

SUBJECT: Allowing renewable energy credit for energy from municipal solid waste

COMMITTEE: Regulated Industries — favorable, without amendment

VOTE: 4 ayes — King, Hunter, Crabb, Guillen

0 nays

3 absent — Turner, Baxter, Wolens

SENATE VOTE: On final passage, May 19 — voice vote

WITNESSES: *(On House companion bill, HB 2576:)*

For — Kenneth Hall; Rayford Price and Wayne Rodrigue, Alternative Energy Partners LLC

Against — Dwayne Anderson, Clean Water Action; Melanie Gleason, Public Citizen; Russel Smith, Texas Renewable Energy Industries Association; Chip Wolfe; *(Registered, but did not testify:)* Peter Altman, SEED Coalition; Tim Morstad, Consumers Union

On — *(Registered, but did not testify:)* Becky Klein, Public Utility Commission

BACKGROUND: Utilities Code, sec. 39.904 establishes a goal of having 2,880 megawatts of renewable energy generation capacity in Texas by 2009 and requires the Public Utility Commission (PUC) to establish a renewable energy credits trading program. An electricity provider that does not own or buy renewable energy capacity can buy renewable energy credits.

DIGEST: SB 1325 would allow the PUC by rule to offer renewable energy credits for electricity generation by a technology that relied wholly or partly on biomass-based products contained in municipal solid waste to produce electricity. The rules would have to prescribe the amount of credits available and require that electricity generation meet or exceed federal and state clean-air standards.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

SB 1325 would allow electricity from waste-to-energy technology to count toward the state's renewable energy goal. Waste-to-energy facilities burn trash to generate electricity, providing dual environmental benefits: a clean source of energy and extending the life of landfills. Studies have shown that about 80 percent of the weight of municipal solid waste is organic or biomass-based. Combustion of these materials generates heat to produce steam, which is used to generate electricity. Sophisticated pollution-control systems ensure a clean-burning power plant. Currently, waste-to-energy facilities operate in 31 states and are capable of generating up to 2,800 megawatts of power and consuming up to 100,000 tons of trash per day.

Waste-to-energy facilities generate clean energy. New technology has reduced emissions dramatically from the days of the old municipal trash incinerators. The current facilities meet stringent emissions limits specified by the U.S. Environmental Protection Agency. The federal government has recognized waste-to-energy technology as a renewable technology for more than 20 years. Waste-to-energy facilities generate electricity more cleanly than coal-fired electricity generation plants.

Rep. King plans to offer a floor substitute that would establish the bill's provisions as a pilot program. Only 50 megawatts of renewable energy credits would be available for electricity from waste-to-energy technology.

**OPPONENTS
SAY:**

Waste-to-energy technology produces dangerous emissions and should not be counted among other clean-energy sources toward Texas' renewable energy goal. While wind, solar, and hydro power are truly clean and renewable energy sources, the garbage incineration process used in waste-to-energy technology emits dioxin, mercury, heavy metals, soot, and smog-forming emissions. Such emissions pose risks to human health and the environment. In addition to air emissions, the ash residue from incineration may contain toxic contaminants. Because of the diversity of municipal solid waste, incineration produces harmful contaminants.

Although waste-to-energy proponents claim that new technology ensures cleaner emissions, this technology has yet to be put on the market. Even if the technology were available, the bill would not specify its use.

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NOTES: The companion bill, HB 2576 by Baxter, was reported favorably, as substituted, by the House Regulated Industries Committee on April 16.