

**WORKING DOCUMENT PREPARED IN COMPLIANCE WITH THE
AGREEMENT SIGNED BY AND BETWEEN CONCYTEG**

AND

**THE RENEWABLE ENERGY AND ENERGY EFFICIENCY
PARTNERSHIP (REEEP)**

**FUNDED BY: THE RENEWABLE ENERGY AND ENERGY EFFICIENCY
PARTNERSHIP**

**REGULATIONS PROPOSED ON SOLID WASTE
UTILIZATION FOR ENERGY PURPOSES IN
THE STATES AND COUNTIES OF MEXICO**

STATEMENT OF LEGISLATIVE INTENT

Whereas solid wastes and biomass produced in Municipalities may be used as a renewable clean energy source;

Whereas solid waste use allows to reduce pollution by disposing of, and using organic and inorganic biomass;

Whereas the Municipalities in the State of _____ produce great amounts of solid wastes or biomass that may be used as a renewable energy source;

Whereas in the State of _____, a number of comparative studies of local and foreign legislation on solid waste or biomass use and exploitation as a renewable energy source have been carried out;

Whereas these Proposed Model Regulations are designed to provide legal grounds to promote and foster the development of technologies to utilize municipal solid wastes and biomass as energy sources;

Now therefore, these MUNICIPAL REGULATIONS ON SOLID WASTE UTILIZATION FOR ENERGY PURPOSES, aimed at regulating activities and procedures to promote the exploitation of solid wastes and biomass as energy sources in the State of _____ Municipalities, are hereby submitted for consideration pursuant to the following chapters:

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| ONE.- | General Provisions |
| TWO.- | Authorities |
| THREE.- | The Municipal Solid Waste Utilization Program |
| FOUR.- | Municipal Solid Waste Utilization |
| FIVE.- | Energy Application in Marginalized Areas |
| SIX.- | Energy Application in Street Lightning |
| SEVEN.- | Project Implementation Procedure |

As a part of a strategy to promote and support project development for energy generation from solid wastes and biomass, these proposed Regulations are intended to include administrative simplification criteria and a language easy to understand to all interested parties.

Now therefore, the Hon. **TOWN COUNCIL OF _____**
MUNICIPALITY is asked to review the following:

EXECUTIVE ORDER

SOLE.- MUNICIPAL REGULATIONS ON SOLID WASTE UTILIZATION FOR ENERGY PURPOSES as follows:

CHAPTER ONE General Provisions

Article 1.- These Regulations are intended to enforce, at municipal and state levels, solid waste utilization for energy generation as well as to provide standards to:

- I. Define general technical criteria to develop a Municipal Solid Waste Utilization for Energy Purposes Program;
- II. Establish a legal action framework for municipal authorities in the area of solid waste utilization;
- III. Establish a procedure to implement solid waste energy generation projects with the private sector involvement; and
- IV. Define an action framework for authorities.

Article 2.- The responsibility for promoting municipal solid waste utilization falls to the Municipality, in coordination with the Federal and State Governments.

Municipal authorities, in coordination with the federal and state authorities, shall oversee compliance with official standards on energy efficiency and saving as required to enforce these Regulations.

The Municipality shall submit an annual report to the State Administrative Unit in charge of Renewable Energy Promotion as related to compliance with such standards.

Article 3.- Municipal academic, economic and social sectors as well as scientific and

technological communities and the State Administrative Unit shall aid the Municipality in plans and programs development as provided in these Regulations.

CHAPTER TWO Authorities

Article 4.- The following are competent authorities to enforce these Regulations:

- I. The Town Council;
- II. The Mayor;
- III. The Municipal Administrative Unit in charge of Environmental Protection and Sustainable Development; and
- IV. Any other applicable State or Municipal Government agencies and entities as provided in these Regulations.

Article 5.- The Town Council shall have the following powers and duties:

- I. Approve the Municipal Solid Waste Utilization Program for energy purposes, upon consultation with the State Administrative Unit in charge of Renewable Energy Promotion;
- II. Define solid waste exploitation zoning in the Municipality;
- III. Assign the expense budget resources needed for solid waste energy application in street lightning, sewage pumping and municipal property;
- IV. In coordination with state and municipal authorities, enforce compliance with the official standards for energy efficiency and savings pursuant to these Regulations;
- V. Promote municipal solid waste use by agribusiness small and medium enterprises;

- VI. Execute any kind of legal acts as provided to enforce these Regulations; and
- VII. Any other powers and duties as provided by the applicable laws and regulations.

Article 6.- The Mayor shall have the following powers and duties:

- I. Submit to the Town Council proposed technical and scientific surveys for the best use of solid waste energy in the Municipality;
- II. Submit to the Town Council a proposed budgetary allocation for investment in municipal solid waste energy use infrastructure;
- III. Submit to the Town Council the creation of task forces to aid in energy application of wastes generated in industrial, business and services sectors;
- IV. Attend the applicable meetings of the State Administrative Unit Governing Board, in representation of the Municipality;
- V. Any other powers and duties as established by these Regulations and the applicable legal provisions.

Article 7.- The Environmental Protection and Sustainable Development Administrative Unit shall have the following powers and duties:

- I. Submit to the Mayor a proposed set of general guidelines to develop the Municipal Solid Waste Utilization Program for energy purposes;
- II. Complete the Municipal Solid Waste Utilization Program for energy purposes and, once implemented, to enforce its compliance;
- III. Submit to the Mayor the best zoning for solid waste use for energy purposes in the Municipality;
- IV. Develop, in coordination with the applicable municipal agency or entity, application programs for solid waste energy in public utilities;

- V. Approve and implement the bases for the best use of municipal solid wastes;
- VI. Impose the relevant penalties for violations to these Regulations; and
- VII. Any other powers and duties as established by these Regulations and the applicable legal provisions.

In the performance of the above powers, the Administrative Unit in charge of Environmental Protection and Sustainable Development shall coordinate with the State Administrative Units in charge of Ecology and Renewable Energy Promotion, each in its respective jurisdiction.

CHAPTER THREE The Municipal Solid Waste Utilization Program

Article 8.- The Municipal Solid Waste Utilization Program for energy purposes shall contain a statistical description of the Municipality's wastes.

Article 9.- The Program shall be updated annually and aid to promote energy application in the Municipality.

Article 10.- The Program shall contain at least the following:

- I. An electricity or fuel generation capacity analysis based on solid waste volume;
- II. A technical standards compliance survey on landfills and their biogas generation capacity;
- III. A study on energetic properties of the main wastes from agriculture, cattle-raising and industrial activities in the Municipality;
- IV. Technical criteria for an efficient and optimum application of energy in municipal utilities;
- V. Criteria for application and utilization of solid wastes in marginalized communities;

- VI. A list of the best regions for landfills in the Municipality; and
- VII. Other information as required by these Regulations and the applicable legal provisions.

CHAPTER FOUR Municipal Solid Waste Use

Article 11.- The Municipality shall ensure due compliance with the applicable technical standards for landfills making and operation as related to energy production projects.

Regarding procedures for waste cleaning, collection and isolation concessions, the Municipality shall give preference to projects involving biogas production for energy purposes.

Article 12.- Biogas obtained from landfills may have the following uses:

- I. Energy generation for sale to the Federal Power Commission;
- II. Energy generation for municipal utilities;
- III. Biogas direct supply to the Municipality's industry;
- IV. Compressed methane supply by industrial piping for domestic use; and
- V. Purification of biogas as automobile fuel.

Article 13.- The Municipality shall establish agriculture waste isolation centers in rural areas with an energetic potential, upon authorization by the State Administrative Units in charge of Ecology and Renewable Energy Promotion, respectively. The Municipality shall aid to perform analyses designed to determine potentially energetic plant species within its territory.

Article 14.- The Municipality shall promote the creation of farmers associations engaged in growing plant species with energetic properties.

Article 15.- In coordination with the applicable federal authorities, the Municipality shall promote implementation of joint solid waste energy personal consumption and cogeneration programs by industrial, business and services sectors.

Article 16.- The Municipality shall grant an annual public award to citizens or businesses implementing municipal solid waste use systems for energy generation.

Article 17.- The Municipality, together with the State Administrative Unit in charge of Renewable Energy Promotion, may organize training and outreach seminars on solid waste use technologies.

CHAPTER FIVE Energy Application in Marginalized Areas

Article 18.- The Municipality, in coordination with federal authorities, shall implement programs focused on solid waste use for energy generation in marginalized areas traditionally excluded from the usual energy system.

CHAPTER SIX Energy Use in Street Lightning

Article 19.- The Municipality may utilize solid waste energy for street lightning in the following places:

- I. New population centers;
- II. Marginalized population centers;
- III. Public parks, gardens and squares;
- IV. Education or social welfare institutions;
- V. Sport facilities;
- VI. Reserved or ecological conservation areas;
- VII. Archaeological sites;
- VIII. Other public buildings, and
- IX. Such other areas as expressly authorized by the Town Council.

Article 20.- The Municipality shall coordinate with federal and state authorities to implement self-supply and cogeneration systems for street lightning from solid waste.

Whenever the Municipality intends to implement a municipal solid waste energy generation project, it shall previously agree with the State Government the conditions for cofinancing of street lightning costs, if any.

CHAPTER SEVEN Project Implementation Procedure

Article 21.- Any project related to municipal solid waste energy use for utilities shall abide by the following procedure.

Article 22.- Businesses concerned in investing in solid waste use for energy purposes shall carry out the following project feasibility studies:

- I. Legal study,
- II. Technical study, and
- III. Financial study.

This step is aimed at assessing the diverse scenarios of project implementation.

Article 23.- The Municipality shall obtain approval from the State Administrative Units in charge of Ecology and Renewable Energy Promotion, respectively, and also the feasibility opinion of the competent federal authorities if applicable.

Article 24.- Upon approval of the project legal, social and financial issues, a solicitation of bids procedure shall begin as provided by the applicable law.

Article 25.- Such procedure shall be aimed at selecting the enterprise(s) that will form the Energy Energy Generating Company together with the Municipality and other public and private institutions involved in the project. The Hon. Town Council shall issue the corresponding authorization.

The selected enterprise(s) shall prove that it/they has/have both the economic and technical capacity as well as the trustworthiness to invest in technology to generate energy from municipal solid wastes in a sustainable and environmentally safe way.

Article 26.- Upon selection of the best enterprise(s) to implement the project, formalizing of the respective legal instruments shall start, including without limitation the following:

- I. A partners' agreement on energy self-supply for utilities;
- II. Incorporation of an Energy Generation Company formed by the selected private enterprise(s), the Municipality and the applicable state and municipal bodies;
- III. A Municipal Solid Waste Supply Agreement between the Energy Generation Company, the Municipality and the entity in charge of garbage collection;
- IV. An agreement between the Energy Generation Company and the Municipality for use and exploitation of the property where the new energy generation plant would be located;
- V. An agreement to build and start the new plant, if any; and
- VI. Execution of an operation and maintenance agreement, if applicable.

Article 27.- The selected enterprise(s) shall be in charge of filing with the competent federal and state authorities such permits and authorizations as required by the applicable laws.

Article 28.- The Town Council authorizing the Energy Generation Company incorporation shall establish an appropriate term for the project investment recovery and return by the bidding winner. This article shall be inserted in the articles of incorporation of the Company.

Article 29.- The Municipality may authorize joining of private or public enterprises as partners of the Energy Generation Company under a self-supply arrangement, provided that they have an appropriate installed capacity and approval from the applicable federal authorities.

Article 30.- To be eligible for financial support under the applicable domestic legislation and international agreements, projects involving municipal solid waste use for energy purposes shall be sustainable and environmentally safe.

TRANSITORY PROVISIONS

ONE.- These Regulations will come into effect on the date immediately following their publication in the State Official Gazette.

TWO.- Any regulatory provisions being in conflict with these Regulations are hereby abrogated.

THREE.- The Municipality shall complete the Municipal Solid Waste Utilization Program for energy purposes within _____ working days following the effective date of these Regulations.