



H.40 Memo Request for Change

TO: Members of the Senate Natural Resources & Energy Committee

FROM: Tony Barbagallo, P.E., Director of Business Development
Casella Organics/Casella Waste Systems, Inc.

DATE: Friday April 17, 2015

Casella is an integrated solid waste and recycling Company, operating in Vermont for 40 years. We have extensive experience managing discarded organic materials and support environmentally sound sustainable management practices for organics diversion from the waste disposal stream. Vermont's recent passage of the Universal Recycling Law, Act 148, has specific diversion goals and targeted deadlines for landfill diversion of food scraps.

We believe that some of the current proposed language of H.40 creates a potential barrier to this meaningful effort and ask the Committee to consider amending the following clause 9(B):

Sec. 19. 30 V.S.A. § 248(b) is amended to read: (b) Before the Public Service Board issues a certificate of public good as required under subsection (a) of this section, it shall find that the purchase, investment or construction:

* * *

(9) with respect to a waste to energy facility,:

(A) is included in a solid waste management plan adopted pursuant to 24 V.S.A. § 2202a, which is consistent with the State Solid Waste Management Plan; and

*(B) is included in a solid waste management plan adopted pursuant to 24 V.S.A. § 2202a for the municipality **and or** solid waste district from which **a-substantial-portion 1,000 tons or more per year** of the waste is to originate, if that municipality or district **owns an active facility that** already beneficially uses a portion of the waste;*

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We believe that the successful and sustainable implementation of the organics portion of Act 148 will require access to anaerobic digestion infrastructure in the state.

Overall we understand that H40 benefits the siting of new anaerobic digester (AD) capacity in VT. It pushes for distributed generation, establishes AD's eligibility for renewable energy credits (RECs), and revises SPEED tariffs so ADs can sell power at \$0.20/kwh. However, as currently written, section 9(B) could impede the sourcing of feedstock into ADs.

This section of H.40, as currently drafted:

- Is vague and subject to a wide degree of interpretation;
- Provides potential protection of favored facilities from competitive economic forces;
- May discourage private sector development of innovative solutions due to the increased regulatory requirements for regional facilities and new hurdles to transport food waste across municipal or district borders; and
- Provides an incentive for composting over anaerobic digestion (because it only applies to the later of the two) reducing the incentive for the market to adopt new energy generating facilities.

For these reasons, we worked collaboratively with the Chittenden Solid Waste District on agreeable language and urge your support for this change to H.40.

Thank you for your consideration.