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OFFICE OF THE COMPTROLLER

City Hall – Room 204
100 Holliday St Baltimore, MD 21202

February 24, 2024

The Honorable Brian Feldman, Chairman
Education, Energy, and the Environment Committee
Maryland State Senate
2 West Miller Senate Office Building
Annapolis MD 21401

Dear Chair Feldman, Vice Chair Kagan and Members of the Committee,

I am writing in **support** of Senate Bill (SB) 146, “Renewable Energy Portfolio Standard – Eligible Sources – Alterations (Reclaim Renewable Energy Act of 2024).” SB 146 would remove the incentives for incinerating trash under the State Renewable Energy Portfolio Standard (RPS) and redirect these ratepayer subsidies to actual renewable energy sources.

In 2004, Maryland passed legislation to create Maryland’s RPS. In the original design of the RPS program, incinerators were included in the Tier 2 category, which was supposed to phase out in 2019 - a recognition that trash incineration is not as desirable or valuable as truly renewable energy like wind and solar power. But in 2011, as community pressure was mounting against two new proposed incinerators in Baltimore and Frederick, the industry successfully lobbied to be moved to the more highly subsidized, permanent Tier 1 category. Ultimately, the community opposition won, and neither facility was built. Still, with trash incineration now classified as a “renewable energy” (Tier 1) in the RPS, incinerators enjoy millions of dollars in RPS ratepayer subsidies each year – reducing subsidies that should support actual renewable energy sources.

Maryland energy ratepayers subsidize renewable energy through the RPS program. This program requires utilities to purchase Renewable Energy Credits (or RECs, representing the renewable energy attributes of 1 MWh of energy) at increasing amounts over time. The subsidy amount to the three incinerators receiving subsidies through the State RPS program doubled between 2020 and 2022. In 2022, BRESCO in Baltimore City received \$4.2 million in subsidies, Dickerson in Montgomery County received \$8.7 million, and Covanta in Lorton, VA, received subsidies totaling \$11.7 million. Trash incineration should never have been included in Tier 1 of the RPS. Trash incineration is not renewable energy.

Trash incinerators pollute more than Maryland’s coal plants per unit of energy each produces and emit a disproportionately high amount of greenhouse gas pollution, particularly compared to the small amount of energy they put onto the grid. They also emit health-harming local air pollution such as mercury and lead, for which there is no known level of safe human exposure. When ratepayer dollars flow through the RPS to purchase Renewable Energy Credits produced by trash incinerators, including the trash incinerator in Baltimore City, ratepayers are not getting clean, renewable energy; they are getting dirty, polluting energy. The millions of dollars spent subsidizing trash incineration should be spent subsidizing energy sources that do not pollute, like wind, solar and geothermal.

In 2019, while I was a member of the Baltimore City Council, I was the proud cosponsor of City Council Resolution [19-0123R](#), "Request for State Action - Removing Financial Incentives for Trash Incineration." Five years later, as Baltimore City's Comptroller and someone who supports the use of clean, renewable energy in Baltimore City and throughout Maryland, I am again asking the State to act.

Removing trash incineration from the Tier 1 renewable energy category would preclude energy generated from these sources from counting toward meeting the State's RPS and would free utility customers from having to subsidize dirty energy. Dedicating our renewable energy funds to genuinely renewable energy is an appropriate step to steward Maryland's climate action resources wisely and make the RPS program more environmentally just and fiscally responsible.

For all these reasons, I respectfully request the committee to give SB 146 a favorable report. If you have any questions, please feel free to contact Christine Griffin, my Deputy Director of Policy and Government Relations, via email at christine.griffin@baltimorecity.gov.

Sincerely,



Bill Henry
Baltimore City Comptroller

CC: Senate President Bill Ferguson
Senator Jill Carter, Chair of the Baltimore City Senate Delegation