VAUGHN STEWART Legislative District 19 Montgomery County

Environment and Transportation Committee Subcommittees Environment Land Use and Ethics



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THE MARYLAND HOUSE OF DELEGATES Annapolis, Maryland 21401

Testimony in Support of HB166 Reclaim Renewable Energy Act of 2024 Testimony by Delegate Vaughn Stewart March 7, 2024 • Economic Matters Committee

What the Bill Does:

The Reclaim Renewable Energy Act of 2024 (HB 166) will alter the energy sources that Maryland includes in Tier 1 of the Renewable Energy Portfolio Standard by removing energy derived from waste and refuse, more commonly known as *trash incineration*. The focus on incineration considerably narrows the scope of the bill from previous years.

Why the Bill is Important:

Maryland's Renewable Portfolio Standard (RPS) encourages the use of renewable energy by requiring Maryland energy suppliers to have a certain percentage of their energy be sourced from renewable sources. These sources are classified as Tier 1 and Tier 2. Trash incineration's inclusion in Tier 1 is not appropriate, as a bipartisan group of legislators have long argued.

Incinerators are enormous contributors to air pollution. They have been found to emit more greenhouse gas emissions per unit of electricity produced than any other power source and emit more criteria air pollutants than replacement sources of energy, like natural gas. They are major sources of toxic air emissions, including dioxins as well as heavy metals, like lead and mercury, and other organic pollutants which pose health risks.¹ Dioxins are highly toxic and can cause reproductive and developmental problems, damage the immune system, interfere with hormones and cause cancer (<u>WHO</u>).

Significant amounts of state money reserved for renewable energy - through the trading and purchasing of Renewable Energy Credits (RECs) - has instead been spent on these not-so-renewable sources. In 2022, for example, <u>Maryland spent \$24.7 million on trash incineration</u>. That total appears

¹<u>Waste incinerators undermine clean energy goals</u>, 2023. Tangri, Neil.

to be increasing, as the price per REC has climbed from \$7.99/REC in 2020 to a whopping \$22.96/REC in 2022.

This bill is not aimed at shutting down existing facilities—that decision is rightly in the hands of local jurisdictions. The current subsidies flow to three entities: 1) Montgomery County, which owns a facility in Dickerson, Maryland; 2) Covanta Energy, which owns a facility in Lorton, Virginia; and 3) WIN Waste Innovations, which owns a facility in Baltimore City. These subsidies are a drain on Maryland ratepayers, but are merely a drop in the bucket for both Montgomery County's budget and two highly profitable corporations' bottom lines. None of these entities credibly allege that this bill would lead to the closure of any facility. They oppose the bill because they have a fiduciary duty to operate in their shareholders' interests.

Why the Committee Should Vote Favorably:

Subsidizing trash incineration runs counter to Maryland's climate action plans and goals. <u>Maryland's</u> <u>Climate Pollution Reduction Plan</u> and the <u>Maryland Commission on Climate Change Annual</u> <u>Report</u>, both released in December 2023, call for a modification of the RPS definitions to exclude trash incineration.

And crucially, this program is corporate welfare. It's an example of the government arbitrarily picking winners and losers based on inertia, rather than sound public policy. The profitable companies who benefit from these trash incineration subsidies do not need our money. We should spend it elsewhere.

I urge the committee to vote favorably on HB 166.