

Legislative and Regulatory Issues Affecting Management of Municipal Solid Waste

- Renewable Energy Tax Credits & Energy Efficiency Grants
- Climate Change
- Federal Renewable Portfolio Standard
- Clean Railroads Act of 2008
- Proposed Pharmaceutical Rules
- EPA Issues Proposed Mandatory Reporting Rule
- EPA to Issue Endangerment Finding
- Proposed Change to Emission Factors for Landfills
- Biogas Production Incentive Act of 2009



Major impacts on the Waste Industry

- Oil prices hit record high – \$147.30 a barrel in July 2008
- Market for recycled materials falls from record highs, threatening the sustainability of many recycling programs
- Credit market freeze makes funding for new projects hard to secure



Obama Administration Responds to Crisis

- January, 2009 – Obama administration announces stimulus plan to revive economy
- Stimulus package enacted by the 111th United States Congress and signed into law by President Obama on February 17th, 2009
- \$787 billion plan, includes:
 - Federal tax relief
 - Expansion of unemployment benefits
 - Domestic spending in education, health care, infrastructure and the energy sector
 - Will create or protect 3.5 million jobs



American Recovery and Reinvestment Act of 2009, H.R. 1

Stimulus package provisions impacting solid waste operations

- Tax credit extensions
- Energy efficiency grants
- Funding for transportation and infrastructure projects
- Assistance for recycling and composting equipment purchases by small businesses



Tax Credit Extensions

- Renewable energy projects have three different tax credit options

Option 1

- Section 45 tax credit extension for an additional three years, making the placed-in-service date December 31, 2013
- Both LFG and WTE facilities qualify for this extension
- The credit these facilities can receive is NOT capped at 35% of the capitol cost of the facility
- LFG and WTE facilities will continue to receive 1¢ per kilowatt



Tax Credit Extensions

Option 2

- LFG and WTE renewable energy facilities can claim an investment tax credit instead of a production tax credit
- Facilities placed online in 2009 or 2010 are eligible for a 30% investment tax credit instead of the production credit



Tax Credit Extensions

Option 3

- LFG and WTE renewable energy facilities eligible for Section 48 tax credits can receive a Department of Treasury grant worth 30% of the capital cost of the operation



Energy efficiency grants

- H.R. 1 allocates an additional \$3.2 billion to the Energy Efficiency and Conservation Block Grant (EECBG)
- EECBG's were created under the Energy Independence and Security Act of 2007
- The EECBG program is administered by the U.S Department of Energy
- EECBG's are used to fund a wide variety of activities, including:
 - Programs to improve participation and efficiency rates for recycling programs
 - Projects that reduce energy usage and GHG emissions



Energy Efficiency and Conservation Block Grants

Purpose of EECBG's

- To reduce fossil fuel emissions
- To reduce total energy use
- To improve energy efficiency in the transportation, building and other appropriate sectors.

Activities eligible under the EECBG program include:

- Developing/implementing an energy efficiency and conservation strategy.
- retaining technical consulting services to assist in the development of such a strategy.
- Developing public education programs to increase participation and efficiency rates for recycling programs



Energy Efficiency and Conservation Block Grants

Requirements for grant recipients under EECBG program

- Within one year of receiving initial funding, recipients must submit a proposed energy efficiency and conservation strategy to the Department of Energy (DOE) Secretary outlining the goals and proposed plans for the grant.
- Submitted strategy shall be approved or disapproved by the DOE within 120 days of submission.
- No more than 10% or \$75,000 of the grant, whichever is greater, may be used for administrative/staffing expenses.
- No more than 20% or \$250,000 of the grant, whichever is greater, may be used for the establishment of revolving loan funds.



Additional Requirements for grant recipients under EECBG program

- No more than 20% or \$250,000, whichever is greater, may be used for the sub-granting to non-governmental organizations for the purpose of assisting in the implementation of the Energy Efficiency and Conservation Strategy.
- No later than 2 years after receiving the initial funds, an annual report shall be submitted to the DOE Secretary describing:
 - The implementation of the Energy Efficiency and Conservation Strategy,
 - Energy efficiency gains.
- First year funding can be used for strategy development.
- funding in subsequent years must be used for implementation.



Transportation and Infrastructure Funding

- H.R. 1 is the largest disbursement of Federal funding for public works spending in over 50 years.
- \$48 billion expected to be spent on transportation
 - Inter-city rail – \$9.3 billion
 - Mass transit and light rail - \$8.3 billion
 - Highway and bridge maintenance - \$27.5 billion
- Good news for the recycling industry
 - Bridge repairs require an estimated 10,000 – 30,000 tons of steel for each bridge
 - New projects will increase demand for recycled materials; steel, copper and industrial plastics



Equipment Purchasing Assistance

- H.R. 1 allows for bonus depreciation toward the purchase of new equipment
- Businesses can deduct 50% of the capital costs of applicable assets, with a depreciable lifespan of less than 20 years.
- Businesses may expend up to \$250,000 of applicable capital acquisitions through 2010 if the overall expenditure is less than \$800,000
- These measures represent an extension of the Recycling Investment Saves Energy (RISE) Act.

