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January 18, 2018

The Honorable Tim Walberg
United States House of Representatives
Washington, DC 20510

Dear Mr. Walberg:

Covanta partners with local governments who have made both a public policy and financial investment in municipal infrastructure to meet its public requirement to manage its constituents' wastes. The infrastructure they have invested in, waste-to-energy (WTE) facilities, provides a second and critical public good – baseload renewable energy generation. Approximately half of these facilities are owned by local governments, and provide greenhouse gas mitigating, resilient, fuel diverse power close to both load centers and demand, eliminating the need for long distance transmission and fuel supply chains.

Under full Public Utility Regulatory Policy Act (PURPA) provisions, local governments across the country utilized the policy to develop WTE infrastructure to sustainably provide a public service. The critical element that sets this municipal infrastructure apart from other infrastructure like waste water treatment facilities or prisons, is the need for these facilities to generate electricity as part of its cost structure. While not a pure-play energy provider, the viability of this infrastructure requires the ability to obtain reasonable, consistent and longer term pricing for the power it produces and the benefits it provides.

For a variety of reasons, including the evolution of PURPA, variable applicability and implementation of PURPA and other policies at the state and federal levels, it is increasingly difficult if not impossible to remain competitive in energy markets. Local governments have limited or no access to other energy customers, including other infrastructure they themselves own. The result is that this infrastructure has and will continue to face premature closure, and the risk of stranding assets.

Covanta supports the committee's efforts to identify and evaluate aspects of PURPA which may need to be modified, modernized or restructured. And while PURPA's evolution may not be in sync with the evolution of the energy sectors and markets, Covanta believes that there are critical elements of PURPA which must be preserved and improved, with regard to municipal infrastructure.

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We look forward to the continuing dialogue regarding PURPA policy reform, and welcome an opportunity to seek solutions to the challenges facing this unique municipal infrastructure in order to prevent unintentionally undermining this valuable local government investment.

Thank you for the opportunity to provide comment.

Sincerely,

A handwritten signature in black ink, appearing to read "Paula Soos". The signature is fluid and cursive, with a large initial "P" and "S".

Paula Soos

cc: Representative Walden
Representative Rush
Representative Upton
Representative Pallone