



Romaine Quinn

STATE REPRESENTATIVE • 75th ASSEMBLY DISTRICT

January 29, 2020

Chairman Cowles and Members of the Committee:

Thank you for holding this hearing on Senate Bill 670, which expands the exemption on tipping fees to waste to energy facilities in Wisconsin.

Under state law, most landfills must pay the DNR a tipping fee based on the total tonnage of material they dispose of. In 2013, Wisconsin Act 301 exempted certain residual non-recyclable waste from qualified materials recovery facilities (MRFs) from all state tipping fees up to 30% of the total weight of material accepted by the facility, effective with waste disposed of on or after January 1, 2015. Broadly, this exemption applied to recycling facilities, as the state rightly saw a benefit to helping these facilities operate more efficiently.

Unfortunately, due to a difference in licensing, the Barron County and LaCrosse waste to energy facilities were not included in the definition of qualifying MRFs. The Barron County and LaCrosse facilities incinerate waste to generate energy, recycle what they cannot burn, and dispose of anything they cannot recycle. They have an equally important role alongside other MRFs in responsibly disposing of the waste Wisconsin generates.

SB 670 creates an exemption for these two facilities that applies to the weight of residue generated by the recycling process or 30% of the total weight of material accepted by the facility, whichever is less. This exemption does not apply to any ash generated by the facilities. This exemption mirrors the exemption created by 2013 Wisconsin Act 301.

Wisconsin rightly believes that our counties and our citizens should be responsible in how we dispose of the waste we generate. The waste to energy facilities currently in operation are a meaningful part of that responsible disposal plan. Creating this 30% exemption will help ensure that these facilities can operate efficiently and effectively now and in the future, and put them on a more even footing with other similar facilities across the state.

I am happy to answer any questions. Thank you.



JILL BILLINGS
STATE REPRESENTATIVE

January 29, 2020

Chairman Cowles and Members of the Committee:

Thank you for holding a hearing on Senate Bill 670, which provides a tipping fee exemption for waste-to-energy facilities in our state. This legislation will create uniformity in Wisconsin's tipping fee exemptions and promotes public/private innovation.

La Crosse County is home to a unique and award-winning public/private partnership in the disposal of municipal waste. For over 30 years, La Crosse county and Xcel Energy have been partners in lowering land disposal of municipal waste by reusing this waste to generate energy. The La Crosse County Disposal System members send approximately 76,000 tons of household waste to the Xcel Energy plant to be used as a refuse derived fuel (RDF) source for Xcel's waste-to-energy facility. This RDF is incinerated to generate electricity for approximately 10,000 La Crosse area homes. This system currently serves La Crosse, Buffalo and Trempealeau Counties, dozens of municipalities, along with multiple businesses striving to achieve zero landfill initiatives.

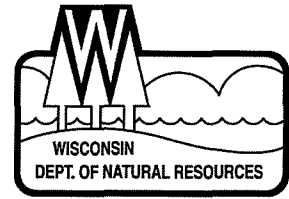
Senate Bill 670 provides an exemption to the Wisconsin Department of Natural Resources (DNR) tipping fee on the residue not suitable for fuel at waste-to-energy plants like the one in La Crosse and Barron County. State law already exempts a variety of waste by-products from tipping fees, including materials not suitable for recycling brought to recycling centers and residue left from sorting processes at material recovery facilities and construction and demolition material recycling facilities (2013 Wisconsin Act 301). This legislation brings parity among tipping fee exemptions in the state and encourages innovative refuse management.

Thank you for your time and consideration of SB 670.

Sincerely,

A handwritten signature in cursive script that reads "Jill Billings".

Jill Billings
State Representative
95th Assembly District



Senate Committee on Natural Resources and Energy

2019 Senate Bill 670

Exempting certain waste-to-energy facilities from tipping fees

January 29, 2020

Good morning Chairman Cowles and members of the Committee. My name is Kate Strom Hiorns, and I am the Recycling and Solid Waste Section Chief with the Wisconsin Department of Natural Resources. Thank you for the opportunity to testify on Senate Bill 670 (SB 670), relating to exempting certain waste-to-energy facilities from tipping fees at landfills.

SB 670 would exempt an amount equal to the weight of waste—or residue—resulting from waste-to-energy (WTE) facilities or 30 percent of the total weight of material accepted by the facility, whichever is less, from statutory landfill tipping fees. Solid waste disposed at landfills is subject to a range of “tipping fees” that total \$12.997 per ton. There are various types of waste exempt from some or all of these fees.

Similar statutes exempt from landfill tipping fees:

- an amount equal to the weight of the residue generated by a material recovery facility (MRF) or 10 percent of the total weight of material accepted by the MRF, whichever is less; and
- an amount equal to the weight of the residue generated by a construction and demolition (C&D) waste processing facility or 30 percent of the total weight of material accepted by the facility, whichever is less.

These types of facilities accept waste that has been separated from other solid waste to facilitate the recycling process. Residues are comprised of materials that are too contaminated to recycle or non-targeted materials.

The intent of the previous exemptions was to reduce cost for these recycling facilities, therefore improving the economics of recycling and encouraging the development of additional recycling facilities. These two types of facilities target certain materials within the waste stream and make efforts to minimize contamination and non-targeted materials that are delivered to their facilities.

Unlike those facilities, WTE facilities in Wisconsin accept municipal solid waste (MSW) that has not been separated or prepared in any particular manner prior to collection. MSW delivered to WTE facilities is identical to that delivered to landfills. The residues that would be exempted by this bill will likely be materials with low energy content or materials that the WTE facility has decided not to incinerate because they would adversely affect the combustion operation. The exemption is unlikely to result in the diversion of additional materials to WTE.

The bill, as amended, will only impact two facilities in the state that have a MSW combustor license, the Xcel Energy-French Island Generating Plant in La Crosse and the Barron County Waste to Energy Facility. WTE facilities currently benefit from reduced tipping fees for ash disposal. This legislation would provide additional relief from fees for materials the WTE facility chooses not to process through incineration.

A possible alternative to the fee exemption created under SB 670 would be to reduce the percentage of material eligible for fee exemption from 30 percent to 10 percent. This would place WTE facility fee exemptions in line with fee exemptions for traditional MRFs that process materials for reuse or recycling into a consumer product or a product which is then used as a raw material.

On behalf of the Bureau of Waste and Materials Management, I would like to thank you for your time today. I would be happy to answer any questions you may have.



MEMORANDUM

TO: Honorable Members of the Senate Committee on Natural Resources and Energy

FROM: Daniel Bahr, WCA Government Affairs Associate

DATE: January 29, 2020

SUBJECT: Support for Senate Bill 670

The Wisconsin Counties Association (WCA) supports Senate Bill 670, relating to exempting certain waste-to-energy facilities from tipping fees. Wisconsin has a total of two waste-to-energy facilities in the state, both of which are owned by the respective county (Barron and La Crosse) where they are located. Under this proposal, both would be eligible for up to a 30 percent exemption of “total tonnage received” from tipping fees.

A materials recovery facility takes all of the material it receives, sorts through the materials, recycles what is able to be recycled and the rest is placed in a landfill. A waste-to-energy facility takes all of the materials it receives, sorts through the materials, recycles what it is able to be recycled, incinerates what is not able to be recycled (a process that generates energy) and then places any materials that are not able to be recycled or incinerated in a landfill. Materials placed in a landfill are subject to the tipping fee.

The standard of a 30 percent exemption of “total tonnage received,” is the precise exemption from tipping fees provided to material recovery facilities throughout the state. WCA is simply asking for that same standard to be provided to the two-county owned waste-to-energy facilities.

WCA respectfully requests that the Committee support SB 670.

Please feel free to contact WCA if you need additional information.



LA CROSSE COUNTY

Exceptional services. Extraordinary place.

County Board Chair

January 28, 2020

Thank you, Chairman Cowles and Members of the Committee.

Thank you for the opportunity to express our support for SB 670. Over 30 years ago, La Crosse County area leaders partnered with the Xcel Energy French Island Facility to incinerate refuse generated within the region to produce electricity. Waste that is delivered to the Xcel Facility undergoes extensive processing to recover valuable resources (ferrous/nonferrous metal) and produces refuse-derived fuel (RDF) that is cleanly burned to produce electricity. On average, the Xcel Facility processes 75,000 tons of refuse annually, of which, approximately 75% is converted to energy or recovered in the form of recyclable materials. The remaining 25% of waste which cannot be incinerated or has no further recyclable value, is discarded as residue at the La Crosse County Landfill.

Similar to the 2013 Wisconsin Act 301 legislation for construction and demolition waste material recovery facilities, La Crosse County is requesting exemption of WDNR fees for an amount equal to the weight of residue generated by the recovery process or 30 percent of the total weight of material accepted by the processing facility, whichever is less. Like the construction and demolition material recovery facility exemption, this number is based from years of operational data suggesting what is reasonable from an effectively operated RDF processing system. Unlike construction and demolition material recovery facilities, the residue from the resource recovery process at Xcel French Island facility is currently not included in this fee exemption, at a loss to La Crosse County and its residents.

La Crosse County does not own or operate the waste to energy facility at French Island, however, we have made significant investments in its operation and commitment to its long-term operation and our partnership with Xcel. In 2001, La Crosse County invested \$10.9 million into the facility to fund air emissions improvements, with the departments financial obligation ending in 2026. We have also financially supported installation of ferrous and non-ferrous material recovery equipment aligning with the states resource recovery hierarchy. Annual financial commitments include Operations and Maintenance fees based off waste volumes supplied by La Crosse County.

The La Crosse County Solid Waste Disposal System is unique in structure and services provided, and is an award-winning model of intergovernmental, public and private cooperation. As mentioned, the system serves La Crosse, Buffalo and Trempealeau counties, and dozens of municipalities in those counties. While Xcel Energy is major component of the La Crosse System, our partnership with Xcel Energy is not a singular approach to waste management for us. We have used this core idea to develop or support numerous other initiatives within the region to minimize what is placed within our landfill. Examples include:

- Recycling Mattresses at a net loss in order to promote a regional program and remove these recyclable items from the waste stream over 9,000 in the last 4 years.
- Partnering with a plastics recycler to facilitate container distribution and staging areas at no cost.

- Supporting local municipalities in discussion and start-up of single stream recycling – increasing recyclables collected by over 150% versus dual-stream recycling.
- On-site processing and diversion of Tires, Concrete, Asphalt, Wood, Brush, Stumps, Yard Waste, and Shingles all at rates significantly lower than landfilling to maximize diversion of these materials.
- Removal of Household Chemicals, Electronics, Lightbulbs, Batteries and numerous other Hazardous materials through continuous operation of our Household Hazardous Materials Facility.
- Supporting Businesses and Organizations through inclusion into Xcel's Waste to Energy program allowing them to achieve their Zero Landfill Goals.
- La Crosse county Landfill gas is cleaned, compressed and supplied via a 1.8-mile pipeline to Gundersen Health Systems Onalaska Campus where it is used to produce electricity along with heating and cooling. This partnership has allowed Gundersen Health Systems to achieve energy independence.

We feel our partnership with Xcel Energy aligns with the State of Wisconsin solid waste reduction, reuse, recycling, composting and resource recovery policy (287.05 Wis. Stats) which indicates that the “burning of solid waste with energy recovery as a substitute for the burning of nonrenewable fuels, such as coal, to generate steam or electricity is in the public interest and should be encouraged if done in a state approved program that protects the public health and environment” (287.05 (4s) Wis.Stat.). The policy also states “that the implementation of solid waste reduction, reuse, recycling, composting and resource recovery systems and operations requires the involvement and cooperation of all persons and entities comprising this state’s society, including individuals, state and local governments, schools, private organizations and businesses. To achieve this involvement and cooperation, state government should rely to the maximum extent feasible on technical and financial assistance, education and managerial practices to implement these policies. Necessary regulations should be developed with maximum flexibility” (287.05 (5) Wis.Stat.).

Expanding on this policy, La Crosse County's agreement with Xcel also offers additional significant financial and environmental benefits to taxpayers and utility rate payers, including:

- Reduced dependence on fossil fuels
- Reduced need to consume valuable land resources for waste disposal
- Reduced fuel consumption and greenhouse gas emissions since decomposition of waste in landfills produces CO₂ and methane in roughly equal quantities.
- Consistency with Wisconsin's preferred waste management hierarchy, emphasizing recycling and waste-to-energy before landfilling
- Reduced emissions of SO₂ and NO_x when compared to burning coal.
- *Enhanced return on ratepayer dollars by creating a fully-integrated solid waste disposal system*

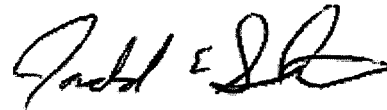
While La Crosse County and Barron County operate slightly different facilities our main objectives are very similar. By utilizing waste-to-energy, our programs align with regional goals and objectives, carry forward State Policies and maximize resources that are unable to be captured in typically recycling or collection programs. These facilities also have the potential to address or create options for managing problematic wastes where landfilling is not best suited. These are the same goals targeted in 2013 Wisconsin Act 301. Since the La Crosse County Solid Waste Department is an enterprise fund, inclusion of our Waste-to-Energy residuals under similar guidance will allow us to redirect these funds to limit local tipping fee increases, and to continue to invest in numerous other beneficial reuse programs, providing a significant value to our stakeholders and region while operating outside of the County tax levy.

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Thank You,



Tara Johnson,
County Board Chair
La Crosse County



Jadd Stilwell
Director – Solid Waste Department
La Crosse County