



**Testimony of Ted Michaels
President, Energy Recovery Council
Before the Connecticut General Assembly Committee on Environment
March 2, 2012**

Re Bill 5118, An Act concerning the reclassification of trash-to-energy facilities as Class 1 renewable energy sources.

Chairman Meyer, Chairman Roy and distinguished members of the Environment Committee, I thank you for the opportunity to present testimony today. My name is Ted Michaels and I serve as President of the Energy Recovery Council (ERC). ERC is the national trade association representing the companies and communities engaged in the waste-to-energy sector. Waste-to-energy facilities are relied upon nationwide for safe, effective trash disposal and the generation of clean, renewable energy. ERC members with waste-to-energy interests in Connecticut include Covanta Energy Corporation, Wheelabrator Technologies Inc., the Connecticut Resources Recovery Authority, the Bristol Resource Recovery Facility Operating Committee, and the Town of Wallingford. Connecticut's six existing waste-to-energy facilities, located in Bristol, Hartford, Lisbon, Preston, Wallingford, and Bridgeport, have a baseload electric capacity 194 megawatts fueled from the disposal of more than 6,500 tons of trash per day.

On behalf of the ERC, I am extremely appreciative that the Committee in having a hearing on this important legislation today. ERC strongly supports elevating waste-to-energy from Class II to Class I in the Connecticut Renewable Portfolio Standard (RPS). Waste-to-energy facilities are powered by municipal solid waste, which is both sustainable and indigenous, the two basic criteria for establishing what a renewable energy source is. Importantly, waste-to-energy facilities use this fuel to produce clean, renewable energy exactly where the demand is, which reduces transmission bottlenecks. Class II status in the current RPS fails to recognize the importance of waste-to-energy as a critical component of Connecticut's solid waste infrastructure and the commensurate benefits associated with the electric output of these facilities.

Defining waste-to-energy as a Class I source recognizes the importance of tapping into this important local fuel source and will put waste-to-energy on level footing with other major renewable technologies. Let me reemphasize that. Waste-to-energy is a local energy generator that reliably produces baseload electricity. Failing to define waste-to-energy as Class I leaves far too many of Connecticut's resources flowing past the Connecticut state line and supporting jobs and industries in other states. Often times, the RECs are supporting intermittent electric sources rather than the more desirable baseload capacity. Defining waste-to-energy as Class I will properly recognize the importance of the existing infrastructure in Connecticut, and will support jobs and industry here, at a time when it is very difficult for renewable sources to compete against very cheap natural gas.

Municipal Solid Waste is a Renewable Fuel

The sustainable nature of MSW is a major component of the historic renewable status of waste-to-energy. For more than three and a half decades, despite all of the efforts to reduce, reuse and recycle, the U.S. diversion rate of municipal solid waste has climbed to barely above 30%. During this same time period, the solid waste generation rate has more than *doubled* and the population has risen significantly. It is clear to see that for the foreseeable future there will be no end to an amount of municipal solid waste available as a renewable fuel.

Waste-to-Energy has a Long Track Record as Renewable

Federal and state policymakers for more than three decades (since the inception of the commercial waste-to-energy industry) have recognized MSW as a renewable fuel. The most recent federal statutory recognition came in the American Recovery and Reinvestment Act of 2009 (stimulus bill). President Obama also recognized waste-to-energy as a renewable energy source in his Executive Order on Federal Leadership in Environmental, Energy, and Economic Performance. Major federal legislation in recent years (Bingaman CES; Waxman-Markey) that would have established a federal renewable energy standard included waste-to-energy as a renewable on the same level as wind, solar, geothermal, biomass, and other renewables. Unfortunately, that legislation has not yet been enacted.

While the stimulus bill and the Obama Executive Order are the most recent examples, waste-to-energy is given renewable status for the municipal solid waste it processes under a number of statutes, regulations, and Executive Orders, including the Federal Power Act, the Public Utility Regulatory Policy Act, the Energy Policy Act of 2005, the Biomass Research and Development Act of 2000, the federal Pacific Northwest Power Planning and Conservation Act, Section 45 of the Internal Revenue Code, Federal Energy Regulatory Commission regulations, and statutes in 25 states, the District of Columbia, Puerto Rico, and the Northern Mariana Islands.

Waste-to-Energy is Clean and Reduces Greenhouse Gases

In addition to using a renewable fuel, the environmental attributes of waste-to-energy should be supported and encouraged. America's waste-to-energy facilities meet very strict environmental standards and employ the most advanced emissions control equipment available. The EPA has stated that America's waste-to-energy plants have achieved dramatic decreases in air emissions, and produce electricity "with less environmental impact than almost any other source of electricity."

The production of clean energy from garbage has been attained by a heavy investment by the waste-to-energy industry and its municipal partners. Waste-to-energy facilities are in compliance with Clean Air Act standards called Maximum Achievable Control Technology (MACT) for municipal waste combustors. More than \$1 billion was spent by companies and their municipal partners to upgrade facilities, leading EPA to write that the "upgrading of the emissions control systems of large combustors to exceed the requirements of the Clean Air Act Section 129 standards is an impressive accomplishment."

In addition, waste-to-energy achieves the reduction of greenhouse gas emission through three separate mechanisms: 1) by generating electrical power or steam, waste-to-energy avoids carbon dioxide (CO₂) emissions from fossil fuel based electrical generation, 2) the waste-to-energy combustion process effectively avoids all potential methane emissions from landfills thereby avoiding any potential release of methane in the future and 3) the recovery of ferrous and nonferrous metals from MSW by waste-to-energy is more energy efficient than production from raw materials – thereby avoiding CO₂ from fossil fuel combustion.

Waste-to-Energy Generates Much Needed Baseload Power

It is important to consider that waste-to-energy plants supply power 365-days-a-year, 24-hours a day and can operate under severe conditions. Waste-to-energy facilities average greater than 90% availability of installed capacity. The facilities generally operate in or near an urban area, easing transmission to the customer. Waste-to-energy power is sold as “baseload” electricity to utilities that can rely upon its supply of electricity. There is a constant need for trash disposal, and an equally constant, steady, and reliable energy generation.

Waste-to-Energy Facilities Create Green Jobs

One of the major factors that the Stimulus bill extended the renewable incentives for waste-to-energy in 2009 was because of its ability to create economic activity and green jobs. Waste-to-energy facilities are sophisticated power plants that pour significant capital into the communities in which they are located. A 2010 survey conducted by Veris Consulting shows that the average waste-to-energy facility in the United States provides 58 full-time well-paying jobs.

Ownership of RECs

I have significant concerns with Section 2 of the bill that would essentially reassign ownership of the Class I renewable energy credits. ERC believes this provision is unworkable for several reasons. First, facilities that currently benefit from the revenue associated with Class II REC's would receive no benefit from their participation in the RPS if this provision were to pass. This is especially egregious for privately owned facilities which are able to sell RECs associated with their electric output on the voluntary market, in other state markets, or on a future federal market. It is inappropriate and unworkable to take away the REC from the facility owner. Second, this provision attempts to institute a one-size-fits-all approach to address a situation which has been appropriately addressed in contracts put in place between facilities and municipalities. Section 2 of the bill unbalances those contractual relationships and vitiates carefully constructed contractual provisions in place today. We believe the market will ensure that benefits are accrued to those municipalities that utilize waste-to-energy.

Conclusion

For all of the reasons stated above, ERC believes that waste-to-energy must be elevated to a Class I renewable source in the Connecticut RPS. We have concerns with Section 2 of the bill and ask that that provision be removed. This legislation will help support existing waste-to-energy capacity in Connecticut reflect the state's commitment to waste-to-energy as a critical piece of its solid waste management strategy. I thank you for holding this hearing today on this important legislation and I would be happy to answer any questions.