



WeCare Organics

Delivering green.™

Michigan Senate

Energy and Technology Committee Testimonial

May 29th, 2012

Good afternoon and thank you for the opportunity to be here today. My name is Michael Nicholson; I am Senior Vice President, Business Development for WeCare Organics LLC. WeCare is an environmental management firm providing services in the organics waste and municipal solid waste market industry. WeCare is a leading service provider in the waste and wastewater industry. WeCare is headquartered in Jordan, New York with local offices in Ann Arbor, Michigan and Maumee, Ohio.

WeCare is an active member of the US Composting Council, the Water Environment Federation and the Solid Waste Association of North America.

I am here today in opposition to HB 4265 & 4266.

WeCare is also here to support our client, the City of Ann Arbor, Michigan, our colleagues in the Michigan composting industry as well as the composting industry throughout North America.

WeCare opposes the proposed change in the rule for the following reasons:

Methane is a climate pollutant on steroids!

Methane has at least 23 times more impact on climate change than carbon dioxide. Methane is a leading cause of global warming and one that mankind has the ability to mitigate at a reasonable cost. In the case of this legislation it will cost nothing to mitigate the methane if the bills are defeated.

The following are excerpts from the New York Times Op-Ed – May 9, 2012- Game Over for the Climate (full article is attached).

“The concentration of carbon dioxide in the atmosphere has risen from 280 parts per million to 393 p.p.m. over the last 150 years. If we turn to these dirtiest of fuels, instead of finding ways to phase out our addiction to fossil fuels,





WeCare Organics

Delivering green.™

there is no hope of keeping carbon concentrations below 500 p.p.m. — a level that would, as earth's history shows, leave our children a climate system that is out of their control.”

“The science of the situation is clear — it's time for the politics to follow. This is a plan that can unify conservatives and liberals, environmentalists and business. Every major national science academy in the world has reported that global warming is real, caused mostly by humans, and requires urgent action. The cost of acting goes far higher the longer we wait — we can't wait any longer to avoid the worst and be judged immoral by coming generations.”

James Hansen directs the NASA Goddard Institute for Space Studies and is the author of “Storms of My Grandchildren.”

The landfill industry, “Big Waste” cannot show with certainty the amount of methane that is being emitted from existing landfills. USEPA projects that 10-40% (potential 50 to 80% of methane from yard waste) of methane is not captured. The sponsors of this legislation originally proposed that the industry would have to show a methane capture standard from the landfill. This requirement was struck from the legislation. Why?

- Was it removed because the release of methane cannot truly be measured?
- Was it removed because the regulation could not be enforced?
- Was it removed because the proponents of the legislation do not know the answer to the question?

So I ask the question,

- Can qualifying landfills in the state tell us how many tons of methane they have emitted to the atmosphere over the past 10 years?
- Can the landfills provide the data every year moving forward?
- Can the landfills tell us the difference between the total volume of potential methane into the landfill, the amount of methane utilized and the tons being released to the atmosphere with a level of certainty?

This is the key question. If this question cannot be answered then: Why would we ever consider adding additional methane to the problem by reintroducing to the landfill a product that is 100% recycled by the compost industry, with a completely neutral carbon footprint?

The answer to the question really determines whether this is a responsible sustainable renewable energy proposal or a profit-focused initiative executed by highly competent big waste interests.





WeCare Organics

Delivering green.™

In my testimony to both the House and Senate Energy and Technology Committees, the Chairman asked me the following question. "What is wrong with a free market or shouldn't decision makers have a choice." The answer is that decision makers should absolutely have a choice. However, the framework of the choice as outlined by these bills is limited and biased.

First, the most of the testimony provided by small business owners stated that it is their belief that if the bill passes the landfills will put them out of business. Simply put, if one of the "choices" is "out of business", what choice is there?

Second, beneficial reuse, recycling and composting have historically been a thorn in the side of big waste. A review of Waste Managements' diversification and investments into recycling technologies in the early 1990's resulted in a transfer of ownership and management of the Waste Management in May 1998 when USA Waste purchased them (technically characterized as merger). There were many issues surrounding this historic event in US waste history, however the exponential increase in recycling and composting facilities from 1990 to 2000 are highly cited as a cause of the sale, as were the huge decreases in landfill pricing across the country. Thus the record should show that recycling and composting historically have proven to reduce big waste market leverage and landfill pricing. Thus choice number two is for an option other than a waste monopoly and higher landfill prices.

Third, if the bill was intended to provide for fair markets in waste management, why were waste-to-energy facilities not included. How is that fair market? Perhaps it's because they compete with big waste (or owned by big waste) and perhaps those are political assets too expensive even for this political juggernaut. So I would argue that until the legislation actually creates a fair competitive market for all, that this argument be placed in the barn as pertains to the composters.

Fourth, it is disingenuous to suggest that to source separate organics at the curbside is fair market, when 90 percent of the curbside collection is provided for by big waste.

Fifth, to suggest that big waste operates in an open market is unfair to big waste. They are heavily regulated, they provide services that really nobody else can, and they have the means and wear-with-all to permit, construct, and operated huge monetary assets that very few can accomplish and will eventually become a public liability.





WeCare Organics

Delivering green.™

Sixth, big waste has made the connection that somehow allowing yard waste back into the landfill equals investment into other renewable technologies. I quote from Tom Horton "What these bills seek to do is put Michigan on a path to attract investment in what has become a rapidly expanding world of " green energy and green products from waste. These facilities will employ an array of technologies to gasify materials. Anaerobic digestion, plasma arc, and gasification will create energy sources and the gas molecules that catalyst will reformat into industrial byproducts and fuel additives." **So if this is the case, if this is the future, then why put the yard waste back in the landfill?** It's true, Waste Management, Inc. has made huge investments into potentially green energy companies. Unfortunately, they now need the profits from the landfill disposal of yardwaste to pay for those investments, on the backs of the compost industry. Additionally the technologies Mr. Horton references are only emerging technologies with huge capital and operating cost per ton of waste processed. That being said, I am happy to compete in any municipal procurement, free market environment with Mr. Horton and his Plasma Arc technology for yard waste. Oh and by the way somebody ask Mr. Horton where the 65% residual waste from Anaerobic Digestion plant goes. Oh that's right, to the compost facility.

We believe compost facilities will close and jobs will be lost.

In the City of Ann Arbor, hundreds of people are employed in jobs associated with the pickup, separation, delivery, receiving, processing, transportation and distribution of organic derived compost products.

Tax Payer equity and benefits will be lost. The City of Ann Arbor's Compost Facility, equipment and infrastructure was paid for by taxpayer dollars. Ann Arbor residents get free and discounted compost and mulch. Contractors get Ann Arbor product below average market rates. Why should Ann Arbor Taxpayers be penalized for developing the infrastructure required by law?

Landfill gas is an insignificant source of Energy Generation.

According to Michigan's 21st Century Energy Plan LFG energy potential is only 0.81% and according to USEPA/DOE LFG energy potential is only 0.57% in adding yard clippings to landfills means that the energy potential of those yard clippings is between only .124% and .087% of energy production.





WeCare Organics

Delivering green.™

Landfill gas is not effectively collected and is a poor performing source of energy. EPA has previously suggested that methane capture in well-designed systems could reach 75% efficiency however later analysis now estimates that only 20%-40% of the generated methane can be collected. This tends to be the general consensus with the professional engineering community. Natural gas is approximately 70-90% methane. LFG is approximately 45-60% methane. With less BTU you will receive less electricity from your generator sets

The accelerated depletion of landfill space through the receipt of yard waste will result in an increase landfill prices to Michigan business and municipalities. We can anticipate that if yard waste materials were allowed into the landfill, prices would rise across the board. Ask yourselves this simple question. Where in economics do you ever see inventory decrease and pricing go down? Landfills measure inventory as a unit of available space. Fill up the space, reduce the inventory and price will rise. Most importantly, the cost of all other municipal solid waste, we dispose of will be impacted by the space being consumed by a recyclable products that could be composted.

In summary, landfills need to manage the existing methane they have. Their infrastructure exists to address methane management issues that have long been a public nuisance issue. To suggest these systems are renewable, by the broadest definition maybe, but to suggest they are sustainable, efficient or environmentally sound compared to composting or other alternative energy bearing technology is an intentional distortion of the truth. When reviewing the documentation as presented by the advocates of the rule, it is unacceptable that the major report used to justify the technical aspects of the argument is actually prepared by Grainger III and Associates LLC. I would urge this body the demand independent, objective, and documentation on all aspects of the argument. The composting industry is well but fragile. Until the environmental and energy efficiency issues of landfill gas capture and management are addressed we urge the committee to vote against the proposal.

Michael Nicholson

7427 Coder Road

Maumee Ohio, 43537

419-349-5402

michael.nicholson@att.net





WeCare Organics

Delivering green.™

