

Comments on Proposed Changes to the Waste Energy Regulations in the Renewable Energy Portfolio Standard Class II (225 C.M.R. 15.00)

I am writing in support the proposed changes to the WEC percentage requirement and the changes to the Alternative Compliance Payment (ACP) for the following reasons:

- Waste incineration is an important component of Massachusetts disposal system. And while waste reduction is still the answer, the fact is that our state currently produces more trash than it can deal with in-state, so incinerators are going to burn at their permitted capacity. This subsidy, through a Class II renewable energy credit called Waste Energy Credits (WECs), is not going to lead to more trash burning than is already permitted.
- The problem is that it is that the penalty for not meeting the requirements of the Renewable Energy Portfolio Standard, current 3.5% and proposed to increase to 3.7%, is TOO CHEAP.
- The current regulations promote electric generation via natural gas because it is cheaper for utilities to buy natural gas generated electricity *and* pay the Alternative Compliance Payment to not buy Waste Energy Credits.
- Providing the incentive to utilities to buy electricity from Waste to Energy facilities (WTE) means less from natural gas generation, AND.....50% of the funds earned by the WTEs is given directly to MassDEP for waste reduction and recycling programs. The Sustainable Materials Recovery Program (SMRP) provides millions of much needed dollars to municipalities for this purpose.
- Recycling program across the state are under tremendous pressure primarily because China finally got fed up with us selling them very poorly sorted recyclables, leaving them to deal with our mess. This has created a lot of turmoil in the US recycling industry and while that is getting sorted out, many communities are facing recycling costs per ton that exceed the cost of just trashing that ton of recyclables. DEP funds are keeping many programs a float and provide incentives to expand programs.
- Because utility providers are choosing to pay the ACP, the supply of WECs has been exceeding the demand, depressing their value.
- Increasing the ACP should drive utility providers to choose WECs over the ACP resulting in the dual benefit of less natural gas generated electricity and more funding for recycling and waste reductions.

I support both the changes to the WEC percentage, increasing it to 3.7% and the changes to the ACP for WECs.

Respectfully submitted,

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