

# CAMDEN FOR CLEAN AIR



Fighting to close Covanta's trash incinerator, the largest air polluter in Camden County, NJ

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## New Jersey Residents Funding Major Increase in “Renewable” Energy Subsidies to PA and NJ Trash Incinerators

Last year, under a controversial part of New Jersey’s renewable energy mandate, state residents funded an unprecedented increase in subsidies for nine incinerators burning trash in New Jersey and Pennsylvania.

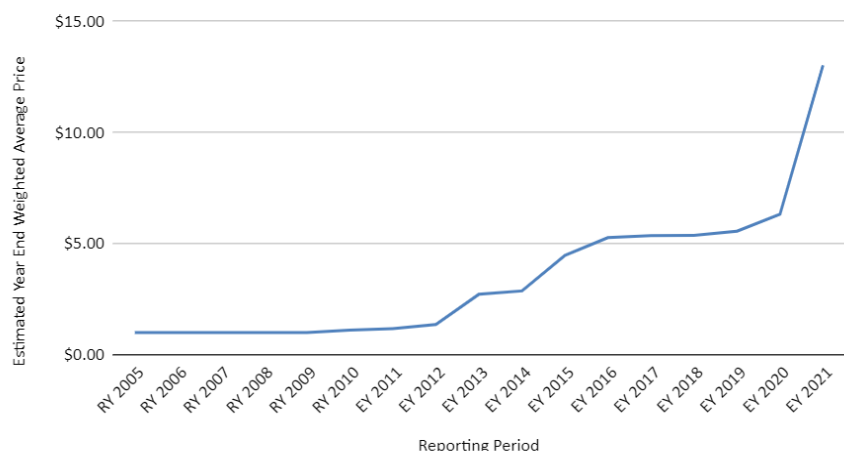
New Jersey’s Renewable Portfolio Standard (RPS) law mandates that 35% of the electricity sold in NJ must come from Class I renewable energy sources (predominantly wind and solar) by 2025, and 50% by 2030. It further stipulates that 2.5% must come from Class II energy sources, 98% of which comes from trash incinerators in New Jersey and Pennsylvania.

Trash incineration’s classification as “renewable” in New Jersey is controversial due to the fact that incinerators release harmful chemicals into the air and are disproportionately located in communities of color, including the largest three of four NJ incinerators (in Newark, Rahway, and Camden).

“Trash incineration is far dirtier than burning coal, and contributes more to global warming as well as asthma, cancer, and other health problems – mainly in communities already struggling with health disparities and a concentration of other polluting industry,” said Leel Dias, a research associate with Camden for Clean Air.

On May 17th, 2022, the Office of Clean Energy in the NJ Board of Public Utilities released the estimated year-end weighted average [renewable energy certificate \(REC\) prices](#) for the RPS program. The data showed that for Class II energy sources, 98% of which were electricity from trash incinerators, the average REC price rose 143% from \$5.36 in energy year (EY) 2020 to \$13.00 in EY 2021.

NJ RPS Class II Average REC Price



2020 (June 2019 to May 2020) to \$13.02 in EY 2021 (June 2020 to May 2021). This unprecedented increase was not accompanied by a corresponding increase in the price of RECs for other energy sources, mainly wind and solar. There was no significant change in the electricity generation from the nine incinerators selling into the Class II market.

The dramatic increase in REC prices means that incinerators in NJ and PA have received significantly more ratepayer subsidies in EY21 than EY20. Using data from PJM-EIS's GATS database and the BPU, in EY 2021, NJ trash incinerators received \$7.2 million more than the \$4.4 million they made the previous year -- a 159% increase. Incinerators in NJ, MD, VA, and PA, have received more than \$95 million in subsidies since 2004.

"These subsidies, at the expense of utilities and ratepayers, are extending the life of New Jersey's aging and inefficient incinerators. I'd like my electric bills to be supporting wind and solar, not subsidizing trash burners that worsen my asthma," said Richelle Lee of Camden for Clean Air.

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