

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2014

Bill Number: S.242 Name of Bill: An act relating to authorizing the Public Service Board to regulate materials recovery recycling facilities

Agency/ Dept: PSD Author of Bill Review: Andrew Perchlik

Date of Bill Review: 1-17-14 Status of Bill: (check one):

Upon Introduction As passed by 1st body As passed by both bodies

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8 below

Analysis of Bill

- 1. Summary of bill and issue it addresses.** *Describe what the bill is intended to accomplish and why.*
Would give jurisdiction to the PSB over non-municipal owned, ANR permitted materials recovery recycling facilities. This is to provide PSB regulation over potential monopolization of the material recover recycling markets. The jurisdiction would remain until there is sufficient competition among materials recovery recycling facilities in the state so as to eliminate any unfair competition for prices or access to services.
- 2. Is there a need for this bill?** *Please explain why or why not.*
Unknown at this time. There seems to be a perception that insufficient competition exists in the material recovery sector to support a functioning market and a fair rate structure.
- 3. What are likely to be the fiscal and programmatic implications of this bill for this Department?**
As the rate payer advocate the PSD could be required to participate in the PSB rate setting for these facilities. This would increase PSD workload w/o additional revenue and thus could have negative programmatic and fiscal implications.
- 4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?**
ANR would likely have increased work-load as their participation in the PSB proceedings would likely be required. ANR and AAFM could also be impacted if the definition of material recovery recycling facilities was to include facilities that handle organic waste.
- 5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?** *(for example, public, municipalities, organizations, business, regulated entities, etc)*
There would likely be an increased fiscal impact on the businesses that operate the recycling facilities that would come under PSB jurisdiction. If it is true that there is not a functioning market resulting in fair prices there would be a positive fiscal impact on customers of these facilities.
- 6. Other Stakeholders:**

Please return this bill review as a Microsoft Word or PDF document to laura.gray@state.vt.us

6.1 Who else is likely to support the proposal and why?

Customers of recycling facilities that currently say they are being subjected to an unregulated monopoly – because they would see this bill as a way to reduce costs.

6.2 Who else is likely to oppose the proposal and why?

The owners of the facilities in question – as they would likely see PSB jurisdiction as something that could lower profits and increase expenses.

7. Rationale for recommendation: *Justify recommendation stated above.*

There is not enough information at this time to take a position. The PSD should monitor bill testimony as well as discuss the bill's costs and benefits with ANR and the PSB.

8. Specific modifications that would be needed to recommend support of this bill: *Not meant to rewrite bill, but rather, an opportunity to identify simple modifications that would change recommended position.*

It would be beneficial if the bill would define material recovery recycling facilities, specifically to determine if any organic material, including waste farm materials, would come under PSB jurisdiction.

Secretary/Commissioner has reviewed this document:



Date:

1/28/14