

Partnership for Policy Integrity
Citizens' Environmental Coalition
New York Public Interest Research Group
Orange Environment
Sierra Club Atlantic Chapter

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

August 8, 2013

Dear President Obama,

According to news reports, we understand that Congressman Maloney spoke with you last week about a project in his district, Taylor Biomass, that purports to be a "clean energy" project and is seeking \$100 million in federal loan guarantees from the Department of Energy 1703 program, as well as a \$33 million grant from the Department of Treasury's 1603 program.

While our groups support government programs that fund truly clean energy, we have serious concerns about this proposal and have urged the DOE to deny Taylor's loan request. We want to share with you a letter that we sent to the DOE in May that shows that this facility has made a number of representations to DOE that are not supported by the actual project proposal.

Taylor presents itself as a clean technology that will burn gas derived from garbage, wood, and construction and demolition waste, yet one-third of the material by weight is left behind after gasification and will be burned in a conventional incinerator on the site. The facility depends on plastics as a significant portion of its fuel, because the "biomass" portion does not provide enough energy. The air pollution levels set in Taylor's state air permit for particulate matter, sulfur dioxide, and mercury all exceed the DOE limits to qualify for renewable energy loan guarantees. On this basis alone, Taylor should be denied federal taxpayer-funded support.

The DOE loan guarantees are reserved for "innovative" projects. Taylor Biomass claims it is innovative because it will gasify garbage, but it depends on visual inspection and hand-sorting by workers as the first line of defense to remove hazardous materials from 1,400 tons per day of waste wood, demolition debris and municipal garbage that will be processed by the plant. While the project claims it will create 300 jobs, many will be temporary construction jobs, or jobs hand-sorting garbage.

Finally, the Taylor plant is a bigger climate polluter than an equal-sized natural gas facility. The Department of Energy requires applicants for loan guarantees to show how their project will "avoid, reduce, or sequester" greenhouse gas emissions. However, gasifying and burning the wood and

garbage Taylor proposes to use as fuel will emit at least 1,670 lbs of carbon dioxide per megawatt hour of electricity generated, twice the carbon dioxide of a combined cycle natural gas plant.

We understand that the purpose of the DOE loan program is to help fund new technologies, but Taylor received a “CCC” rating from Standard and Poor’s, which characterized it as a “significant credit risk” that is “currently vulnerable to nonpayment.” Standard and Poor’s came to this conclusion even though Taylor anticipates receiving tipping fees of \$50 - \$80 a ton for the garbage it burns, raising the question of why a facility that is paid to receive its fuel needs government subsidies at all.

We greatly appreciate your Administration’s advocacy for clean energy, and we know you personally understand the urgency of reducing greenhouse gas emissions. Burning garbage as fuel is one of the fastest ways to move pollution and greenhouse gases into the air, and also disincentivizes waste reduction and recycling, which significantly reduce emissions and create far more jobs. We believe that taxpayer-funded subsidies should be allocated only to truly “clean energy” projects that both create jobs and eliminate emissions.

Yours sincerely,

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