

Committee on Regulated Industries

CS/SB 1764 — Municipal Solid Waste-to-Energy Program

by Appropriations Committee and Senator Albritton

The bill establishes the Municipal Solid Waste-to-Energy (MSWE) Program, within the Department of Agriculture and Consumer Services (DACS), comprised of a financial assistance grant program and an incentive grant program. The program is intended to incentivize the production and sale of energy and reduce waste disposed of in landfills. The program is limited to publicly owned MSWE facilities.

The financial assistance program will provide two cents per kilowatt-hour (kWh) purchased by an electric utility from the facility during the preceding state fiscal year, with specified limitations on the amount based on the terms of power purchase agreements entered into by the facility with an electric utility. If funds are insufficient to cover every qualifying kWh, available funds must be prorated on an equitable basis, with specified considerations. The Public Service Commission (PSC) is required to assist the DACS with verifying eligibility and the amount of energy purchased from the facility.

The incentive program will provide facilities with matching funds on a dollar-for-dollar basis to assist with planning and design for constructing, upgrading, or expanding MSWE facilities. To qualify, a facility owner must demonstrate the project is cost-effective, permissible, implementable, and complies with existing review requirements for new waste-to-energy facilities. The Department of Environmental Protection (DEP) must assist the DACS with determining eligibility and establishing requirements ensuring long-term and efficient operation and maintenance of facilities. These funds may not be used to promote, establish, or convert a residential collection system that does not provide for the separate collection of residential solid waste from materials that have recycling potential.

The bill requires the DACS to perform adequate overview of applications and awards. The bill requires termination or repayment of incentive grant funds if the DACS determines that program requirements are not being met. Rules for the financial assistance grant program must be developed by the DACS in consultation with the PSC. Rules for the incentive grant program must be developed by the DACS in consultation with the DEP.

The bill requires appropriated funds to be used first for financial assistance grants and then for incentive grants. Funds may be carried forward for up to five years after the effective date of the original appropriation. Funds are prohibited from being used to support, subsidize, or enable the sale of electric power generated by a MSWE to an electric utility eligible to petition for rate relief using the proposed agency action procedure.

If approved by the Governor, these provisions take effect July 1, 2022.

Vote: Senate 38-0; House 110-8