

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 23-170—sHB 6664**

*Environment Committee*

*Finance, Revenue and Bonding Committee*

**AN ACT CONCERNING THE MANAGEMENT OF SOLID WASTE AND  
ESTABLISHING THE MIRA DISSOLUTION AUTHORITY**

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*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*

## BACKGROUND

**SUMMARY:** This act 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 winds down the authority's operations;
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

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- management services 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 3 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-backed bonds that the Green Bank may issue.

EFFECTIVE DATE: Upon passage, except as provided below.

### § 1 — 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 act, plastic beverage containers sold, offered for sale, or distributed in Connecticut by each producer must contain, on average and in total, at least (1) 25% post-consumer recycled content, beginning January 1, 2027, and (2) 30% post-consumer recycled content by January 1, 2032. These requirements apply to "producers," that the act requires to annually register with DEEP and have a third party certify the containers' recycled content (see below).

By December 31, 2032, the act requires the DEEP commissioner to submit a report to the Environment Committee that reviews the above content requirements. The report must include the following:

1. an evaluation of the act'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 act sets out 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

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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 such as materials and by-products generated from, and commonly used as, part of original manufacturing and fabrication. “Post-consumer recyclable material” is a material or product generated by households or commercial, industrial, or institutional facilities 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 act’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 manufactured 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 act allows producers to ask the DEEP commissioner for a waiver from the content and associated requirements, but only 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 any other information she specifies. The act requires the commissioner to consider the requests that are 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 request.

Under the act, 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 act makes any person that produces or generates a plastic beverage container a “manufacturer,” except 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, that generate less than \$1 million in sales in the state.

### *Producer Registration*

Beginning by April 1, 2026, the act requires producers that offered for sale,

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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 act generally sets an initial registration fee of \$500, 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, after initial registration, 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 act, 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 act 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.

If the commissioner opts to participate in a multistate clearinghouse, as described above, the act 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.

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EFFECTIVE DATE: October 1, 2023

### § 2 — SOLID WASTE MANAGEMENT RFP

*Allows the DEEP commissioner, on behalf of municipalities and solid waste authorities, to issue an RFP for proposals from solid waste management services providers and enter into an agreement with these providers on behalf of the municipalities and authorities*

The act 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 act allows the commissioner to select one or more providers and enter into an 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. It 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 act requires that an agreement to manage solid waste at a proposed facility is contingent on the facility getting all necessary state and local permits and authorizations and beginning operation by a date set in the agreement.

Under the act, any selected project may be funded through the existing sustainable materials management program, for which the act increases funding and allows the commissioner to pledge funds for revenue bonds (see § 16, below).

EFFECTIVE DATE: July 1, 2023

### §§ 3 & 4 — 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 act allows municipalities to adopt an ordinance, or use another enforceable

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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 (e.g., cardboard, glass, newspapers) generated from residential properties must go for processing or sale. The act expands this list of recyclables to include food scraps and food processing residues.

### § 5 — LARGE ORGANIC MATERIALS GENERATORS

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

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

Until 2025, under existing law and the act, 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 act 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 act:

1. applies this requirement to institutions that provide hospitality, entertainment, or rehabilitation and healthcare services; hospitals; public and private educational facilities; and correctional facilities and
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 act correspondingly extends this option to institutions.

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

### §§ 6 & 16 — SUSTAINABLE MATERIALS MANAGEMENT ACCOUNT & PROGRAM

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*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 account funds to be pledged for revenue bonds for solid waste infrastructure projects*

By law, resources recovery facility owners pay a \$1.50 per ton fee for the solid waste they process, which is remitted quarterly to the revenue services commissioner. Beginning July 1, 2023, the act requires the commissioner to deposit (1) \$2.8 million of the fees into the General Fund and (2) the remainder 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 provides 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 act 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 act's RFP process (see § 2, above).

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

### § 7 — 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*

Existing 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 act extends these requirements to contracts with any customers, not just business clients. It also expands 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.

### §§ 8-15 & 24-25 — WIND DOWN OF MIRA OPERATIONS

*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) (§§ 8-9, 13-15 & 25)*



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The act creates MDA as a successor quasi-public authority to MIRA. In addition to the duties and powers inherited from MIRA, the act 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.

By January 1, 2024, the act requires MDA to submit a report to the Office of Policy and Management (OPM) secretary and the Environment and Planning and Development committees that includes a plan and timeline for the above tasks. It allows MDA and any other state agency to enter memoranda of understanding (MOU) 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 act makes the Department of Administrative Services (DAS) the successor agency to MDA beginning July 1, 2025, and repeals the statutes and provisions in the act creating and empowering MIRA and MDA, respectively, on that date.

### *MDA Board of Directors (§ 13)*

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

Under prior law, MIRA's board had 11 appointed directors, 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 must include the following 11 directors:

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.

Prior law allowed the governor to appoint ad hoc members to MIRA's board to represent facilities operated by the authority. The act eliminates this provision for MDA, but it allows the Hartford City Council to also 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 they 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

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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 prior law, it was 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 of MIRA. The act 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 and Replacement.* The act 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 act does not specify how a vacancy may be filled in the middle of a term.

*Operations & Liability.* Under the act, 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 act prohibits appointed directors from designating representatives to perform in their absence.

The act 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 (§ 24)*

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

### *Environmental Liabilities (§ 10)*

The act 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 act'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).

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### *Transfer of Permits or Licenses (§ 10)*

Under the act, 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 act requires this regardless of existing law requiring the registration and acceptance of proposed transfers with DEEP.

### *Authority Funds (§§ 11 & 12)*

The act specifies that MIRA's 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 distributing or redistributing the funds to users of MIRA's services and makes the users liable for the environmental remediation costs if, and to the extent, MIRA distributed or redistributed funds to the users on or after January 1, 2023.

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

EFFECTIVE DATE: July 1, 2023, except (1) the authority funding, liability, and permit transfer provisions are effective upon passage and (2) the provisions on MDA's transfer to DAS and certain repealers on MDA's termination are effective July 1, 2025.

## § 17 — LEGISLATIVE APPROVAL OF STATE SOLID WASTE PLANNING DOCUMENTS

*Requires DEEP to submit proposed revisions to the SWMP or the CMMS 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 act 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). The prior process involved just the DEEP commissioner approving 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 act (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 act 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

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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 act deems rejected a proposed revision that the General Assembly does not vote on within 30 days after its filing.

### § 18 — 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 act requires the 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*

Under the act, 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 act 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.

The RFI must set a deadline for information that is no later than November 15, 2023, and any related presentation must be made to the commissioner by January 15, 2024.

#### *Report*

The act 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 her consideration of the following aspects of 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 (although

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undefined in the act, presumably it refers to the areas subject to the state's environmental justice law, CGS § 22a-20a).

### § 19 — CLASS II ALTERNATIVE COMPLIANCE PAYMENT

*Increases, from 2.5 cents to 3 cents per kilowatt hour, 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 act increases the Class II ACP from 2.5 to 3 cents per kilowatt hour for wholesale suppliers that provide electricity to the EDCs. (It retains the 3-cent Class II ACP for retail suppliers.)

EFFECTIVE DATE: January 1, 2024

### § 20 — 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. Prior law specified that the "clean energy" the bank may support does not include energy resources and technologies that involve burning municipal solid waste, among other things. The act removes this specific limitation.

### §§ 21 & 22 — 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 act 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 § 2, 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 act 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 act:

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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.

### § 23 — RECOMMENDATIONS ABOUT 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 act 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 to develop new solid waste infrastructure, operate and maintain new or existing solid waste infrastructure, and for other purposes.

Under the act, 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 on solid waste management services (see § 2, above).

### BACKGROUND

#### *Related Act*

PA 23-177 (VETOED) 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 and construction and demolition debris, and developing municipal or regional recycling programs.

## OLR PUBLIC ACT SUMMARY

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