

**Thursday, March 7, 2024**

**TO:** C. T. Wilson, Chair of the House Economic Matters Committee, and Committee Members  
**FROM:** Mariana Rosales, The Nature Conservancy, Director of Climate; Cait Kerr, The Nature Conservancy, State Policy Manager.  
**POSITION:** Support HB 166 Renewable Energy Portfolio Standard – Eligible Sources – Alterations (Reclaim Renewable Energy Act of 2024)

The Nature Conservancy (TNC) supports HB 166 offered by Delegate Stewart. HB 166 will remove waste incineration from the list of sources eligible as a Tier 1 renewable source under Maryland's Renewable Energy Portfolio Standard (RPS). This bill is consistent with Maryland's commitments to reduce carbon emissions by 60% of 2006 levels by 2031 and to achieving net-zero emissions by 2045. In the Maryland Department of the Environment's (MDE) Climate Pollution Reduction Plan, MDE calls for adopting a Clean Power Standard which is stated to include eliminating existing eligibility and subsidies for municipal solid waste incineration. Furthermore, the Maryland Commission on Climate Change recommends in its 2023 Annual Report removing solid waste incineration as an eligible source in the RPS due to its contributions to greenhouse gas emissions. HB 166 follows through on the RPS's original intentions to invest in healthy, emissions-reducing energy sources and sets Maryland up for success in achieving our carbon reduction goals.

Waste incineration subsidies are contradictory to the RPS's goals – incineration is amongst the highest-emitting methods for energy production. Incinerators release nitrogen oxides, major precursors of ground level ozone, and sulfur dioxide, both of which can cause and worsens respiratory illnesses. Incinerators can also emit mercury and lead, which are unsafe for human exposure in any amount. These subsidies are costing the state increasing amounts of RPS funds while emitting carbon dioxide and other greenhouse gases, in addition to air pollutants that are known to harm human health.

Eliminating waste incineration from eligibility and subsidies under the RPS is a budget-neutral way to free up funds for renewable energy investments. According to the Public Service Commission's RPS compliance report for 2022, waste incineration accounted for 6.9% of Tier 1 renewable energy credits. Under HB 166, this spending would be redistributed to support renewable energy sources that remain in the RPS. This would further Maryland's investment in reducing emissions for the health and future of our state.

TNC thanks Delegate Stewart for introducing this bill, which would end state renewable energy subsidies for solid waste incineration and increase investments in Maryland's net-zero future.

**Therefore, we urge a favorable report on HB 166.**