to the Environment Committee by February 1, 2024, her recommendations for issuing a request for proposals (RFP) on these systems.

RFI Request

Under the bill, the DEEP commissioner must issue an RFI for information on systems to process solid waste generated in the state that is not otherwise diverted from the solid waste stream as provided in the SWMP and CMMS. She must do this by October 1, 2023.

The bill specifically requires the RFI to seek information on gasification systems that convert solid waste into gas through a chemical reaction, but do not involve burning.

DEEP must receive information provided under the RFI by November 15, 2023, and any related presentation must be made to the commissioner by January 15, 2024.

Report

The bill requires the commissioner, by February 1, 2024, to submit a report to the Environment Committee with recommendations for issuing an RFP on these solid waste systems. The report must be based on her review of all information received as part of the RFI process and the following additional considerations on these systems:

1. potential environmental impacts to the state’s air, water, and soil;
2. consistency with the state’s greenhouse gas emissions goals;
3. potential municipal costs to process solid waste in the state;
4. effectiveness at processing all solid waste in the state that is not diverted from the solid waste stream;
5. ability to convert existing state-owned or -operated facilities (a) without a state subsidy for the conversion and (b) while substantially decreasing any environmental or public health impacts of a converted facility to an environmental justice community; and
6. the reasonable likelihood of siting one or more facilities that use the systems in a community that is not an environmental justice community (the bill does not define this term but, presumably, it refers to the areas subject to the state’s environmental justice law, CGS § 22a-20a).

§ 503 — CLASS II ALTERNATIVE COMPLIANCE PAYMENT

Increases, from 2.5 cents to three cents, the Class II ACP for wholesale electric suppliers that provide electricity to EDCs under the state’s RPS

The state’s renewable portfolio standard (RPS) law requires electric suppliers to procure a portion of their power from certain renewable and other clean energy resources. This applies to wholesale suppliers that provide power for electric distribution companies (EDCs, i.e., Eversource and United Illuminating) and retail electric suppliers. The Class II RPS requires the companies to procure 4% of their output from Class II resources (i.e., electricity derived from a trash-to-energy facility). Wholesale suppliers must do this through their contracts with EDCs. Existing law requires these wholesale suppliers to pay an alternative compliance payment (ACP) if they fail to meet the RPS requirement.

Starting January 1, 2024, the bill increases the Class II ACP from 2.5 to three cents per kilowatt hour for wholesale suppliers that provide electricity to the EDCs. (The bill retains the three-cent Class II ACP for retail suppliers.)

EFFECTIVE DATE: January 1, 2024

§ 504 — GREEN BANK CLEAN ENERGY PROJECTS

Removes a provision that prohibits the Green Bank from financing and supporting projects that involve municipal solid waste

By law, the Green Bank’s duties generally include developing programs to finance and support clean energy and environmental infrastructure. Current law specifies that the “clean energy” the bank may support does not include energy resources and technologies that involve municipal solid waste, among other things. The bill removes this specific limitation.

EFFECTIVE DATE: Upon passage

§§ 505 & 506 — GREEN BANK BONDS

Allows the Green Bank to issue bonds to finance a solid waste facility selected in DEEP’s RFP; increases, from \$250 million to \$500 million, the total amount of SCRF-backed bonds that the Green Bank may issue

The bill allows the Green Bank to issue environmental infrastructure bonds to finance any solid waste facility chosen in DEEP’s RFPs from providers of existing or proposed solid waste management services (see

§ 3, above). It allows the DEEP commissioner to enter agreements with the Green Bank to have the bonds issued, including pledging moneys for revenue bonds to support the solid waste facilities chosen in the RFP. The bill also increases, from \$250 million to \$500 million, the total amount of bonds the Green Bank may issue that are backed by a special capital reserve fund (SCRF).

By law, unchanged by the bill:

1. SCRF-backed bonds are contingent liabilities of the state (if a SCRF is exhausted, the General Fund automatically replenishes it, regardless of the state spending cap);
2. the Green Bank cannot issue SCRF-backed bonds to pay project costs unless it determines that revenue from the project will be sufficient to (a) pay the bond's principal and interest; (b) establish, increase, and maintain any reserves the bank deems advisable to secure the principal and interest payment on the bonds; (c) pay the cost of keeping the project in good repair and properly insured; and (d) pay other project costs that may be required; and
3. the Green Bank cannot issue SCRF-backed bonds unless the OPM secretary or his deputy approves it.

§ 507 — RECOMMENDATIONS ON CREATING A NEW SOLID WASTE RELATED QUASI-PUBLIC STATE AGENCY

Requires the OPM secretary to submit recommendations to the Environment and Energy and Technology committees on the feasibility and advisability of creating a new solid waste related quasi-public state agency

The bill requires the OPM secretary, in consultation with the DEEP commissioner, to submit recommendations to the Environment and Energy and Technology committees by July 1, 2024, on the feasibility and advisability of creating a new quasi-public state agency, waste authority, or other entity for developing new solid waste infrastructure, operating and maintaining new or existing solid waste infrastructure, and for other purposes.

Under the bill, the recommendations must be made in consultation

with any municipalities, municipal authorities, regional waste authorities, or private sector operators of solid waste companies participating in the RFP process concerning solid waste management services (see § 3, above).

BACKGROUND

Related Bills

sSB 1046 (File 105), favorably reported by the Children’s Committee, requires certain school districts to separate organic materials from other solid waste and recycle it at composting facilities (i.e., those that meet existing law’s 26-ton and 20-mile triggers).

sSB 1143 (File 516), favorably reported by the Environment Committee and passed by the Senate, contains similar provisions on approving the state’s solid waste documents and the RFI on certain solid waste processing systems.

SWMP & CMMS

By law, the DEEP commissioner must develop and adopt a SWMP to guide how the state handles solid waste reduction, reuse, recycling, and disposal. The CMMS is the 2016 update to the SWMP to help the state meet its statutory goal of diverting 60% of materials from disposal by 2024. It addresses things like modernizing solid waste infrastructure, managing organic material, construction and demolition debris, and developing municipal or regional recycling programs.

Set in law, the order of priority for managing solid waste in Connecticut favors source reduction and reuse. Then in hierarchical order, it prioritizes recycling and composting, then energy recovery, and lastly, landfilling.

COMMITTEE ACTION

Environment Committee

Joint Favorable Substitute

Yea 21 Nay 12 (03/24/2023)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 36 Nay 15 (05/02/2023)