NGVAMERICA
Natural Gas Vehicles for America

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SUPPORT – House Bill 1379

Establishing a Renewable Natural Gas Pilot Program in the Department of General Services

House Economic Matters and Environment and Transportation Committees

NGVAmerica is the national trade association dedicated to the decarbonization of the transportation sector through the increased use of gaseous fuels including renewable and conventional natural gas and hydrogen. Our member companies: produce, distribute, and market natural gas, renewable natural gas (RNG, also called biomethane); manufacture and service natural gas vehicles (NGVs), engines, and equipment; build, maintain and operate natural gas fueling stations; and operate fleets powered by clean-burning gaseous fuels across North America. A growing number of our members also provide services and products to support the advancement of hydrogen fueled vehicles.

NGVAmerica is pleased to provide this statement in support of HB1379. This bill directs the Maryland Department of General Services, in consultation with the Maryland Public Service Commission (PSC), to establish a Renewable Natural Gas (RNG) Pilot Program in the Department. The purpose of the pilot program is to procure RNG for use as a fuel in Maryland's transportation and building sectors. The Program also directs authorities to evaluate the economic benefits and costs of replacing fossil natural gas with RNG, on a short-term and long-term basis.

Decarbonizing the transportation sector will include overcoming enormous challenges such as securing access to sufficient battery materials, infrastructure needs, infrastructure deployment challenges, workforce training, costs, and many other factors. Manufacturers are moving expeditiously to increase offerings of battery electric vehicles, but the cost of these vehicles and the infrastructure challenges associated with battery electric vehicles means that it will be decades before a majority of vehicles are electric vehicles.

Policy makers can move more quickly by encouraging competition in the transportation sector by supporting a variety of lower-carbon technologies including fuels like biomethane, renewable natural gas, hydrogen, and synthetic fuels. Even if electric vehicles become the dominant technology in coming years, there will continue to be applications and uses that are not a good fit for electric vehicles. For example, commercial pickup trucks operated in rural and remote parts of the country as well as larger freight trucks requiring extended range will continue to be an excellent market for renewable natural gas. It is important to provide incentives for these types of applications.

Natural gas fleets are increasingly powered by RNG. RNG has been the dominant on-road natural gas vehicle fuel source nationwide since 2020, and the carbon intensity of that RNG continues to drop. California fleets fueling with bio-CNG have achieved negative carbon outcomes since 2020, reaching annual average carbon intensity scores of roughly -100 gCO2e/MJ the past two years.[1] Sixty-nine percent of all 2022 on-road natural gas used as a transportation fuel in the U.S. was renewable natural gas.[2] And most of this fuel is now carbon-negative as evidenced by reporting under the California's Low-Carbon Fuel Standard.[3]

Another advantage of promoting the use of RNG for transportation is the fact that nearly all new natural gas trucks are powered by ultra, low-NOx engines. These engines already meet or exceed the tougher requirements yet to be imposed by the U.S. EPA for medium- and heavy-duty trucks and buses. Reducing or offsetting NOx emissions is important to addressing poor air quality and improving public health. Exposure to NOx can cause a variety of health problems, including respiratory issues such as asthma, bronchitis, and other lung diseases. Reducing NOx emissions can help decrease the prevalence of these health issues. More information about ultra, low-NOx engines and the specifics on new engines offered by Cummins is available here: https://www.cummins.com/engines/natural-gas.

Expanded deployment of affordable and available low-carbon RNG trucks will help Maryland get greater numbers of clean replacement vehicles on the road right away, impacting frontline communities sooner. RNG also provides an excellent way to further reduce the emissions of the large existing fleet of natural gas buses, estimated to be around 15,000 nationally. Transitioning these buses and fleets to RNG allows local governments a pathway to continue to monetize the billions of dollars that have been spent in developing compressed natural gas fueling stations for these transit buses and other municipally owned vehicles.

A growing number of states are embracing increased use of RNG as a part of their efforts to address climate change emissions. Incentives considered and adopted elsewhere include: favorable utility policies; grant funding for anaerobic digesters; preferential tax treatment for energy-producing property; energy production tax credits; and, clean-fuel or low-carbon fuel standards.

For more information concerning this statement, please contact:

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[1] California Air Resources Board, Low Carbon Fuel Standard Program, Certified Fuel Pathways. Available at: LCFS Pathway Certified Carbon Intensities | California Air Resources Board
[2] Renewable Natural Gas Breaking Motor Fuel Usage Records - NGV America
[3] https://ww2.arb.ca.gov/sites/default/files/2024-01/quarterlysummary_Q32023.xlsx