

**RE: MPCA CAP Bond Requests/ Review of Existing Facilities (Minn. Stat. 115A.51**

**Position Statement:** The National Wastes and Recycling Association (NWRA: 1) has questions related to the \$10M in bond funding requested for organics infrastructure (MPCA priority #3) and; 2) opposes the Minnesota Pollution Control Agency's Capital Assistance Program (CAP) bonding proposal for Olmsted County (MPCA priority #9) to fund an upfront Materials Recovery Facility (MRF) and upfront Waste Processing Facility.

**NWRA's primary concern is that these proposals did not review existing public and private sector solid waste disposal facilities, as required by Minn. Stat. 115A.51, (a)(6) before the legislature appropriates these funds.**

\*NWRA questions whether the recently passed (2019) spirit of the new law (Minn. Stat. 115A.51 (a) (6)) has been applied during the analysis of this project. The intent of the new law was for the project proposer to analyze their CAP proposal for its impact on existing private facilities before the Agency included the project on its CAP grant funding list for the legislature to review.

*Minn. Stat. 115a.51 (a)(6): "...that the applicant has conducted a comparative analysis of the project against existing public and private solid waste facilities, including an analysis of potential displacement of those facilities, to determine whether the project is the most appropriate alternative to achieve the identified waste management objectives that consider."*

\*The language states that this analysis is part of the CAP application process, should be conducted by the proposer and that the proposer should give notice to private and public facilities that may be impacted.

**Background:**

- 1) **Composting Infrastructure:** The \$10M request in capital bond funding for organics composting infrastructure will be made over a multiple year timeframe beginning in 2022-24 but could go beyond this 3 year timeframe. Our questions pertain to the use of these funds. Does the MPCA have a specific organics processing facility in mind? If so, what is the total cost of the facility and what bonding requests will be made in the future to cover the costs of a proposed facility? For example, an anaerobic digester has been estimated at nearly \$100 M. Initial "seed" funding could lead to ongoing funding.
- 2) **Olmsted County:** The Olmsted proposal will serve two purposes: 1) to add single sort recycling capacity in Olmsted County; and 2) to extract additional recyclable material out of the MSW that would otherwise be direct feedstock to the Olmsted Incinerator. In essence, the

project would process both the curbside, source separated recyclables, and pull recyclable material out of unprocessed trash.

## **Questions and Concerns:**

### **1) Composting Infrastructure:**

\*There are a lot of unknowns about this request. While NWRA fully supports extracting more material from the waste stream, including organics, NWRA requests that legislators ask questions so that we gain a better understanding of the details of the project or projects, and their viability. We believe giving the MPCA \$10M with no accountability for how the money is spent is atypical for state agencies and is usually reserved for the legislature to appropriate to specific projects.

### **2) Olmsted County:**

\* While we fully support trying to extract more material out of the waste stream, we question the “oversized” proposed facility and its use as a Single Sort MRF.

\*Our concern is that the facility is sized larger than it needs to be so that it can take source separated recyclables that could otherwise be processed at any of the already existing Material Recyclables Facilities (MRF) servicing the area. By so doing, the proposed dual purpose processing facility would displace services already provided by multiple existing private sector facilities. Given that Olmsted County could receive multiple competitive bids for these services, it is not prudent to spend bonding money on a redundant facility that could be spent otherwise in the state to develop infrastructure that is lacking.

\*Given there is sufficient recyclables processing capacity within the metro area to manage the volume of recyclable material in Olmsted County, the NWRA opposes this project due to its impact on existing Recyclables Processing Facilities or “MRFs”, and recommends the legislature not use state bond funds for this purpose.

**Conclusion:** NWRA would like to reiterate that while we fully support trying to extract more material out of the waste stream, **we have questions about the use of state tax dollars for these projects until the proposers have followed the 2019 law requiring them to analyze the market for impacts to other public and private solid waste facilities.** Additionally, we request more details on the composting infrastructure request and whether these funds are targeted to specific projects, over what timeframe will the Agency be requesting \$10M/year and specifics about the viability of a particular project that could be funded.

NWRA thanks you for your time and attention to this important matter. Should you have any questions, please contact Douglas Carnival, at (612)-325-3587.