



June 7, 2019

John Wassam  
Department of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, MA 02114

**Re: Draft Regulations Amending 225 CMR 15--Renewable Energy Portfolio Standard  
– Class II**

Dear Mr. Wassam:

Thank you for the opportunity to provide comments on the proposed changes to 225 CMR 15--Renewable Energy Portfolio Standard – Class II. Wheelabrator strongly supports these changes. However Wheelabrator recommends eliminating the sunset provision in the regulations that revert the percentage requirement of Class II waste to energy generation to 3.5% and the Alternative Compliance Payment (“ACP”) to \$11.50 per MWh in 2026. Instead, DOER in consultation with MassDEP should conduct periodic reviews of the percentage and ACP requirements and make changes based on market conditions and policy objectives, if needed, at that point in time.

Waste-to-energy (WTE) facilities in Massachusetts are a critical part of the State’s solid waste disposal infrastructure constituting approximately 70% of the in-state waste disposal capacity. 124 communities across the Commonwealth utilize WTE facilities to dispose of their solid waste. WTE facilities are expected to become even more crucial by 2024 when there will be almost no landfill capacity for municipal solid waste left in Massachusetts.

However WTE facilities face a number of challenges. The collapse of the wholesale electricity market due to the abundance of cheap natural gas has significantly impacted the financial situation of WTE facilities. Moreover since all of the WTE facilities in Commonwealth were built more than 30 years ago, there is substantial amount of capital expenditures that must be spent each year in order to insure that they continue to operate at their permitted capacity. The loss, or even a lengthy reduction in the capacity, of an existing WTE facility will have a number of negative effects, including dramatically increased waste disposal costs to local governments and businesses, increased emissions from the additional truck traffic to haul waste long distances to out-of-state landfills and increased greenhouse gas emissions from additional waste disposed of at landfills. In addition the State will lose in-state renewable energy generation.

In addition the Commonwealth is facing challenges in its recycling programs. Recent changes in the recycling markets due to actions by China and other countries to limit the material that they are willing to accept has resulted in recycled materials piling up because there is nowhere to economically send these materials. It has also caused increased costs to cities and towns across the Commonwealth in managing recycling programs. For example the City of Boston received only 1 bid in a recent solicitation for residential recycling services and the price bid was 2.5 times higher than the price in its prior contract.

The proposed changes to Renewable Energy Portfolio Standard for WTE facilities will address both these problems with only a minimal impact to ratepayers. The regulations will help ensure that WTE facilities in the State continue to be financially viable. They will allow the facilities to make the capital improvements necessary to continue to provide a critical disposal need, upgrade pollution control equipment as required and avoid increasing disposal prices to municipalities.

Because 50% of the revenue from the sale of WTE Renewable Energy Certificates is paid to the DEP to be used for recycling projects including grants to municipalities for recycling, the regulations will address the problem of managing recycling materials. The increased pricing for RECs under the proposed regulations will provide over \$22 million in funding to the DEP for recycling programs. This will provide immediate help to the many cities and towns that are struggling with how to manage their recycled materials.

Finally the proposed regulations will address in part the inequities in pricing among Class II renewable energy sources in the current regulations. WTE facilities generate clean renewable energy and deserve the same treatment as other renewable generation facilities. Numerous government agencies and researchers have recognized the climate benefits of WTE including the U.S. Environmental Protection Agency (the "EPA"). The EPA prefers WTE over landfilling because it reduces greenhouse gas emissions by approximately 1 ton for every ton of waste processed while offsetting the need for energy from fossil fuel. Moreover studies have demonstrated that the average recycling rates of communities served by WTE is higher than the national average.

In closing, Wheelabrator supports DOER's proposed changes to 225 CMR 15--Renewable Energy Portfolio Standard – Class II other than the sunset provision described above. Thank you for allowing us to comment on the proposed rule changes.

Sincerely,



Michael O'Friel  
Senior Vice President and  
General Counsel