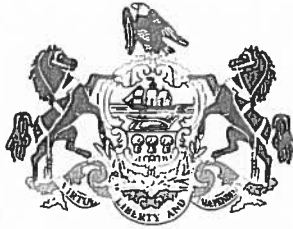


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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

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SCHOOL PROPERTY TAX RELIEF

APPOINTMENTS

CHESAPEAKE BAY COMMISSION

MEMORANDUM

TO: All House Members
FROM: Rep. Ron Miller
DATE: March 30, 2012
RE: Legislation - Waste to Energy

In the next couple of weeks, I intend to introduce legislation that will move Waste to Energy (WTE) from Tier II in the Commonwealth's Alternative Energy Portfolio Standard (AEPS) to Tier I. To build these facilities, communities and WTE companies signed long-term contracts with utilities more than a decade ago. As these contracts expire, with whole sale electricity prices extremely low, this solid waste municipal infrastructure will struggle to remain competitive especially with landfills receiving Tier I credits which makes moving WTE to Tier I more critical than ever.

Waste to Energy facilities generate clean, base load renewable electricity by using municipal solid waste, after recycling efforts, as the fuel source. WTE meets the two basic criteria for establishing what a renewable energy resource is—its fuel source (trash) is *sustainable* and *indigenous*. When compared to landfill gas, the average existing WTE facility generates nine times more power per ton of waste while the newest facilities can generate as much as fourteen times more power using the same fuel.

The current AEPS bill that passed in 2004 put WTE in Tier II and landfill gas, biomass, coal methane and a number of other technologies in Tier I. This legislation would level the playing field between these technologies and will allow them to compete equally in the market place.

However without this legislation, the Commonwealth's AEPS disadvantages Waste to Energy by having landfill gas as Tier I and Waste to Energy as Tier II. There are currently six WTE facilities across Pennsylvania (York, Lancaster, Montgomery, Delaware, Harrisburg and Bucks) with a combined capacity of

268.5 MW. These facilities employ more than 350 people in Pennsylvania with a payroll of ~\$35 million. WTE facilities provide more in-state, high paying jobs than some of the other technologies currently in the Tier I.

According to the Pennsylvania Public Utility Commission, average price per credit over the past few years has been substantially different from tier to tier.

2009/2010 Alternative Energy Credit Pricing

Credit Type	Weighted Average Price
Solar PV	\$325.00
Tier I	\$4.77
Tier II	\$.32

In my community, the York County Resource Recovery Facility which is owned by the York County Solid Waste Authority began commercial operations in 1989 and serves the municipal waste disposal needs of the nearly 400,000 residents. The facility processes 1,344 tons of municipal solid waste per day, generating 38.1 megawatts of renewable electricity or enough to power 20,000 homes. The York facility employs more than 50 people with a payroll of ~\$5.7 million.

I believe that this legislation will level the playing field between WTE and landfill gas while not impacting electric rate payers.

If you are interested in cosponsoring this legislation, please contact Dawn Wolfe-Gingrich by email at dwolfe@pahousegop.com or by calling 717-783-8389.