



Bristol Facility Policy Board

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Town of Berlin

February 12, 2018

Town of Branford

Mr. Robert Patricelli & Mr. James Smith
Commission on Fiscal Stability and Economic Growth
Connecticut General Assembly
Legislative Office Building – Room 3700
Hartford, CT 06106

City of Bristol

Town of Burlington

Town of Hartland

SUBJECT: Sales & Use Tax Exemption C.G.S. §12-412 (95)

City of New Britain

Co-Chairs & Members of the Commission on Fiscal Stability and Economic Growth:

Town of Plainville

I am the Executive Director of the Bristol Resource Recovery Facility Operating Committee, comprised of fourteen cities and towns which collectively manage municipal solid waste through contractual arrangements with Covanta Bristol, Inc., with the origin of the project dating back to the mid 1980's.

Town of Plymouth

Town of Prospect

Town of Seymour

I wish to call to your attention a provision of Connecticut's statutes C.G.S. §12-412 (95) , which provides for a sales and use tax exemption for services or tangible personal property used or consumed in operating solid waste-to-energy facilities. We believe this is an important provision of tax law which helps to compensate for high operating costs relative to landfill disposal, along with permit and other state fees which typically consume on average over \$400,000 annually. Connecticut has five currently active resource recovery facilities: Bridgeport RRF, Southeast RRF (Preston), Mid-CT RRF (Hartford), Bristol RRF, and Lisbon RRF. The 2016 Comprehensive Materials Management Strategy says in FY 2013 these five facilities, as well as the now closed Wallingford RRF, burned 2.2 million tons of MSW.

Town of Southington

Town of Warren

Town of Washington

Town of Wolcott

Solid waste management in Connecticut is a \$1.8 billion industry, employing approximately 6,000 individuals, with indirect employment of 10,000. Unlike other public utilities, new investment in infrastructure has been sporadic and somewhat misguided, given that confusing and somewhat contradictory policies have hampered replacement and capital investment in an aging infrastructure. Connecticut's most recently constructed resource recovery facility was completed in 1995, while the flagship MIRA Hartford plant operates with technology dating back to the late 1980's and earlier.

According to a 2013 study¹, the annual statewide economic contribution of waste to energy in Connecticut was estimated at \$428 million², with over 300 employees in five plants operating in Connecticut. These individuals earn over \$30 million in wages, salaries and benefits, with over 500 additional full time equivalent jobs created in Connecticut outside the sector. Further, the study reports each worker adds an estimated 1.5 additional jobs with a labor income multiplier effect of over \$25 million in wages, salaries and benefits. This study found the trash hauling and transfer infrastructure which supports waste to energy plants in Connecticut provide an estimated \$651 million in total output. The Governmental Advisory Associates study also reported the sector uses goods and services from firms that operate and maintain boiler systems, air pollution control equipment, electronic control and other instrumentation devices as well as professional services, including design and environmental consulting. The report found the indirect statewide impact of these services to be \$88 million.

The five remaining waste to energy plants in Connecticut also provide the state with a renewable source of energy, contributing over 180 MW of baseload power for the state. Also benefiting state residents is the ability to manage more than 60% of waste generated within state borders, mitigating the potential impact of greenhouse gas and other emissions from long haul transport to distant disposal sites.

Thank you for the opportunity to present information on this important topic.

Sincerely,

Mark H. Bobman

Mark H. Bobman
Executive Director

¹ *Statewide Economic Benefits Of Connecticut's Waste To Energy Sector*, Berenyi, Eileen, Ph. D., Governmental Advisory Services, 2013.

² At the time the study was published, Connecticut had six waste to energy facilities; the Wallingford plant, nominally a 420 ton per day mass burn facility, closed in 2015.