



TO: The Honorable Dereck E. Davis, Chair
Members, House Economic Matters Committee
The Honorable Larry Hogan Administration

FROM: Richard A. Tabuteau

DATE: February 28, 2020

RE: **OPPOSE** – House Bill 363 – *Clean and Renewable Energy Standard (CARES)*

On behalf of Wheelabrator Technologies and Wheelabrator Baltimore (Wheelabrator), we submit this letter of **opposition** to House Bill 363, as it relates to removing waste-to-energy as a Tier 1 renewable energy source from the Renewable Energy Portfolio Standard (RPS). Such a change would have a significant negative impact on Wheelabrator, our customers such as the City of Baltimore and Baltimore County, and the State's ability to reach its own renewable energy goals.

Wheelabrator is an integral part of Maryland's energy, environmental, and economic infrastructure, providing sustainable waste management for the City of Baltimore and Baltimore County. Every day, we divert waste from landfills to safely convert up to 2,250 tons of post-recycled waste from area homes and businesses into 64 (gross) megawatts of clean, renewable baseload electricity – enough to power ~40,000 Maryland homes, while reducing landfilling, lowering greenhouse gases (GHG) and recycling ~12,000 tons of metals that would also otherwise be landfilled. Last year, Wheelabrator's renewable energy generation offsets the need for ~891,000 barrels of oil, ~268,000 tons of coal or 3,800 million cubic feet of natural gas. Energy-from-waste reduces GHG by approximately 1 ton for every ton of waste processed.

In addition, Wheelabrator generates "green steam" for downtown Baltimore's heating and cooling system operated by Veolia North America, which services 255 businesses, including the M&T Bank Stadium, home of the Baltimore Ravens. Over 50 percent of the steam delivered to these local businesses is produced by converting post-recycled household waste into energy at Wheelabrator. Together, Wheelabrator and Veolia are reducing Baltimore's total GHG by approximately 47,000 tons per year – the equivalent of removing 8,400 cars from the road. The use of renewable fuel also helps Maryland meet its current goal of generating 25 percent of its energy from Tier 1 renewable resources by 2020.

Energy-from-waste has been endorsed by the U.S. Environmental Protection Agency as the preferred method to landfilling for waste disposal. In fact, it's embraced by the European Environmental Agency, the Center for American Progress, the World Economic Forum, the Intergovernmental Panel on Climate Change, Kyoto Protocol's Clean Development Mechanism, and the United Nations Environment Programme, among many others. Thirty-one states, the District of Columbia, and two territories have defined energy-from-waste as renewable energy in various state statutes and regulations, including renewable portfolio standards. As such, Maryland would become a national outlier by removing waste-to-energy from the renewable portfolio standards.

Unamended passage of House Bill 363 could result in the forced closure of Wheelabrator. Such an outcome would contribute to poorer air quality in Baltimore because it would necessitate an additional **37,000 new tractor-trailer trips** to city streets to move waste out of the City or landfill the waste locally. In their

December 2017 report, the Environmental Integrity Project, funded by the Abell Foundation, reported that “on-road vehicles are the largest contributor to the air pollution that people breathe in Baltimore...because vehicle tailpipes...do not disperse pollution as widely as taller smokestacks.” They also reported that “there is not a significant association between city zip codes with the highest emissions of criteria pollutants from stationary facilities and the zip codes with the highest asthma rates.”

In a Fiscal Analysis produced by the City of Baltimore, if the City had to resort to landfilling, as a result of the forced closure of Wheelabrator, the cost would be **\$98.6 million** over seven years and a recurring cost going forward of **\$12.8 million annually**. Moreover, the Department of Public Works would need to immediately begin the process of expanding the City-owned Quarantine Road Landfill (QRL), which is currently expected to reach full capacity by 2026, at an estimated cost of **\$99.7 million**. Because of the reduced compaction rate due to taking waste that would have gone to Wheelabrator, QRL would actually reach full capacity as early as 2024 even though the planned expansion of the landfill will likely not be ready to accept waste until 2026. Costs to the City to transport municipal waste out of Baltimore are not much better. That cost is estimated at **\$73.6 million** over six years, and a recurring cost going forward of **\$15.8 million annually**. These new landfilling and transportation costs to the City contrast dramatically to the **less than \$0 net cost** to the City to dispose municipal waste at Wheelabrator.

As reflected in the December 2019 Report of the Maryland Power Plant Research Program, Figure ES-11, Wheelabrator is an important economic engine to the region – providing jobs, economic stimulus in the form of capital investments and the purchase of goods and services, local property taxes, and we remain actively engaged in a series of community, environmental, economic initiatives spending tens of millions in the region annually. Maryland-based waste-to-energy sources (*i.e.* MSW in Figure ES-11), more so than any other Maryland-based source by a multiple of at least 3, are used to comply with the RPS.

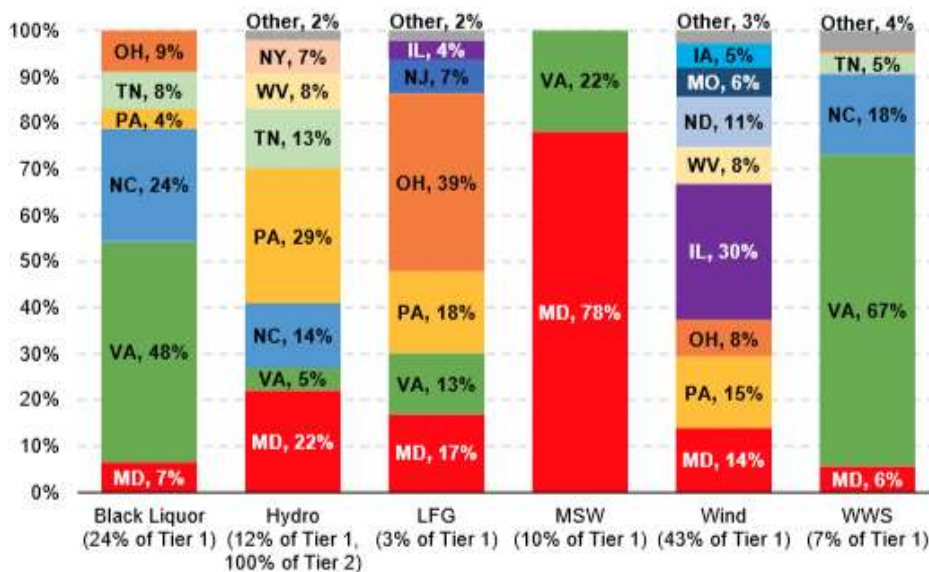


Figure ES-11. Percentage of RECs Generated in Each State Used for Compliance with the Maryland RPS, by Fuel Source (2017)

Source: Maryland PSC 2018 Renewable Energy Portfolio Standard Report.

Note: The percentages under each fuel category reflect each fuel type’s share of Maryland RPS compliance for 2017.

As you consider House Bill 363, we hope you will recognize the tremendous environmental and economic benefits Wheelabrator provides to Maryland. The elimination of energy-from-waste as a Tier 1 renewable energy source will adversely affect the continued viability of Wheelabrator as a renewable energy resource and sustainable waste management solution. Renewable energy credits help the facility remain financially viable so it can continue to provide affordable and dependable disposal services to the City and the County, while promoting and supporting recycling, diversion of waste from landfills and a reduction in GHG. We urge the House Economic Matters Committee to amend House Bill 363 to maintain energy-from-waste as a Tier 1 renewable energy source.

For more information call:

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