



# 2012 Annual Meeting

March 7, 2012



# Welcome

## Thomas D. Kirk, President

March 7, 2012



# Today's Topics

- System Status
- CRRA Initiatives
- Legislative Issues
- Closing Remarks
- Your Questions

March 7, 2012



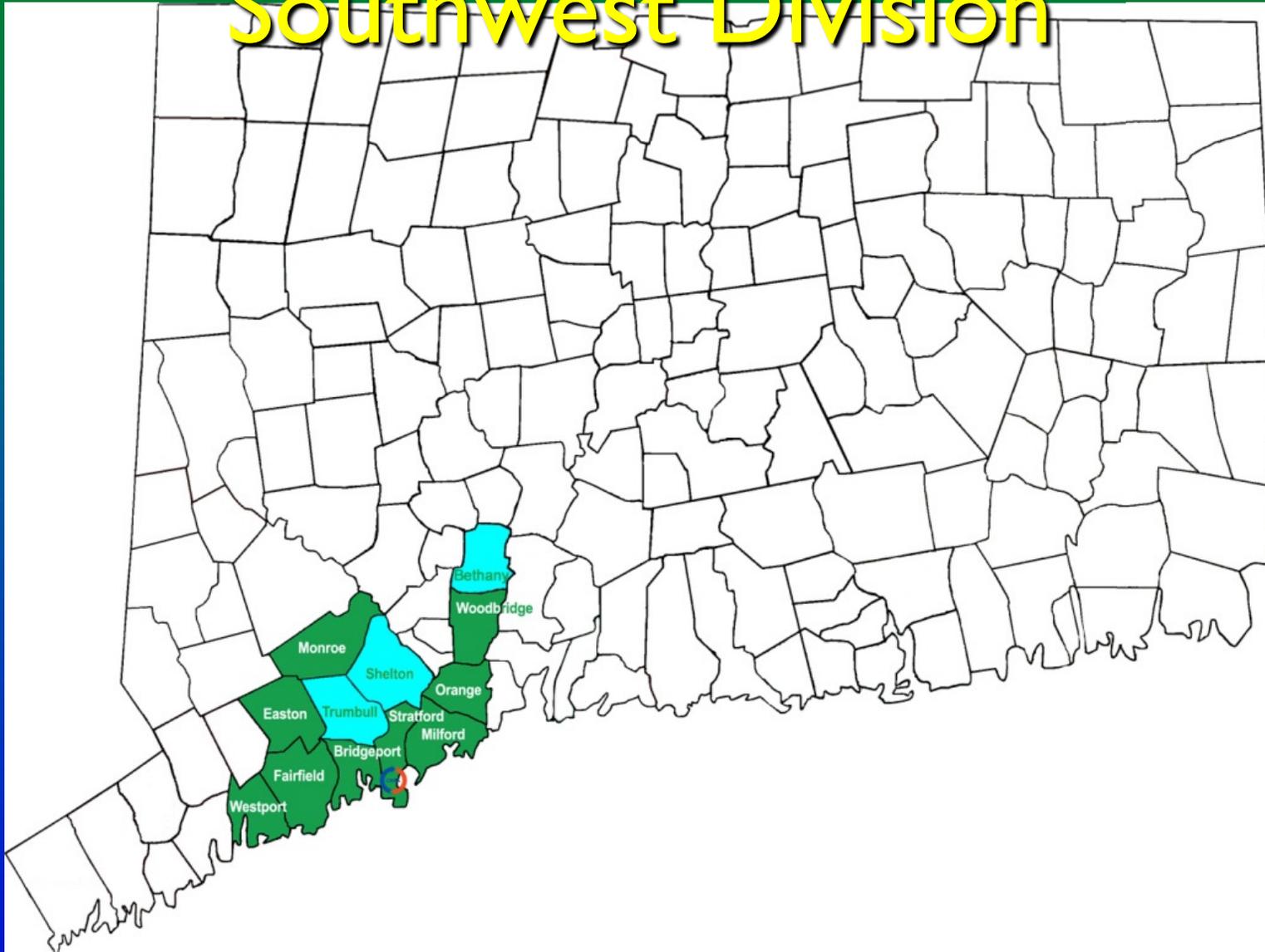
# CRRA System Status

March 7, 2012



# CRRA System Status

## Southwest Division



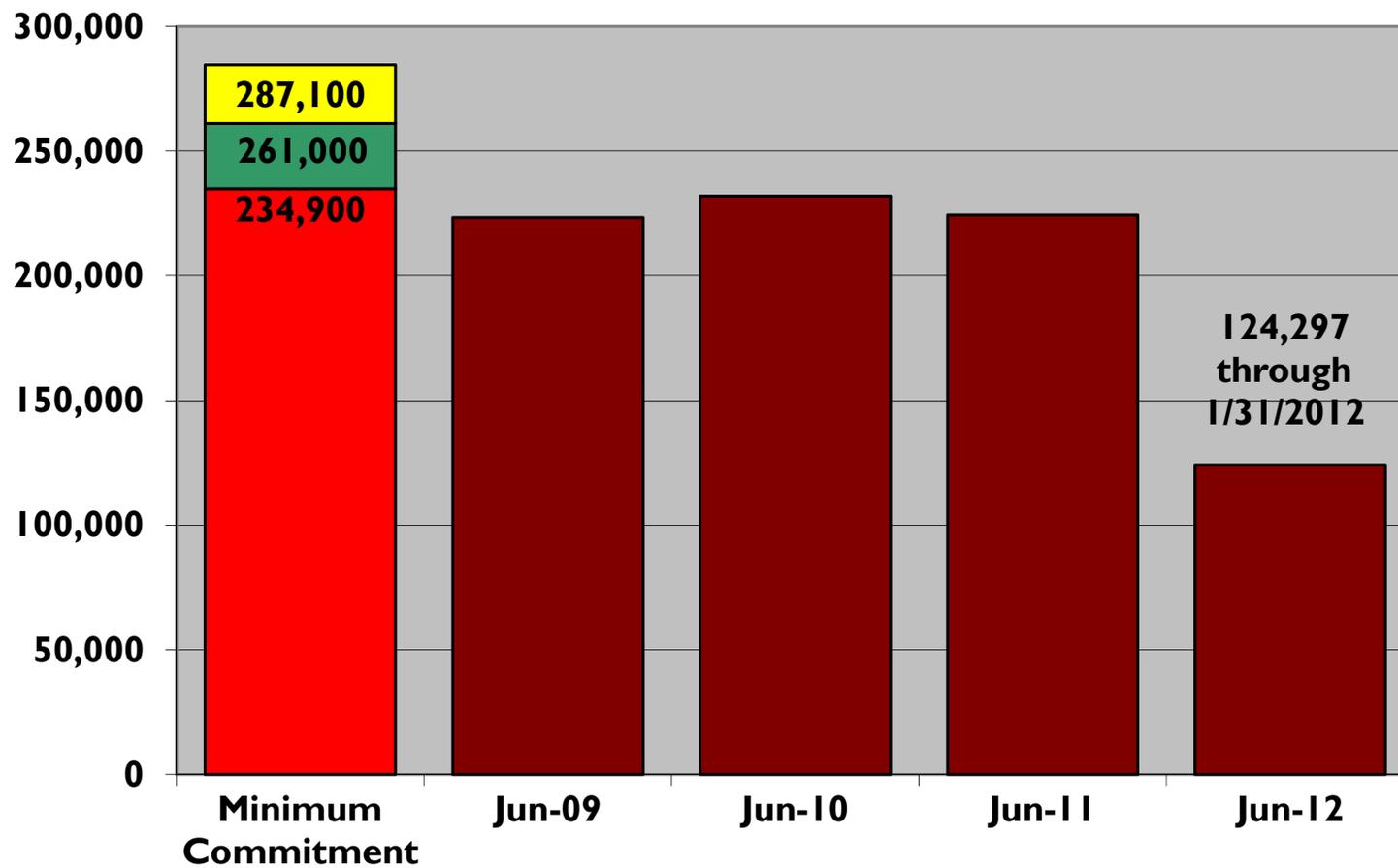
March 7, 2012



# CRRA System Status

## Southwest Division

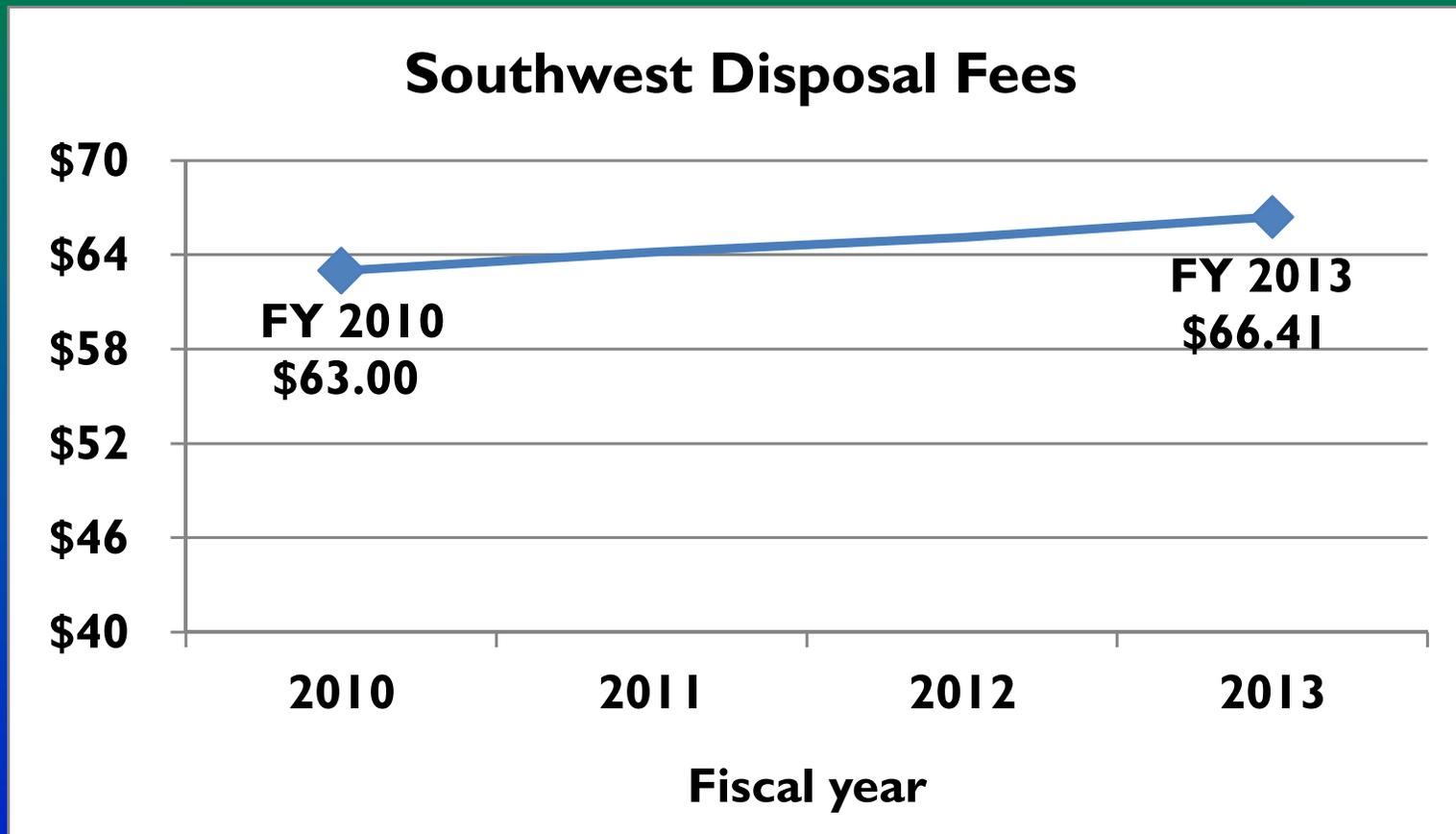
### Southwest Division MSW Deliveries



March 7, 2012



# CRRA System Status Southwest Division



March 7, 2012



## CRRA System Status

# Southwest Division

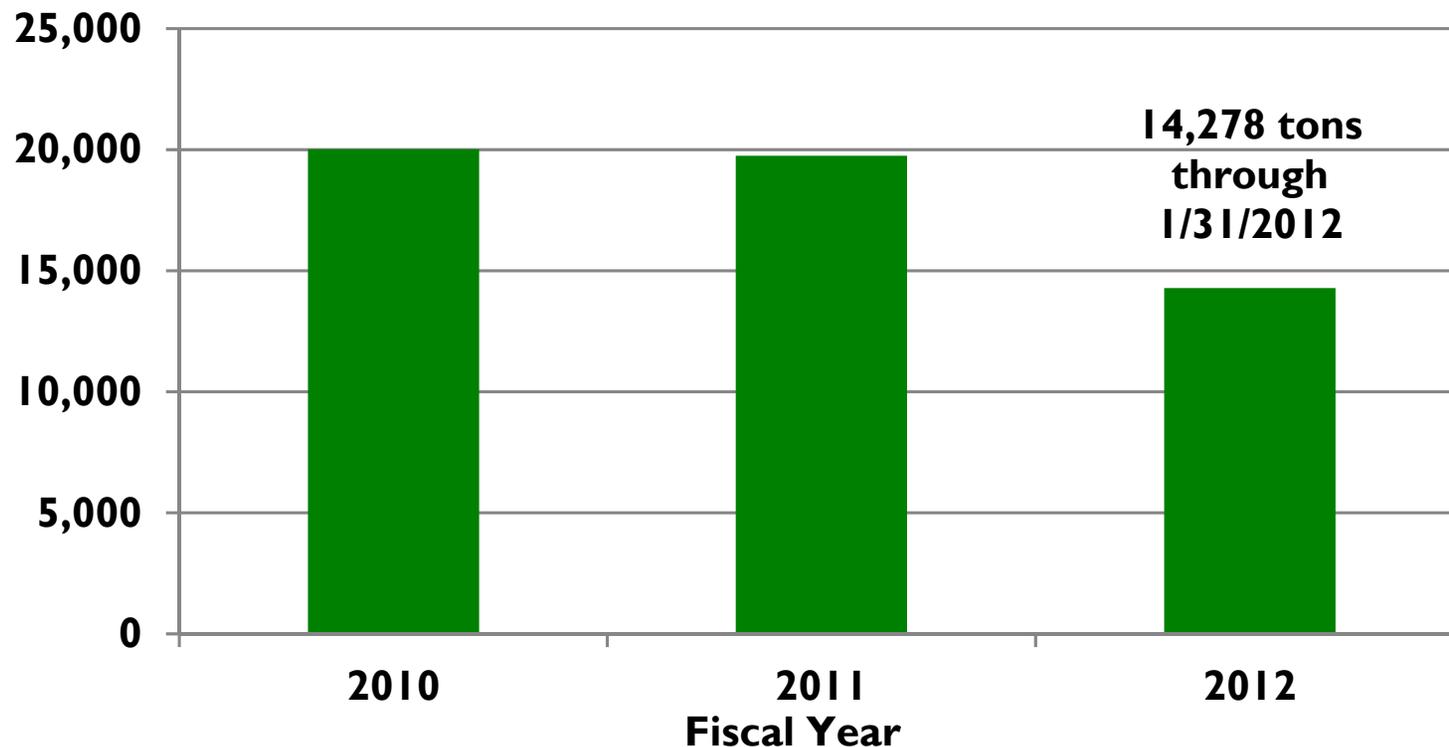
- Recyclables transloading
  - Success of single-stream
  - Single-stream processing facility RFP

March 7, 2012



# CRRA System Status Southwest Division

## Recyclables delivered (tons)



March 7, 2012



CRRA System Status  
**Southwest Division**

- Garbage Museum closed

March 7, 2012



## CRRA System Status

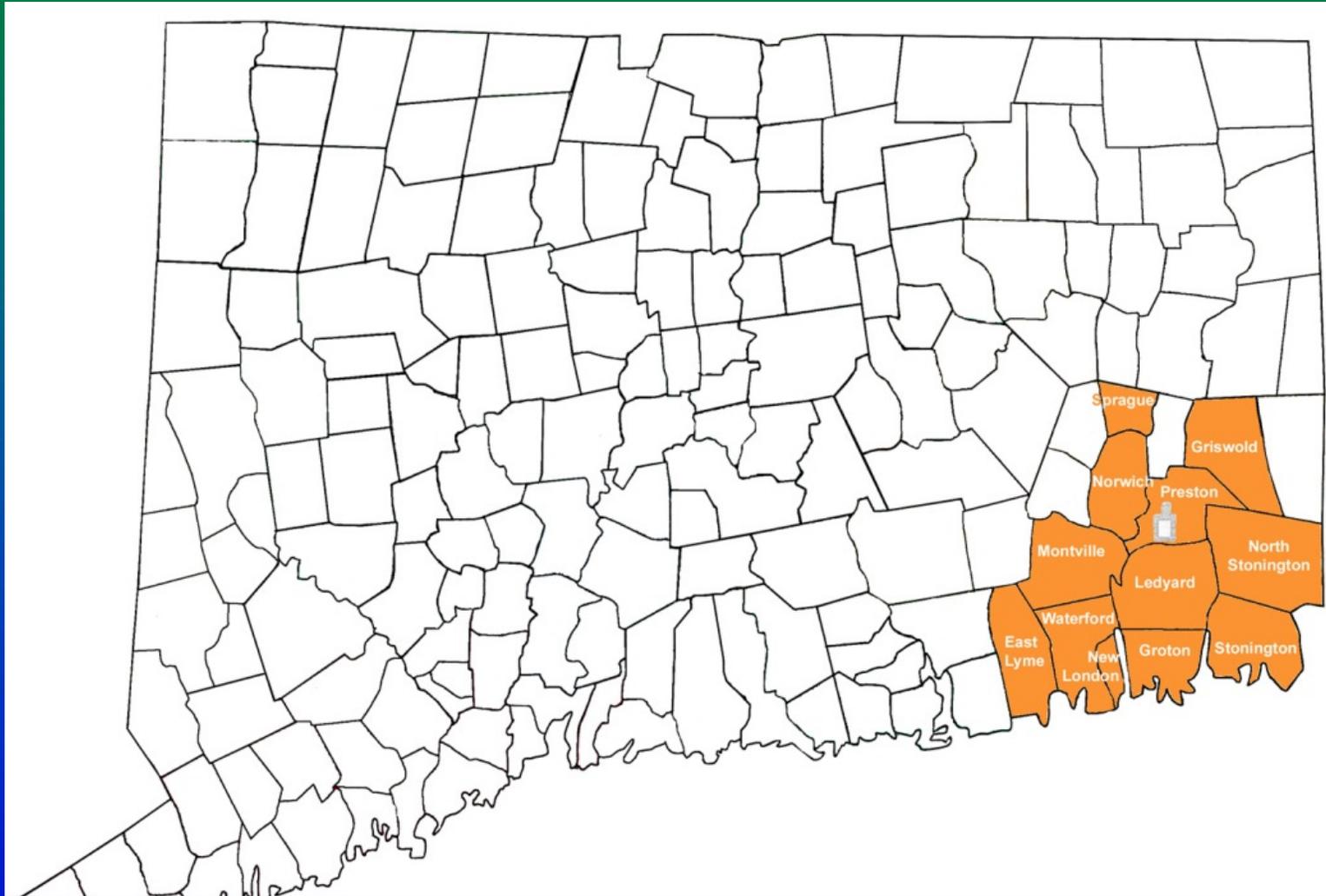
# Southwest Division

- MSA expiration 6/30/2014
- Publicly-owned transfer station development

March 7, 2012



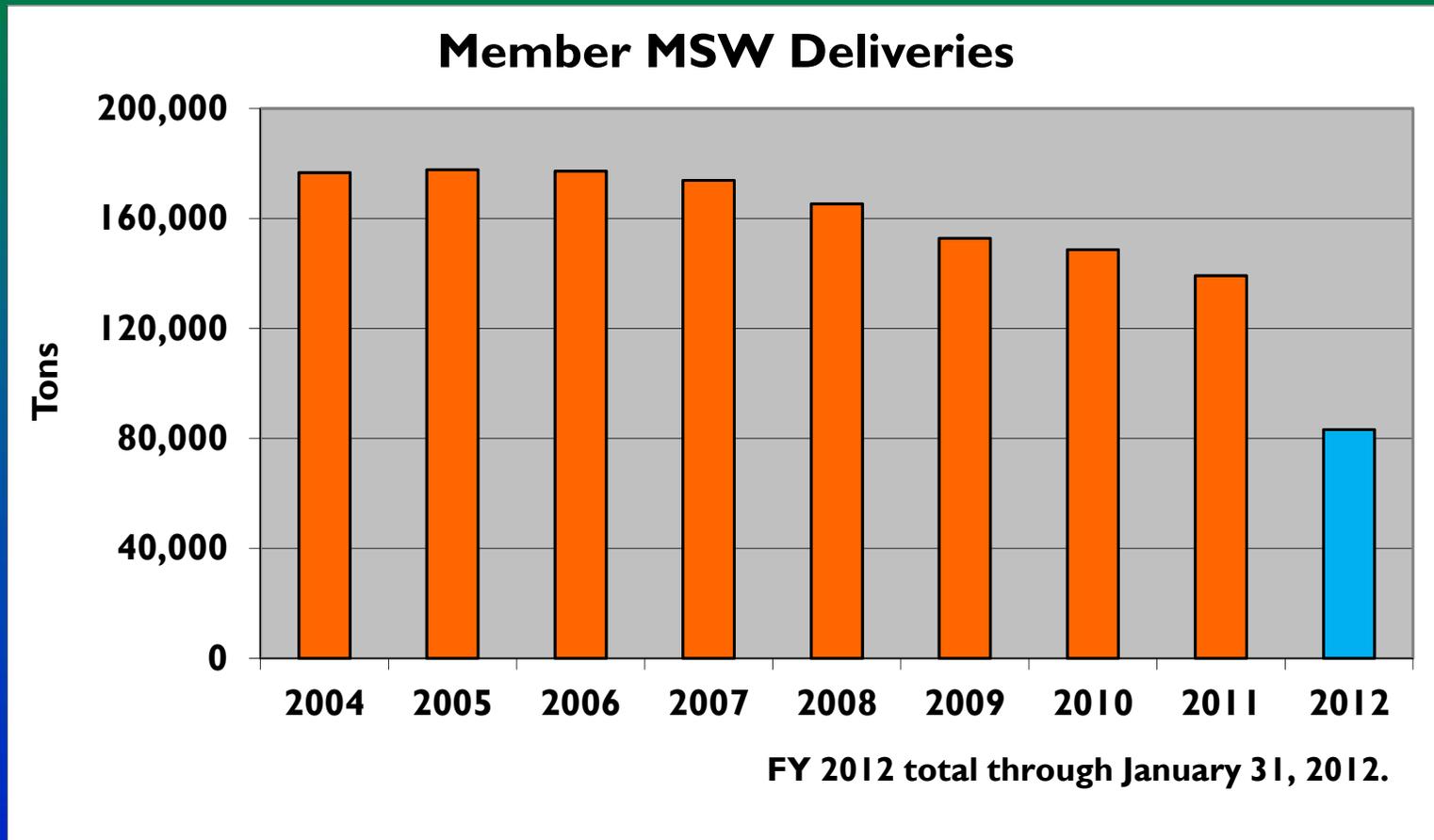
# CRRA System Status Southeast Project



March 7, 2012



# CRRA System Status Southeast Project

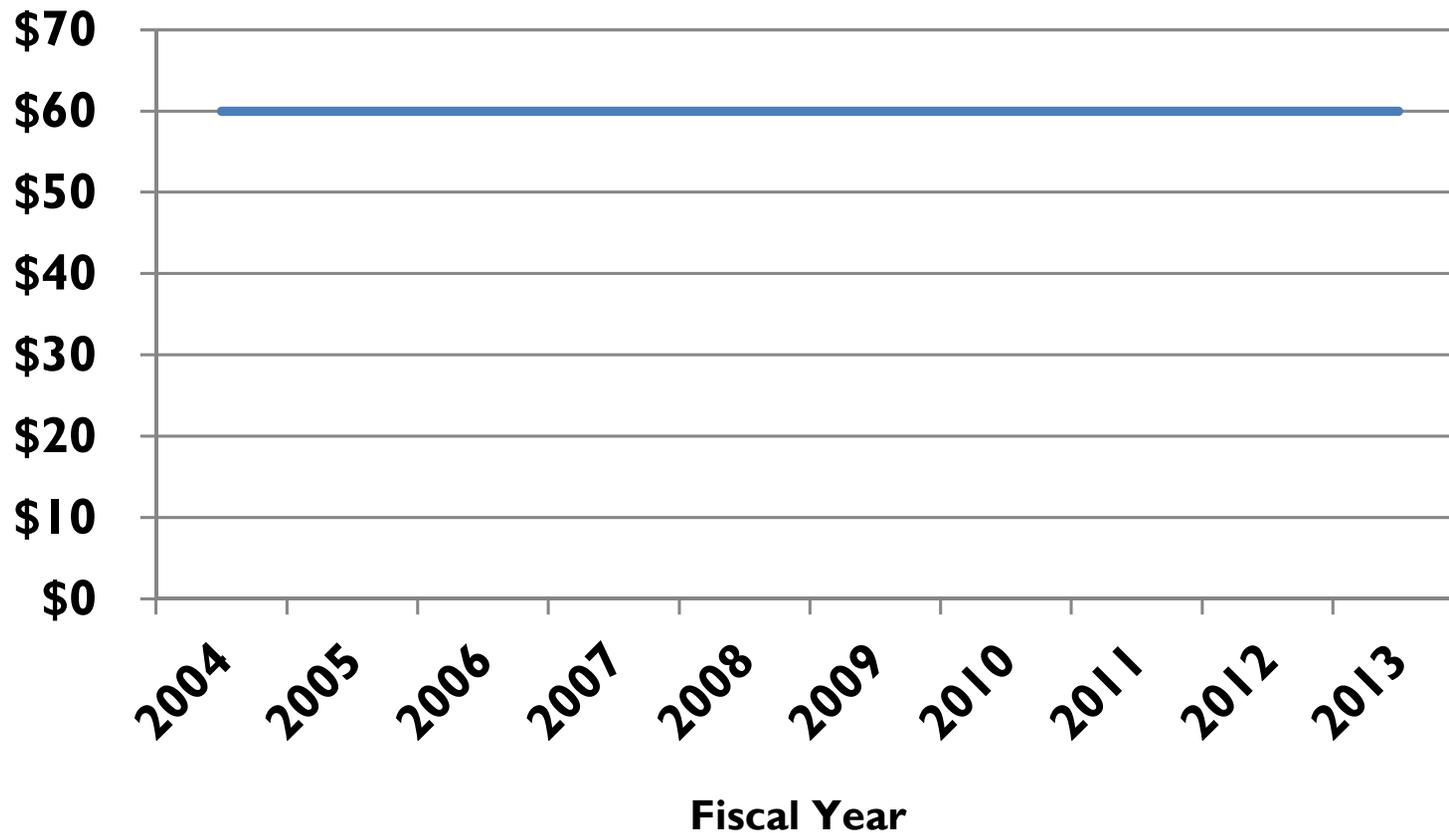


March 7, 2012



# CRRA System Status Southeast Project

## Southeast Disposal Fees



March 7, 2012



# CRRA System Status Southeast Project

- MSAs expire 11/15/2015
  - Future options committee
  - Extensions through 2017

March 7, 2012

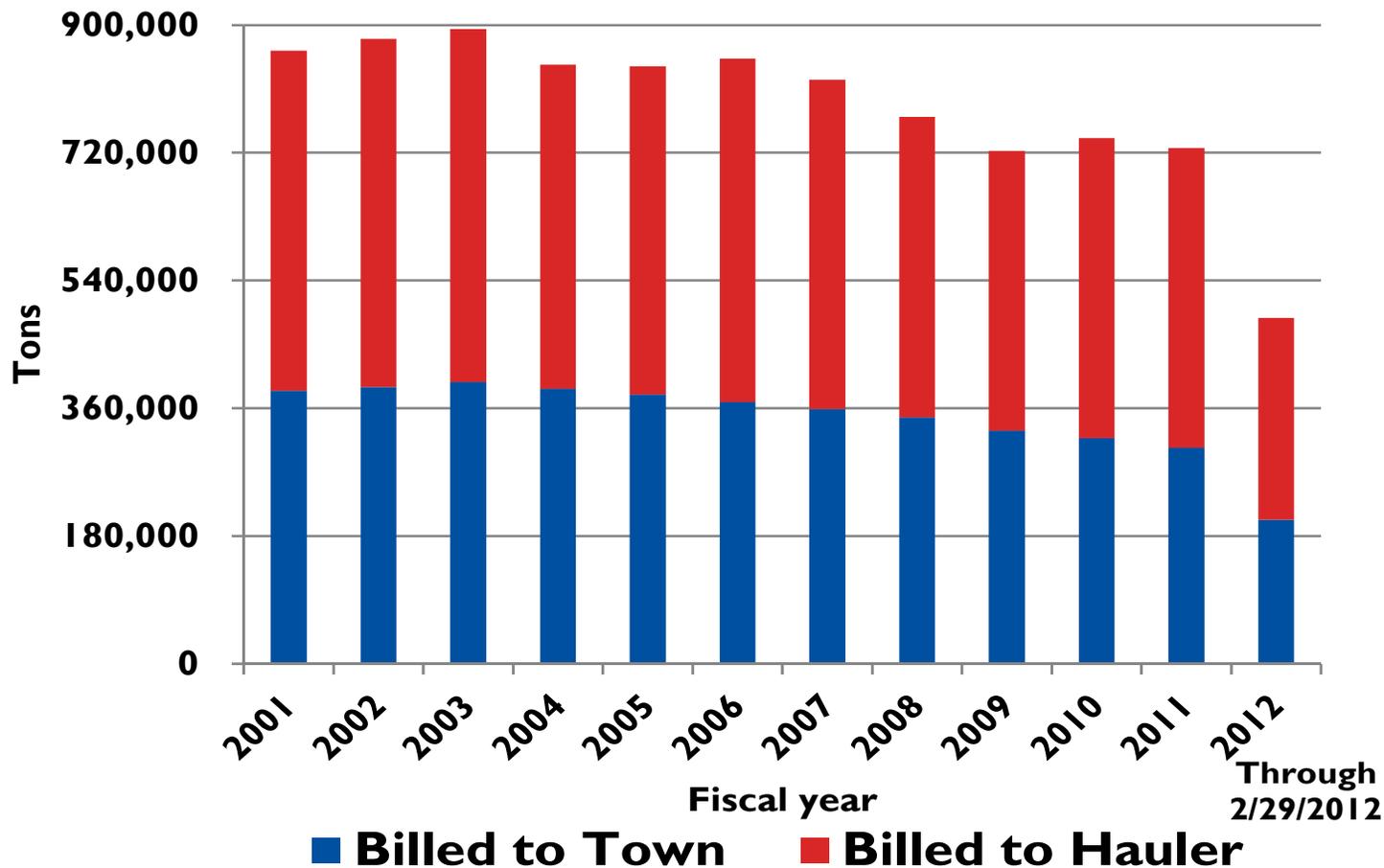




# CRRA System Status

## Mid-Connecticut Project

### Mid-Connecticut MSW Deliveries

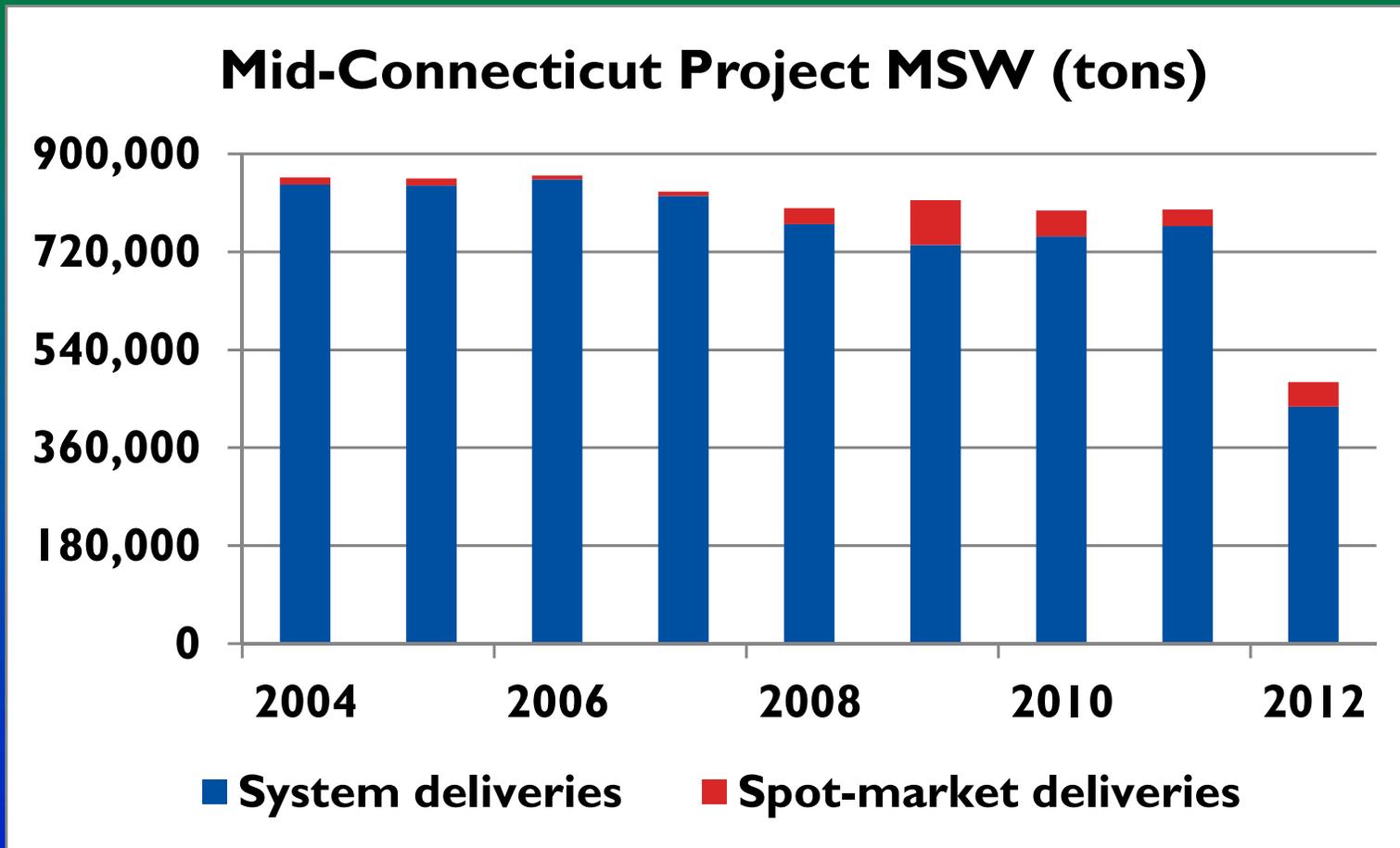


March 7, 2012



## CRRA System Status

# Mid-Connecticut Project

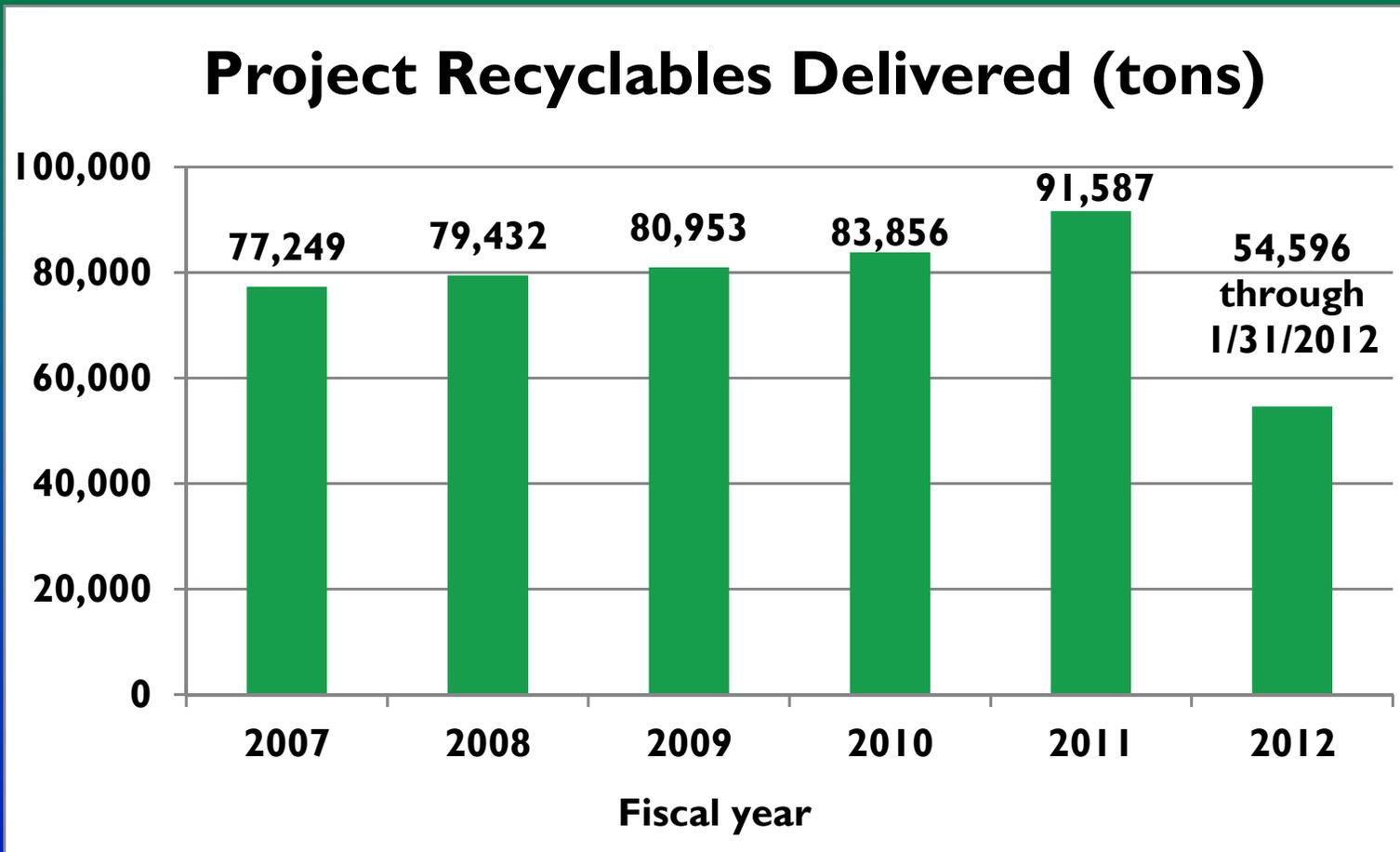


March 7, 2012



# CRRA System Status

## Mid-Connecticut Project

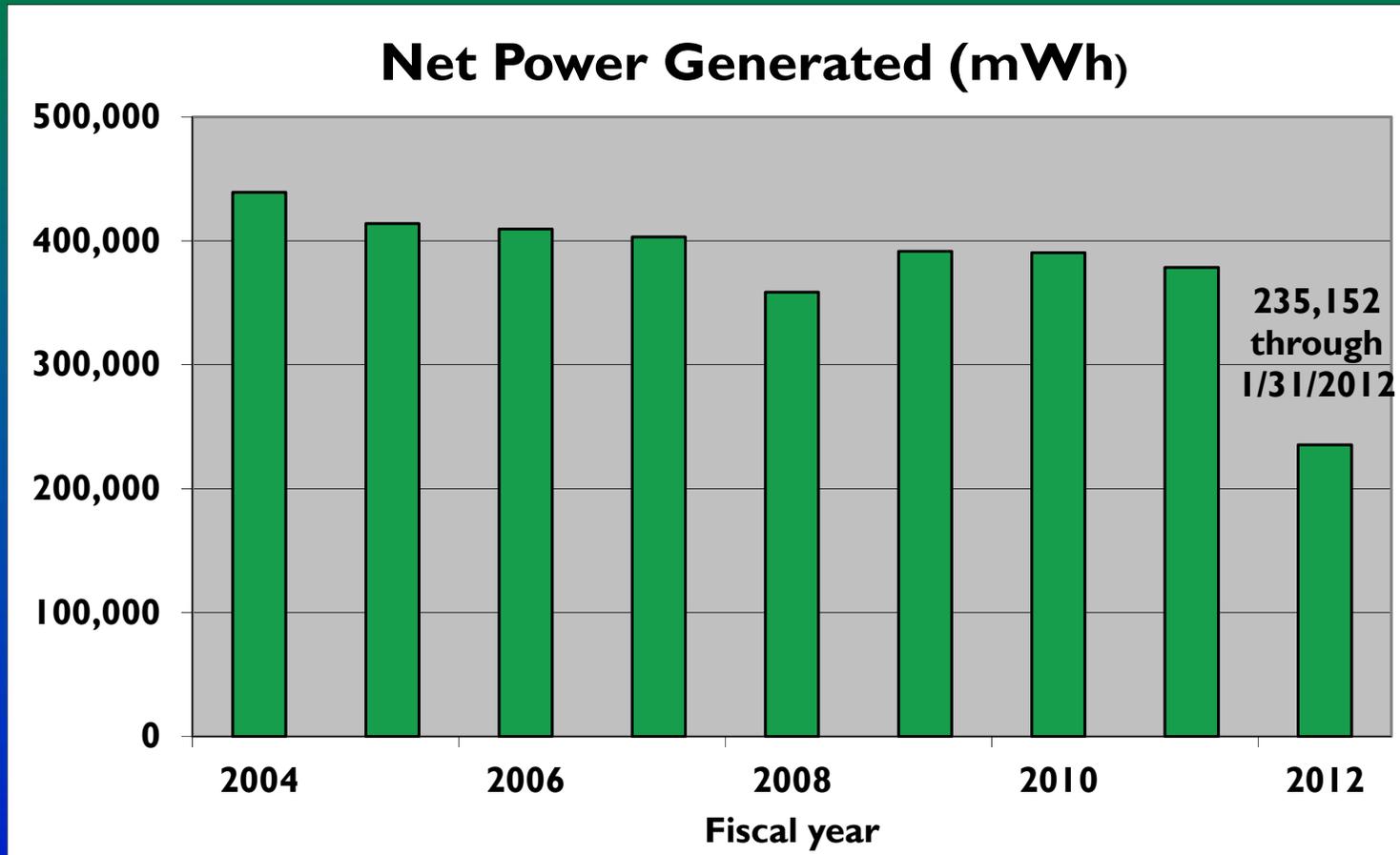


March 7, 2012



# CRRA System Status

## Mid-Connecticut Project

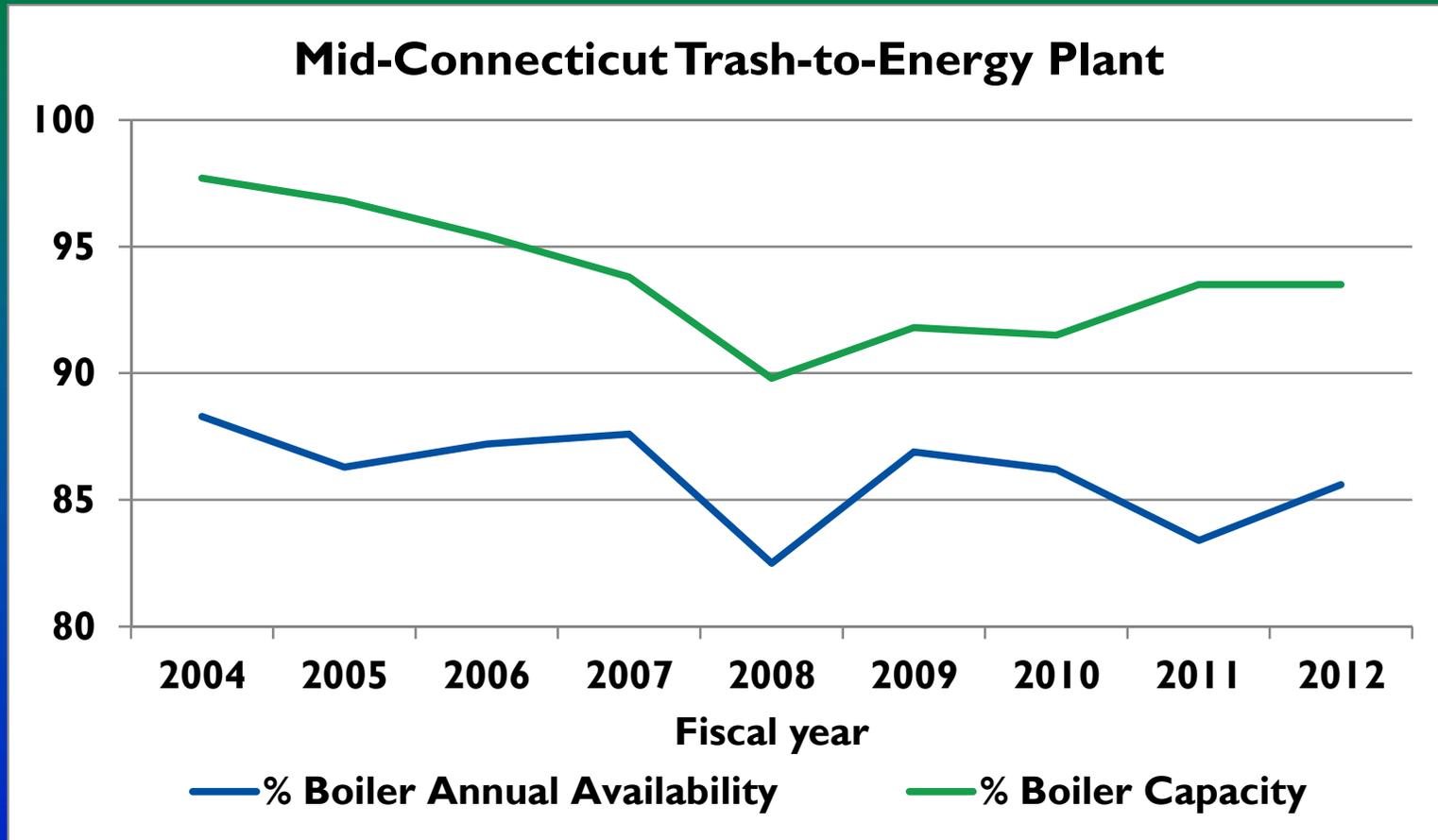


March 7, 2012



# CRRA System Status

## Mid-Connecticut Project

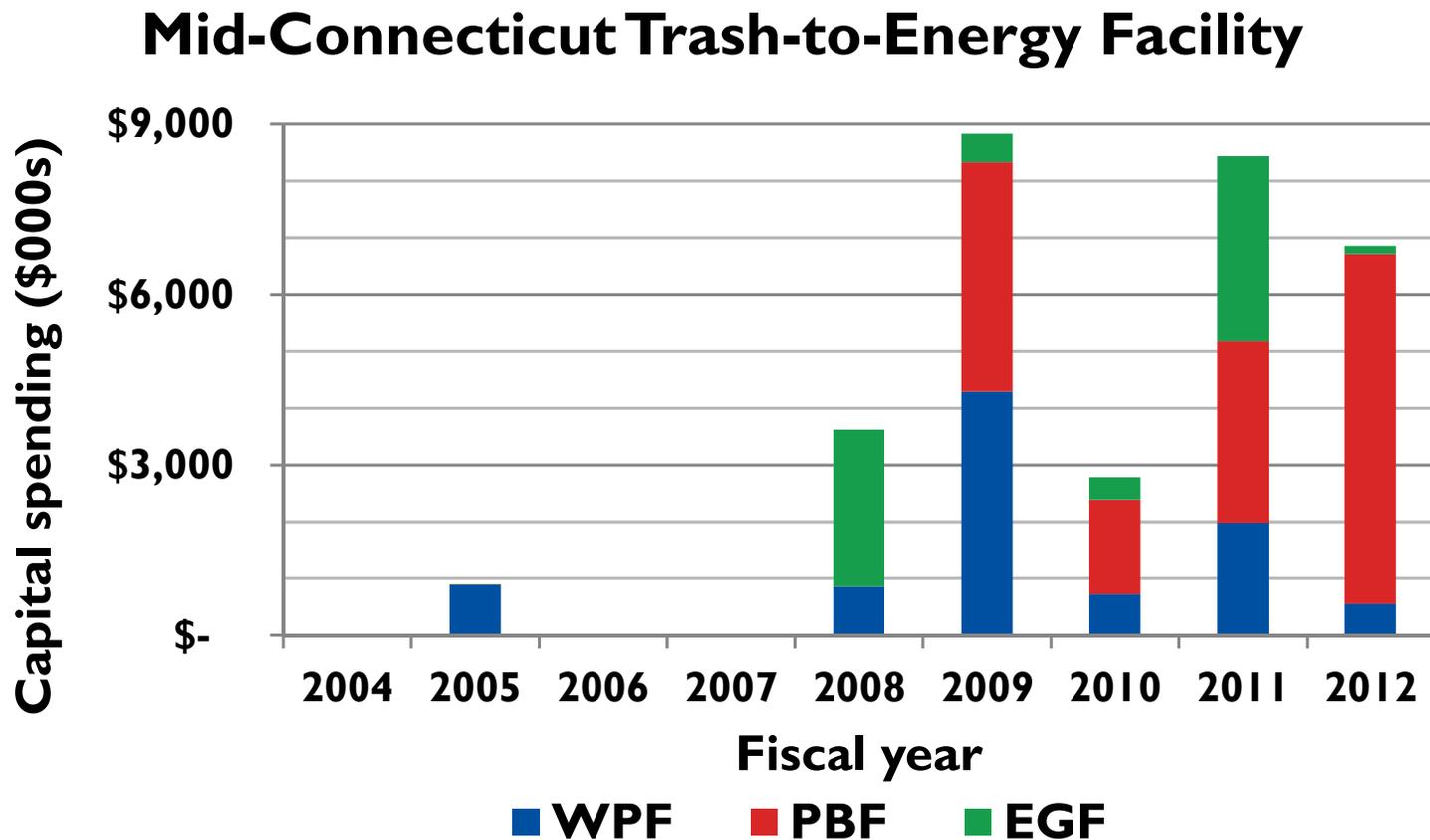


March 7, 2012



# CRRA System Status

## Mid-Connecticut Project



March 7, 2012



## CRRA System Status

# Mid-Connecticut Project

- Contractors transition December 2011, May 2012
- Yield management initiatives success
  - Net operating cost reductions achieved

March 7, 2012



## CRRA System Status

# Mid-Connecticut Project

- Improved performance metrics from recent capital investments
  - Capacity utilization
  - Reliability
  - Boiler availability
  - Throughput
  - Unscheduled outages
  - Air emissions

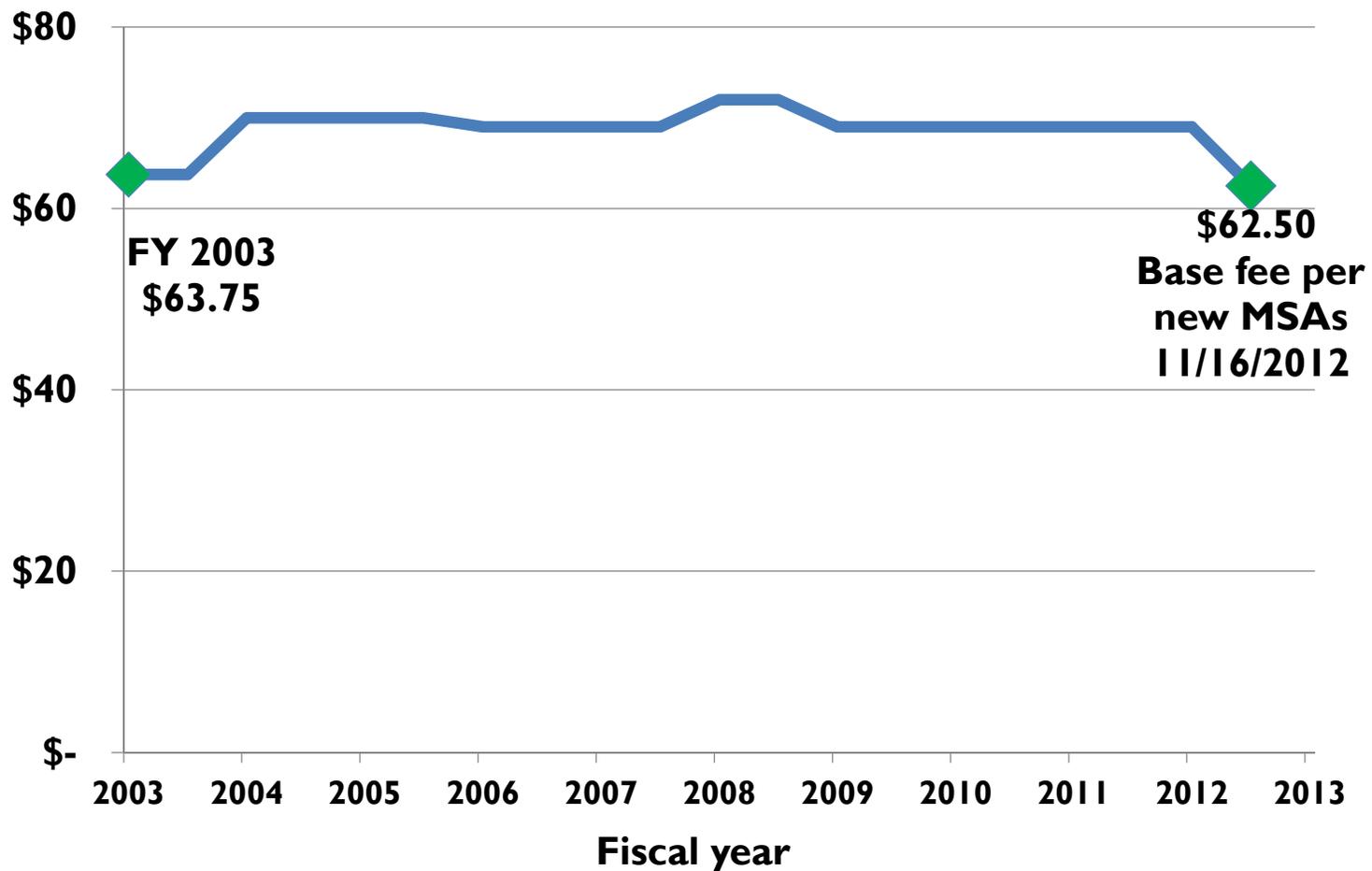
March 7, 2012



# CRRA System Status

## Mid-Connecticut Project

### Mid-Connecticut Disposal Fees



## CRRA System Status

# Mid-Connecticut Project

- Power price directly impacts disposal fee:

<u>Energy price</u>	<u>Annual revenue</u>	<u>Impact on disposal fee</u>
\$0.08/kWh (2007)	\$33,200,000	\$46.63/ton
\$0.035/kWh (2012)	<u>\$14,525,000</u>	<u>\$20.34/ton</u>
	\$18,625,000	\$26.29/ton

Each penny per kWh = \$4,150,000 or \$5.82/ton

March 7, 2012



## CRRA System Status

# Mid-Connecticut Project

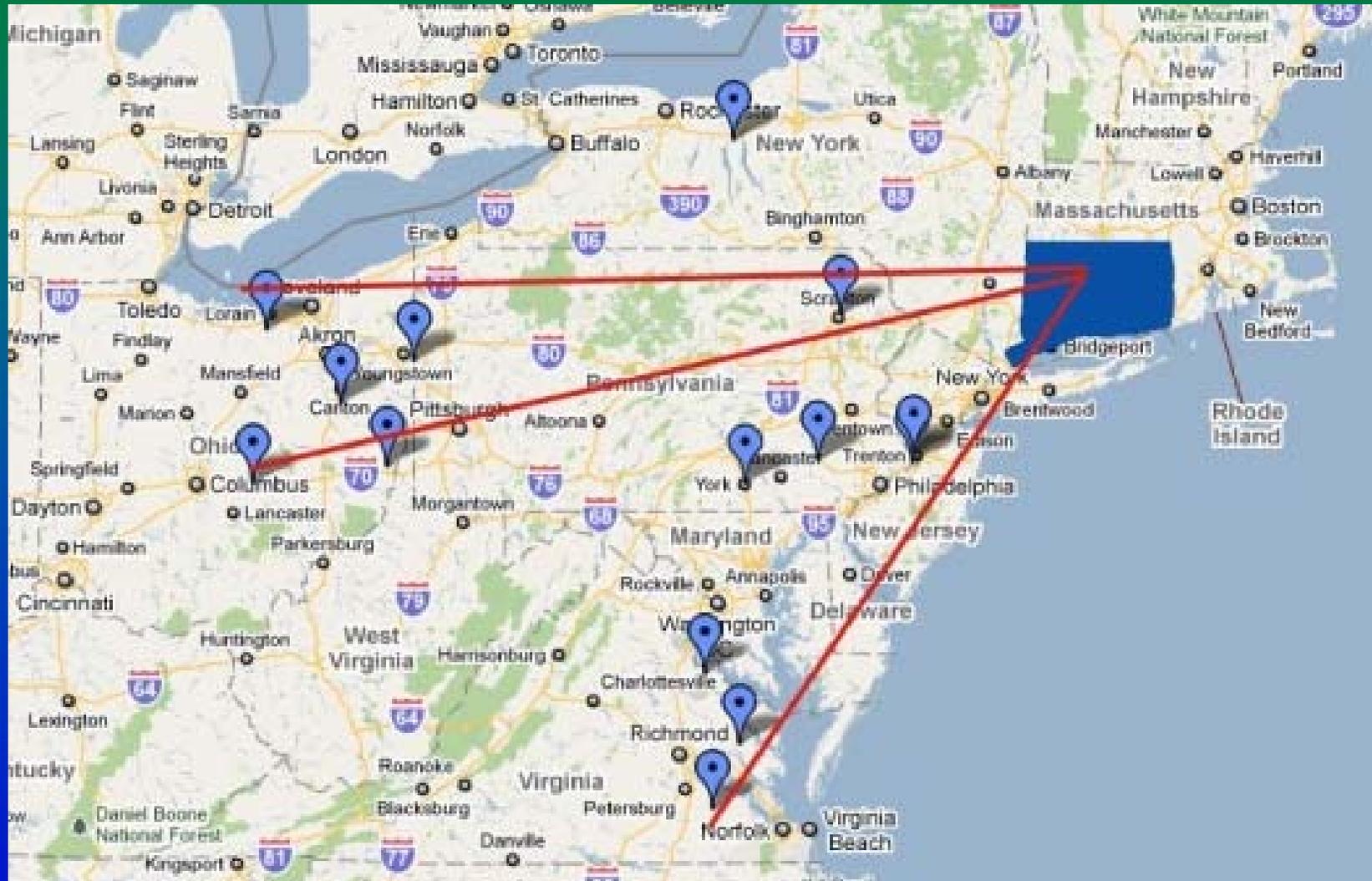
- If revenue shortfall continues, plant becomes non-viable
  - MSAs still honored
    - Net-cost and opt-outs apply
  - Phase-out of plant begins
    - Diversion to transfer-and-haul, construction of intermodal transfer facility
    - Use of landfill capacity in other states
    - Subject to market for disposal and diesel prices

March 7, 2012



# CRRA System Status

## Mid-Connecticut Project



March 7, 2012



## CRRA System Status

# Mid-Connecticut Project

- HB 5118 would make trash-to-energy a Class I renewable power source
  - Would ensure economic viability
- Thank you for your continuing support

March 7, 2012





# CRRA Initiatives

- Solar installation at publicly-owned facilities
- Composting facility
- Southwest single-stream facility
- Southwest regional transfer station
- Materials management initiatives
  - C&D recovery/reduction, dirty MRF

March 7, 2012



## CRRA Initiatives

# Hartford Landfill Solar

- Install solar collectors at the Hartford landfill
- CRRA to issue RFP this spring
- City, DEEP support project

March 7, 2012



## CRRA Initiatives

# Hartford Landfill Solar

- Rigid-panel array



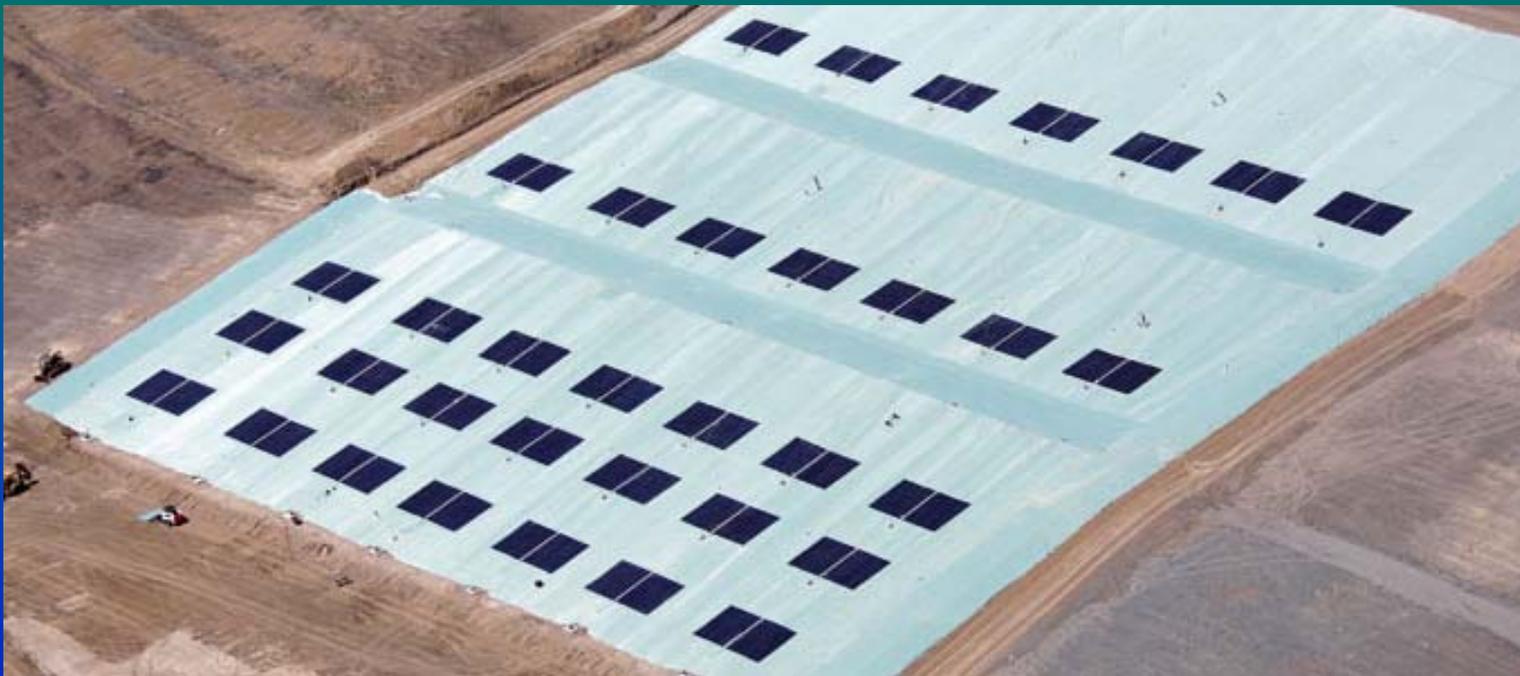
March 7, 2012



## CRRA Initiatives

# Hartford Landfill Solar

- Flexible array built into cap



March 7, 2012



## CRRA Initiatives

# Hartford Landfill Solar



March 7, 2012



## CRRA Initiatives

# Composting

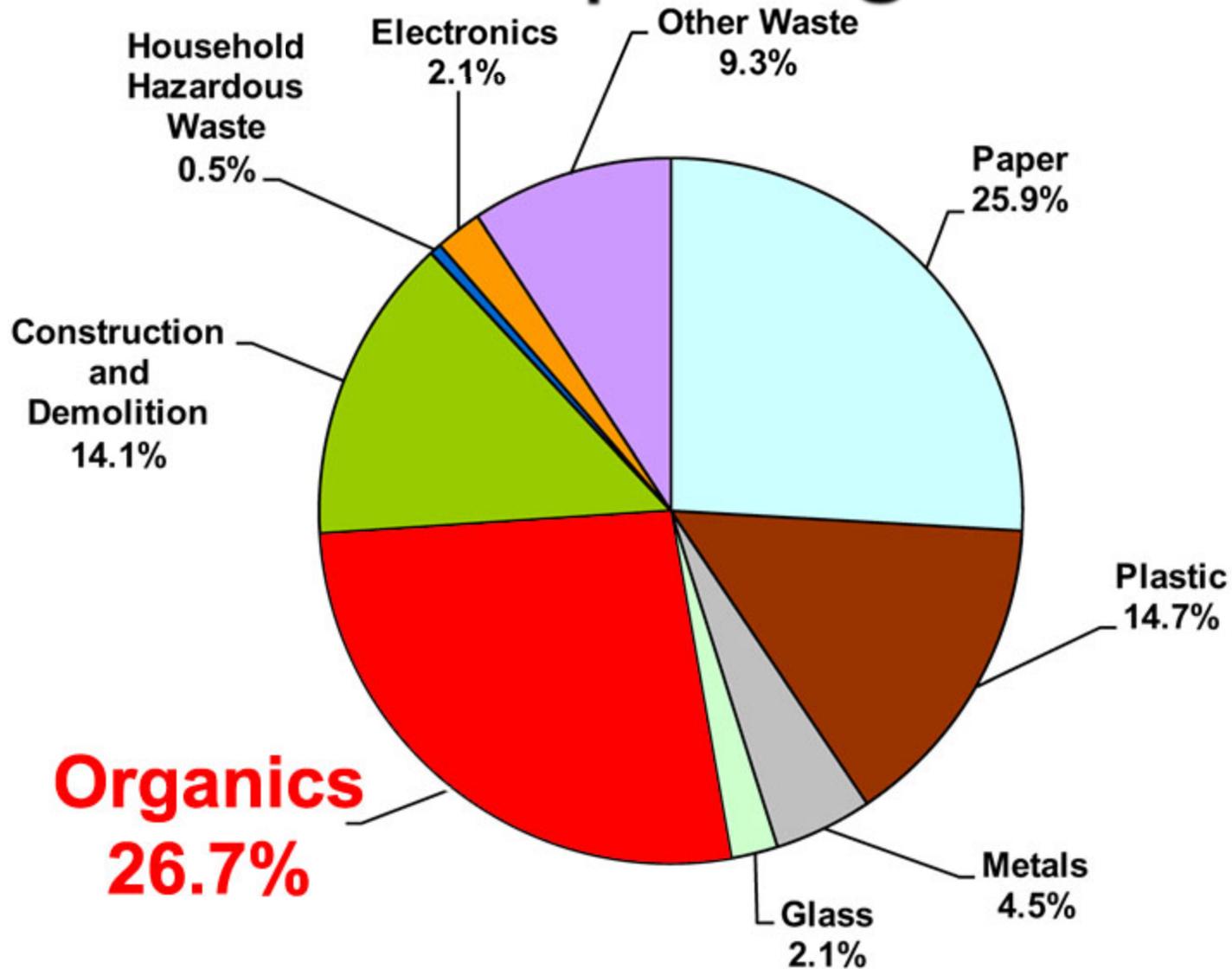
- Needed to meet SWMP diversion goal
  - SWMP goal: 58% by 2024
  - In-vessel organic composting with energy recovery holds the most promise

March 7, 2012



# CRRA Initiatives

## Composting



# CRRA Initiatives

## Composting

- Where to build?
  - CRRA task force proposal – SB 346
  - Impact of HB 5302: Municipal zoning authority over waste facility expansions
    - Signed by Governor March 6
    - May reduce CRRA's ability to site and develop necessary facilities

March 7, 2012



## CRRA Initiatives

# Southwest Single-Stream RRF

- Regional rollout of single-stream successful
- Dual-stream facility shut down, now trans-loading to Hartford
- Stratford single-stream facility development RFP

March 7, 2012



# Legislative Issues

March 7, 2012



## Legislative Issues

# Class I Renewable Power

- HB 5118

March 7, 2012



## Legislative Issues

# Class I Renewable Power

- 12/30/2010 – New MSAs offered
  - Deadline: 7/1/2011
- 7/28/2011 – CRRA board approves Tier 4 MSAs for CCSWA
  - New deadline: 10/1/2011

March 7, 2012



## Legislative Issues

# Power Prices and Gas

Near-month natural gas futures prices (NYMEX)



Source: Natural Gas Intelligence

March 7, 2012



## Legislative Issues

# Power Prices

- 9/29/2011 – CRRA board de-links MSW and recyclables in Tier I MSAs
- 10/27/2011 – CRRA board approves recycling opt-out
  - New deadline: 12/31/2011

March 7, 2012



## Legislative Issues

# Class I Renewable Power

- 1/19/2012 – Power sold at auction
  - 3.5¢/kWh starting 6/1/2012
    - One-year contract
- 11/15/2012 – Existing MSAs expire, bonds retired
- 11/16/2012 – New MSAs take effect

March 7, 2012



## Legislative Issues

# Class I Renewable Power

- Maryland legislation
  - Trash-to-energy became Class I in 2011

March 7, 2012



## Legislative Issues

# Class I Renewable Power

- Future of HB 5118
  - Worth \$14m-\$22m in revenue Mid-Connecticut system
    - \$19/ton to \$30/ton
  - Assures continuation of publicly owned trash-to-energy and lower prices

March 7, 2012



## Legislative Issues

# Tax on Exported MSW

- SB 265: Tax on waste exported out of state
  - Would make out-of-state landfilling less economically attractive

March 7, 2012



## Legislative Issues

# Mattress Recycling

- SB 89 would create a manufacturer-funded recycling system
  - CRRA helped launch this initiative

March 7, 2012



## Legislative Issues

# Mattress Recycling

- CRRA can and should aggregate extended producer responsibility (EPR) systems
  - CRRA experience with waste streams, processing and end markets
  - Efficiencies would foster development of recycling infrastructure and reduce MSW costs to towns and businesses

March 7, 2012



# Legislative Issues

## Governance

- Subject of discussion last year
  - Mid-Connecticut Project Municipal Advisory Committee-CRRA Board working group proposal:
    - 15-member board, 10 municipal officials
      - 5 from 30,000-plus towns, seat for Hartford
      - 5 from sub-30,000 towns
        - Nominated by COGs, elected by towns
      - New directors join as existing directors' terms expire

March 7, 2012



# Legislative Issues

## Governance

- HB 5125:
  - 15-member board
    - Four current ad-hocs become full directors
    - Three appointed by governor, two each by four legislative leaders
    - Retains industry/finance expertise
    - 50,000 big/small-town separator lowered to 30,000

March 7, 2012



# Legislative Issues Governance

- HB 5125 problems:
  - No guaranteed seat for Hartford
  - No means of ensuring geographic balance

March 7, 2012



# Legislative Issues

## Governance

- SB 333:
  - New 15-member board on July 1
    - One each appointed by governor and four legislative leaders
    - 10 selected by towns
      - Three from 30,000-plus towns
      - Seven from sub-30,000 towns
      - Maximum six from current Mid-Conn towns

March 7, 2012



# Legislative Issues

## Governance

- SB 333 problems:
  - No assurance of geographic balance
  - No guaranteed seat for Hartford
  - What happens if no non-Mid-Conn town officials are interested?
  - Does not guarantee retention of existing board members

March 7, 2012



## Legislative Issues

# Governance

- HB 5125 public hearing 2/22
- SB 333 referred to Energy & Technology Committee
  - No public hearing scheduled yet
- Governor's working group to address governance of CRRA
  - Report due in December

March 7, 2012



## Legislative Issues

# Class I Renewable

- HB 5118
- Call your legislator
- Call CCM and COST

March 7, 2012



# Closing Remarks

March 7, 2012



# Your Questions

We are recording today's meeting.  
**Before asking a question**, please  
raise your hand and a microphone  
will be brought to you.

March 7, 2012

