



March 9, 2015

Testimony of Wheelabrator Technologies, Covanta and the Energy Recovery Council to the Finance, Revenue and Bonding Committee In Opposition to SB 946 - An Act Concerning Revenue Items To Implement The Governor's Budget

Chairman Berger, Chairman Fonfara, Senator Frantz, Representative Davis and distinguished Finance Committee members:

Wheelabrator Technologies and Covanta, both operators of Energy-from-Waste facilities in Connecticut, join with the Energy Recovery Council in respectfully requesting that the Finance, Revenue and Bonding Committee amend the Governor's proposed 2015 Budget Bill 946, to remove the imposition of solid waste disposal fees (Section 25), which place a substantial burden on our industry and the customers, residents and businesses we serve.

The proposal increases the fee for waste disposal at Resource Recovery Facilities from \$1.50 to \$2.50 per ton of waste, and places a \$2.50 fee per ton on all waste disposed or transferred out-of-state. The existing \$1.50 per ton Resource Recovery fee already imposes a burden exclusively on Energy-from-Waste facilities, and the proposed increase will financially challenge an already struggling industry that Connecticut is heavily dependent on for reliable, in-state environmental services that:

- Convert post-recycled municipal solid waste into clean, renewable energy
- Recycle tons of ferrous and non-ferrous metals that would otherwise go to landfill
- Reduce greenhouse gases
- Comply with stringent federal and state environmental standards
- Benefit the economies of the communities they serve, with local employment opportunities, tax revenues, and the purchase of millions of dollars in goods and services.

Most recently, six Energy-from-Waste facilities have served Connecticut, employing local residents in quality jobs, providing commerce to local businesses, and contributing significant tax revenue to their host communities. One of these facilities will soon cease operations due to financial pressures related to difficult energy pricing and a Class 2 REC market that simply does not work. The remaining facilities generate enough electricity to supply the needs of more than 155,000 Connecticut homes. According to a 2013, report by Westport, CT-based Governmental Advisory Associates, the 2011 total economic impact of the Energy-from-Waste industry in the state was \$428 million in aggregate revenues, employment and support services. (*Eileen Berenyi, PhD, Governmental Advisory Associates, Inc., E. (2013). Statewide Economic Benefits of Connecticut's Waste to Energy Sector.*)

Contrary to recent proposals by the Governor and legislature to support and sustain its in-state Energy-from-Waste infrastructure, the current proposed fee increase threatens to significantly impair it. The Resource Recovery fee on Energy-from-Waste was originally imposed in the late 1980s as a \$1 per ton service tax to fund the Department of Environmental and Energy Protection (DEEP) environmental inspections. In 2003, this fee was increased to \$1.50, but inspection requirements were later changed and tests are no longer performed by DEEP. Energy-from-Waste facilities now self-inspect at their own cost, and report the results to DEEP. Nevertheless, the \$1.50 per ton fee continues to be applied to Energy-from-Waste facilities. We respectfully urge you to consider eliminating this \$1.50 per ton Resource Recovery Fee to help maintain the viability of Connecticut's Energy-From- Waste infrastructure and unburden the impact of this legacy fee on our customers, businesses and residents.

In conclusion, the solid waste fee proposal in the Governor's budget is essentially a 'hidden tax' that will be felt by every resident and business in the state that generates trash. Already burdened Energy-from-Waste facilities are striving to provide a long-term solution for post-recycled waste, generate renewable energy, reduce greenhouse gases, recycle metals and comply with stringent federal and state environmental standards. By imposing an increase in solid waste disposal fees on facilities that already face significant energy pricing pressures, the State is further jeopardizing the economic vitality of renewable Energy-from-Waste plants and the communities where they operate, the employees who work at the plants and the municipalities and businesses they serve. We urge the Committee to remove Section 25 from Budget Bill 946 and to further withdraw the current \$1.50 per ton fee in its entirety.

About Covanta

Covanta is a world leader in providing sustainable waste and energy solutions. The Company's 46 Energy-from-Waste facilities provide communities and businesses around the world with environmentally sound solid waste disposal by using waste to generate clean, renewable energy. Annually, Covanta's modern Energy-from-Waste facilities safely and securely convert approximately 20 million tons of waste into clean, renewable electricity to power one million homes and recycle nearly 450,000 tons of metal. Energy-from-Waste facilities reduce greenhouse gases, complement recycling and are a critical component to sustainable solid waste management. For more information, visit: www.covanta.com.

About Wheelabrator Technologies

Wheelabrator Technologies, Inc. has a platform of 15 energy-from-waste facilities, four independent power-producing facilities, four ash monofills and three waste transfer stations. Wheelabrator has an annual waste processing capacity of over 7.4 million tons, and a total combined electric generating capacity of 768 megawatts — enough energy to power more than 645,000 homes. Wheelabrator facilities also recover metals from ash for recycling into commercial products.

Wheelabrator's Bridgeport waste-to-energy facility provides dependable, environmentally safe disposal of municipal solid waste for more than two dozen towns and cities in the Greater Bridgeport area, while generating clean, renewable electricity for sale to the local utility. Designed, constructed, and operated by Wheelabrator, Wheelabrator Bridgeport processes up to 2,250 tons per day of municipal solid waste. Wheelabrator Bridgeport has an electric generating capacity of 67,000 kilowatts; the equivalent of supplying the electrical needs of 83,000 Connecticut homes. As long time member and the largest taxpayer to the City, Wheelabrator Bridgeport has a vested interest in the community. The facility is currently working collaboratively with the city as a member of The City of Bridgeport Sustainability Implementation

Program to identify scenarios where the waste-to-energy facility can help support their sustainability initiatives.

Wheelabrator's Lisbon waste-to-energy facility serves unincorporated and incorporated towns and cities in eastern Connecticut, while generating clean, renewable electricity for sale to the local utility. Designed, built, and operated by Wheelabrator, the Lisbon facility processes up to 500 tons per day of municipal solid waste and has an electric generating capacity of 15,000 kilowatts; the equivalent of supplying the electrical needs of 18,000 Connecticut homes. For more information, visit www.wtienergy.com.

About the Energy Recovery Council

The Energy Recovery Council (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 waste management 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 Materials Innovation and Recycling Authority, and the Town of Wallingford. In 2013, Connecticut's six waste-to-energy facilities generated more than 1,230,000 megawatt hours of renewable electricity by processing more than 2,200,000 tons of post-recycled municipal solid waste that would have otherwise been landfilled. For more information, visit www.wte.org.



Waste-to-Energy is a Clean and Renewable Energy Source

Waste-to-energy is a proven technology used globally to generate clean, renewable energy from the sustainable management of municipal solid waste (MSW). Progressive communities around the world employ strategies to reduce, reuse, recycle, and recover energy from waste. With approximately 29 percent of America's waste being recycled and composted, 7.6 percent processed at waste-to-energy facilities and 63.5 percent landfilled, MSW is an abundant, valuable, and underutilized source of domestic energy.

Waste-to-energy facilities generate clean renewable energy and exhibit the following benefits:

- **Fuel from Trash that Would Otherwise Go to a Landfill.** Waste-to-energy facilities use as fuel post-recycled waste that would otherwise be sent to landfills.
- **Waste-to-Energy Has a Long History as Renewable.** Waste-to-energy has been recognized or maintained as a renewable energy source by the federal government for nearly thirty years under numerous statutes, regulations, and policies, including for example:
 - American Taxpayer Relief Act of 2012
 - American Recovery and Reinvestment Act of 2009
 - Energy Policy Act of 2005
 - Public Utility Regulatory Policies Act (PURPA) of 1978
 - Internal Revenue Code (Section 45)
 - Executive Orders 13123, 13423, and 13514 and Presidential Memorandum on Federal Leadership on Energy Management
- **State Renewable Statutes Already Include Waste-to-Energy.** Thirty-one states, the District of Columbia, Puerto Rico, and the Northern Mariana Islands have defined waste-to-energy as renewable energy in various state statutes and regulations.
- **Communities with Waste-to-Energy Have Higher Recycling Rates.** Several studies have demonstrated that communities served by waste-to-energy have recycling rates that are nearly twenty percent higher than the national average.
- **Waste-to-Energy Emissions Comply with EPA's Most Stringent Standards.** All waste-to-energy facilities comply with EPA's Maximum Achievable Control Technology (MACT) standards. After analyzing the inventory of waste-to-energy emissions, EPA concluded that waste-to-energy facilities produce electricity "with less environmental impact than almost any other source of electricity."
- **WTE Creates and Supports Well-Paying, Green Jobs.** Employees at waste-to-energy plants are technically skilled and are compensated at a relatively high average wage. In addition to providing well-paying jobs, waste-to-energy facilities provide significant economic value by pumping dollars into local economies through the purchase of local goods and services and the payment of fees and taxes.