

SPECIAL SOLID WASTE STAKEHOLDER MEETING WORKGROUPS-MARKETING & PLANNING and RECYCLING

Draft FINAL NOTES May 30, 2012-TOPIC: Material Recovery Facilities (MRFs)

GOAL--The current regulatory model in NJ is solid waste management; however, the industry is transitioning to a materials management model. What can NJDEP do to help the transition to a new, sustainable model while recognizing the need for comprehensive county solid waste management systems, ensuring that county solid waste debt continues to decrease, and that the State's MSW recycling goal of 50% is achieved?

-Emerging recyclable is food waste, to convert this waste to energy.

-There are about 55 permitted MRFs in NJ and the cost to mechanize a MRF is \$3-5 million

-The current recycling law is that residents and businesses must source separate recyclables; however, most counties are not meeting the 50% recycling, which means recyclables are in the current waste stream and disposed of as waste. This volume adds to the solid waste revenues generated by counties to repay debt and support comprehensive solid waste management systems. Pulling more recyclables from the waste stream will decrease solid waste management revenues.

-There is no statewide list of mandatory recyclables. Each county identifies its list of mandatory recyclables in its solid waste management plan, which is based on whether markets are available and if facilities to handle recyclables are nearby.

-Currently at new residential construction sites, all "waste" materials are considered C&D waste, including recyclables.

CONCERNS

****Revised TRUST:** One of the biggest issues for DEP and counties about MRFs is trust. There are some collectors cheating their county's waste flow system under the guise of sending waste to out of county MRFs, in order to obtain a cheaper rate to dispose of waste. These MRFs may also be creating waste piles of material that don't have any real market value. NJDEP would like to have a controlled system with standards. Counties are generally not in favor of granting exemptions to bypass waste flow to go to a MRF, and prefer source separation.

MUNICIPAL EXEMPTIONS

Municipal exemptions are authorized by the Solid Waste Management Act and its rules found at N.J.S.A. 13:1E-99 et seq. and N.J.A.C. 7:26A:11.5.

-There needs to be standard criteria followed by a municipality granting an exemption. Middlesex County has standard criteria that towns must follow, which may be a model for other counties.

-There needs to be consistency for towns to grant exemptions. Industry reports that current, varying practices by towns frustrates the provision of exemptions and hampers recycling efforts. Further, if a MRF has, for example, 82 customers, there needs to be 82 municipal exemptions granted, which again hampers recycling efforts.

****Revised DRAFT Recommendation for Legislative Amendment:** NJDEP should support a pilot project by a county that is willing to adopt an ordinance for an automatic exemption with

third party certification in its Solid Waste Management Plan for commercial Type 10 waste to go to a MRF provided that the ordinance includes strict MRF facility standards that: 1-the MRF will continue to operate regardless of market price/demand variations; 2-the MRF meets or exceeds a certain tonnage; 3-Meets specific reporting requirements; 4-the MRF has the appropriate, mechanized equipment to pull recyclables from the waste stream; 5-the MRF agrees to reject waste loads that contain relatively small amounts of recyclables; and 6-subject the MRF to a third party certification. If such a pilot could prove to be successful, there may be sufficient support for a Legislative amendment to allow a general exemption in the Mandatory Source Separation Act for commercial Type 10 waste to go to MRFs in lieu of a municipal exemption, provided that there are strict MRF facility standards.

Note-NJDEP believes less than 10 current MRFs could possibly meet such criteria.

ESTABLISHING A MRF

-Financing: It is difficult to obtain bank financing due to risks that each customer using the MRF must obtain a municipal exemption and also there may be waste flow considerations adding to the risk.

-Waste Flow: Haulers taking waste to a MRF may face violations for bypassing a county waste flow plan.

-Reporting: All transfer stations and recycling facilities need to report accurately and consistently, using the same metrics.

-All haulers must comply with applicable recycling laws, waste flow plans and exemptions. They can't throw recyclables on top of waste in order to bypass waste flow and go to a MRF.

-MRFs must reject loads that primarily consist of waste.

-Removing materials from the waste stream to be used as fuel needs to be addressed by NJDEP. Is this considered recycling or something else?

****NEW**-A county with waste flow in place has an economic incentive to shut out MRFs and recycling facilities that would compete with that county for marketable recyclables, which is a conflict that NJDEP needs to acknowledge.

-Siting or expanding a MRF in an Environmentally Overburdened Community (EOBC) adds to the disproportionate number of solid waste facilities already in EOBCs. Similarly the transition to a materials management model, in which a material is no longer regulated as a solid waste is a concern since there is reduced regulatory oversight to potentially mitigate environmental issues.

-Scrap metal yards and junkyards are of particular concern to EOBCs, which are not currently regulated under the solid waste rules, are not in county solid waste management plans, and tend to be more concentrated in EOBCs.

****NEW**-The existence of MRFs shows a failure of compliance with recycling laws to source separate. If a county can demonstrate they are meeting the State's recycling goals, NJDEP should allow that county to "opt" out of allowing MRFs.

****NEW**-Counties with comprehensive solid waste management programs are offsetting losses from the solid waste side with gains realized through sale of recyclables. There is concern that MRFs will "cherry pick" the most valuable recyclables, causing additional revenue losses to counties.

RETURNING RESIDUES TO COUNTY OF ORIGIN

- There must be true and accurate reporting by the hauler and MRF to ensure that all residual waste is returned.

-Each county's solid waste management plan may have a varying list of mandatory recyclables, especially C&D waste. This frustrates recycling efforts.

-To reduce transportation and air pollution, can a check be written to county of origin rather than the physical return of residual waste? It depends on each county's solid waste management plan and whether their plan allows for checks in lieu of residual waste.

DRAFT Recommendation: If NJDEP and the counties can be assured of true and accurate reporting by MRFs, perhaps through third party audits, counties should accept a check in lieu of residual waste to reduce trucks on the road and minimize air pollution.