



January 22, 2014

Mr. Wayne Gjerde
Minnesota Pollution Control Agency
520 Lafayette Road N.
St. Paul, MN 55155

**MINNESOTA
RESOURCE
RECOVERY
ASSOCIATION**

Re: Recycling Refund System Cost Benefit Analysis ("Cost Benefit Analysis")

Dear Wayne:

The following comments are submitted on behalf of the Minnesota Resource Recovery Association (MRRRA). The MRRRA supports the State's hierarchy and particularly its recycling goals. A recently updated national study shows that on average, counties participating in waste to energy recycle more than other counties. That is the situation in Minnesota where almost 1/3 of all counties are involved to some extent in waste to energy facilities.

The draft Cost Benefit Analysis for a container deposit refund system acknowledges certain tonnages separated and recycled from waste deliveries to waste to energy facilities. This separation occurs at a variety of facilities including: two refuse derived fuel facilities (Elk River and Newport) and the operations of front end processing equipment including magnets and eddy current separators for aluminum and steel cans operating at the Polk County Resource Recovery Plant, the Pope Douglas Waste to Energy Facility, the City of Red Wing Integrated Solid Waste Management Campus and the Prairie Lakes Municipal Solid Waste Authority's facility in Perham. Both Polk County and the City of Red Wing also receive single sort recyclables that are processed through their systems. Recovered materials from both waste and single sort are marketed together.

MRRRA members are concerned that the draft program treats containers separated at MRRRA facilities differently from containers separated from single sort curbside programs. If the goal of the refund program is to separate and recycle as many containers as possible, then it seems illogical to limit participation in this way.

MRRRA members have made significant investment in separation and recycling technologies that are a valuable asset to the state's integrated waste management system. As the Cost Benefit Analysis points out that 2,249 tons of aluminum cans are separate from our facilities each year. This represents over 15% of all cans currently recycled in the entire state.

The Cost Benefit Analysis states:

"According to the Minnesota 2012 SCORE data, 22 percent of generated municipal solid waste (39 percent of non-recycled waste) goes to waste-to-energy and refuse-derived fuel plants located in the state. RSE reviewed information on these plants and identified the extent to which aluminum and steel cans are separated from the waste. The waste composition disposal

477 Selby Avenue
Saint Paul, Minnesota
55102-1726
Ph: 651-222-7227
Fax: 651-223-5229

estimates were adjusted by RSE to reflect additional recycling of metal beverage containers that results from the percentage of waste processed for energy production in the state”.

On page 7 in Table 3, Estimates of Existing Beverage Container Generation and Recycling, 2,249 tons of aluminum cans and 6 tons of steel cans are identified as being recycled each year at MRRA’s facilities.

Notwithstanding this contribution to recycling that MRRA’s facilities make (and landfills, we note, do not), the Cost Benefit Analysis does not account for any container deposit refund to waste to energy facilities for steel and aluminum cans removed from the waste and recycled. In addition, there is no accounting for plastic containers that some facilities’ programs could recover if the market justified it. In Figure 1, Recycling Refund System and Existing System Material Flows, waste to energy facilities are identified as providing recycled aluminum and steel cans to end markets. Recycling MRFs are also identified on this table but because it is assumed their cans will go to a baler, they receive a refund. This is an inefficient, expensive and unrealistic system assumption even though the Cost Benefit Analysis does account for \$200 per ton to handle, sort and bale.

Almost all MRFs and waste to energy facilities use balers on their sites. Material handling costs increase significantly if loose cans are trucked to a baler in some other location for the alleged purpose of being sorted “by material type and delivered loose for inspection by recycling refund baling sites to ensure the containers are beverage containers only.” These inspection needs can be addressed by relying upon the end markets and their specifications to assure that steel and aluminum cans are baled and are not contaminated with other material. Based upon the ability to rely on the market place, the next step would be to then set a number of cans/ton in order to calculate the container deposit refund. The MRRA is open to discussions on who ultimately markets the recycled materials in recognition of the Cost Benefit Analysis’ assumption that better market pricing will be available to the Beverage Container Recycling Organization.

The Cost Benefit Analysis identifies the desired recycling goal of the State at 88% for which it states 4% is derived from containers recycled from waste to energy facilities. MRRA supports allowing a bulk redemption option that would allow all recycling systems to efficiently participate in a rebate program. Utilizing Minnesota’s existing infrastructure represents a very cost effective mechanism for the collection and recycling of beverage containers. The MRRA requests that the MPCA reconsider its redemption approach and recognize waste to energy plants as equivalent to recycling MRFs in terms of payments received for participation in the program.

Sincerely,

Trudy J. Richter
Executive Director