

TO: Members, Environment Committee

FROM: Michael O’Friel, Senior Vice President and General Counsel

DATE: March 5, 2020

RE: **SUPPORT** – Senate Bill 11 – *An Act Concerning the Reliability, Sustainability and Economic Vitality of the State’s Solid Waste Management System*

On behalf of Wheelabrator Technologies, Wheelabrator Bridgeport and Wheelabrator Lisbon (Wheelabrator), we submit this testimony in support of Senate Bill 11. We strongly support the goal of the Bill to advance the State’s self-sufficiency in managing municipal solid waste within its borders.

The existing waste-to-energy facilities within the State are an essential component of meeting this goal. However the continued viability of these facilities is at risk due to the significant decline in energy prices over the last 10 years due to the abundance of low cost natural gas which sets the price for energy in the market. The closure of the Wallingford facility and the potential closure of the Mid-Connecticut facility demonstrate the impact these lower energy prices have had on the State’s waste-to-energy facilities.

We believe that in order to meet the goal of Senate Bill 11 additional support is needed for the waste-to-energy facilities. One simple solution is to amend legislation that was adopted in 2017 that was intended to set the value for Class II RECs, which only waste-to-energy facilities are eligible for, at \$25 per REC. However as adopted the legislation allowed electric suppliers and distribution companies to use either Class I or Class II RECs to satisfy their obligation to obtain Class II RECs. As a result the price for Class II RECs is the same as the price for Class I RECs which has been and will likely in the future trade continue to be at a lower price than the value intended for the Class II RECs in the 2017 legislation. We urge the Committee to eliminate the ability to use Class I RECs to satisfy Class II RECs requirements. Doing so will help Connecticut meet its goal of being self-sufficient in managing its waste as well as help protect the environment.

By way of background Wheelabrator’s Bridgeport and Lisbon waste-to-energy facilities provide sustainable waste management for many Connecticut communities safely converting up to 2,750 tons of post-recycled waste from area homes and businesses into 82 (gross) megawatts of clean, renewable baseload electricity – enough to power ~73,000 Connecticut homes, while reducing landfilling, lowering greenhouse gases (waste-to-energy facilities reduce greenhouse gases (GHG) by 1 ton for every ton of waste processed) and recycling ~23,000 tons of metals that would also otherwise be landfilled.

Connecticut today is exporting a substantial amount of waste - 367,000 tons in 2018, according to state records. Connecticut taxpayers and businesses are paying tens of millions of dollars a year to transport this waste out of state. All of the resulting truck traffic needed annually to export that waste contributes to traffic gridlock, energy consumption and air pollution. This problem will only be exacerbated if Connecticut’s waste-to-energy facilities close.

RECs help the waste-to-energy facilities remain financially viable so that they can continue to provide affordable and dependable disposal services to Connecticut municipalities and businesses, while promoting and supporting recycling, diversion of waste from landfills and a reduction in GHG. We urge the Environment Committee to correct the 2017 legislation to ensure that the value of Class II RECs reflects what the legislature intended in 2017.