



HB 438: Renewable Energy Portfolio Standard - Eligible Sources

House Economic Matters Committee

February 20, 2020

Position: Favorable

Dear Chairman Davis and Members of the Committee,

Clean Water Action strongly supports HB438 to remove trash incineration from Maryland's Renewable Portfolio Standard. The continued subsidization of trash incinerators in and around Maryland is contrary to the goals of the program by forcing Maryland ratepayers to boost the profits of polluting facilities.

In 2004, Maryland passed legislation to create our Renewable Portfolio Standard. When this bill passed, trash incineration was included as a tier two energy provider. As a tier two energy provider, these subsidies were supposed to stay stagnant at 2.5% of the market with an eventual phase out in 2019. Trash incineration was seen as a useful tool as the market responded to Maryland's goal for cleaner, renewable energy. As originally intended, **subsidies for trash incinerators should have ended in 2019.**

In 2011, the incinerators mounted an intense effort to be moved to tier one. They were doing this as two new proposed incinerators were on the horizon in Maryland: one in Frederick/Carroll counties and a second one in South Baltimore. These subsidies allowed the current incinerators to reap permanent payments from Maryland ratepayers and were attractive to new facilities. In 2011, the incinerators succeeded in greenwashing their industry and were added to tier one.

The two proposed incinerators were ultimately thrown off by the communities they targeted. Everyday people, graphic designers and accountants, poured over the proposed contract that Wheelabrator offered Frederick and Carroll counties and realized that the contract put all of the risk on the counties. The counties were responsible for making sure the incinerator had enough product. Composting initiatives, expanded recycling, any of those laudable goals would have been hamstrung by the need to feed the incinerator. In Baltimore City, high school students protested yet another polluting industry in their already polluted district. South Baltimore was once again asked to suffer the burden. The community mobilized, and the students were able to convince energy purchasers to not agree to buy from the incinerator. While the project failed, **as long as these subsidies are valid in our state we are more enticing to new incinerators coming into neighborhoods that may not have the capacity or energy to fight.** These campaigns can take over a decade.

Maryland's incinerators were built long before the RPS was proposed. The Baltimore City facility was built in 1985, and the Montgomery County one in 1995. Removing the subsidies is not a bait and switch - **both facilities were built to be profitable without subsidies.** There is no reason to believe that stopping these subsidies will shut down the incinerators. They will **still be allowed to sell their energy** and to **charge for burning trash.** All this legislation does it stop giving them the extra subsidy of the Renewable Energy Portfolio.

Trash incineration was originally included as a bridge as the renewable market geared up to meet Maryland's demand and set up the market. We no longer need it to meet our goals, and continuing to subsidize it is unnecessary. Maryland can meet its renewable energy goals without trash incineration, and it is time to take it out of our RPS.

Thank you,

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