



Oregon trash incinerator burns through campaign cash in green energy push

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By Rob Davis | The Oregonian/OregonLive

Last July, the CEO of Covanta, a New Jersey company that owns a trash incinerator near Salem, delivered good news to investors.

The \$2 billion corporation had struck a 15-year deal with Portland General Electric to sell the electricity the incinerator generates by burning garbage. But the deal included something extra: Renewable energy credits. Covanta would earn money not only from the electricity sale, but also by helping the utility company meet state renewable energy requirements.

Covanta CEO Steve Jones told Wall Street analysts the contract would “improve the plant’s overall economic proposition.”

There was one problem. Oregon law doesn’t count trash-burning as renewable energy.

Now Covanta is asking the Oregon Legislature to change that, and it’s put money behind the effort. If it succeeds, Oregon will stand alone on the West Coast in labeling garbage incineration -- a source of toxic air pollution -- as a source of clean power eligible for ratepayer incentives.

Covanta’s effort is the latest example of a major corporation giving generously to Oregon lawmakers as it seeks favorable treatment under environmental laws.

The same month the deal with Portland General was announced, Covanta started writing a flurry of checks. By the time 2018 was finished, Covanta had shelled out more money to Oregon legislators – \$29,000, mostly to Democrats – than it had any year in at least the last decade.

Sen. [Lee Beyer](#), D-Springfield, took \$2,000 from the company last December, a month after coasting to a reelection victory. He introduced a bill on Covanta’s behalf that would ensure the trash incinerator could sell its power as renewable energy.

Few lawmakers in Oregon have taken more corporate money than Beyer. Between 2010 and 2018, 72 percent of the Democrat’s campaign cash -- more than \$500,000 -- came from Corporate America.

The Legislature sought to incentivize the development of renewable power a decade ago, creating green energy goals that now require electric utilities to get half their power from renewables by 2040. Beyer’s bill would instead reward a company that has been producing power in Oregon since Ronald Reagan was president. Covanta’s Willamette Valley plant burns 550 tons of garbage a day.

[Senate Bill 451](#) benefits a corporation that donates more to the average Oregon lawmaker than in almost any other state in the nation, based on data from the National Institute on Money in Politics.

After an intensive lobbying effort and increased giving to lawmakers last year, Covanta could earn an estimated \$83,000 to \$166,000 per year by selling what are known as renewable energy certificates -- a credit for producing electricity the state considers green.

Over the 15-year life of its deal, those certificates could be worth between \$1.2 million and \$2.4 million, according to an estimate by Angus Duncan, chairman of the Oregon Global Warming Commission. Duncan is also president of the Bonneville Environmental Foundation, which sells renewable energy credits.

Duncan said existing power sources should not be eligible for renewable energy credits. They don't help the state in its transition away from fossil fuels, he said.

“What this sounds like is someone who wants to get economic recovery for a facility in his district,” Duncan said.

When exceptions like this are made, he said, “it usually has to do more with local politics than measurements of greenhouse gases.”

Beyer, a former public utility commissioner, said he's “not very emotionally attached” to the bill. The plant isn't in his district -- it's in Senate President Peter Courtney's. ([Courtney](#), who has taken \$13,000 from Covanta in the last decade, did not respond to a request for comment.) But Beyer said Covanta believed it had reached a deal with lawmakers to make its trash incinerator eligible for green energy credits a decade ago.

He said the state should keep its promises.

“When the Legislature says here's the way we're going to run the law, we probably ought to follow through on that,” Beyer said.

Duncan had a different take. “If Covanta didn't get it in writing, they should fire their lawyers,” he said.

Oregon first set renewable energy goals in 2007, aiming to gradually transition the state away from fossil fuels.

Then-Gov. Ted Kulongoski vetoed a bill to expand the sources Oregon considered green energy in 2009 expressly because it included trash incineration. Kulongoski's veto said giving credit to trash burning would be “a step backward and one I cannot support.”

A 2010 bill opened a window for Covanta to sell its electricity as green, but not until 2026, once the development of cleaner sources had been catalyzed, and only if the company registered by 2011 with the agency that tracks renewable energy certificates in the West. Covanta missed the registration deadline. A company spokesman could not explain why.

The Covanta spokesman, James Regan, said burning garbage to create electricity is recognized around the world as a sustainable energy source. “If this facility was not there, you'd have a net increase in greenhouse gases in Oregon,” Regan said.

But Covanta is not looking for incentives to build a new incinerator. It's seeking credit for one that already exists.

Regan said the company's outsized giving in Oregon results from the state's “unique” campaign finance rules. Oregon is one of five states in the nation with no limits on donations to political campaigns.

Pointing to [Polluted by Money](#), The Oregonian/OregonLive's recent investigation about how outsized campaign donations corrupted state environmental policy, Regan said “money from all sources is larger” in Oregon.

Asked whether it takes more money to be heard in Oregon, Regan replied: “One could say that. The rules are different in Oregon.”

Environmental groups and renewable power advocates say SB 451 would stymie development of clean energy sources that, unlike the Brooks plant, don’t release toxic air pollutants including lead and mercury. The Oregon Department of Environmental Quality recently named the plant one of its top priorities for attention under Cleaner Air Oregon, the statewide crackdown on toxic pollution.

The proposal “would not lead to any new renewable generation in Oregon, nor would it lead to any new investment in clean energy,” a group of environmental advocates wrote in a letter to state lawmakers. “Passing SB 451 would mean that existing power could displace new renewable energy generation at exactly the time when we need more greenhouse gas-free power.”

Portland General has taken no position on the bill, a spokesman said.

Neither Washington nor California consider trash incineration eligible to cash in on utilities’ renewable electricity goals.

Electricity from a Covanta facility in Stanislaus County, in California’s Central Valley, was counted as renewable energy for years, in what news reports there characterized as a concession to the state’s moderate Democrats. But California lawmakers ended the allowance for power generated after December 31, 2016.

Washington lawmakers recently passed legislation to make the state’s electricity 100 percent green by 2045. That bill, SB 5116, would allow power from a city-owned incinerator in Spokane to help bridge the gap for a portion of utilities’ electricity between 2030 (when utilities must be carbon neutral) and 2044 (when they must be carbon-free).

But the bill wouldn’t make the Spokane incinerator eligible to sell green-energy credits.

Oregon’s SB 451 currently sits in the Senate Rules Committee.