



March 7, 2024

HOUSE ECONOMIC MATTERS COMMITTEE

HB 1379 – Establishing a Renewable Natural Gas Pilot Program in the Department of General Services

Statement in Support

Chesapeake Utilities Corporation (“Chesapeake Utilities”) **SUPPORTS** the provisions contained in HB 1379, which seeks to require the Maryland Department of General Services (“Department”), in consultation with the Maryland Public Service Commission to establish a Renewable Natural Gas (“RNG”) Pilot Program in the Department.

Chesapeake Utilities operates natural gas local distribution companies that serve approximately 32,000 customers on Maryland’s Eastern Shore in Caroline, Cecil, Dorchester, Somerset, Wicomico, and Worcester Counties. These public utilities are regulated by the Maryland Public Service Commission and have provided in the coldest months of the year safe, reliable, resilient, and affordable service in the State for decades. As a company, Chesapeake Utilities serves as a positive and informed resource in the ongoing energy and climate change discussions and a driver of economic development and increased employment opportunities. Moreover, Chesapeake Utilities is committed to continuing being part of the solution as Maryland addresses greenhouse gas emissions.

HB 1379 Can Help the State Achieve its Climate Goals. HB 1379 can help the State achieve its net-zero statewide greenhouse gas (“GHG”) emissions reduction goals by creating a RNG pilot program that will evaluate the economic benefits and costs of procuring RNG to offset “traditional” natural gas. RNG is an energy solution that is clean, reliable, and environmentally friendly. RNG is a fossil-free natural gas that is produced from the anaerobic digestion of naturally occurring sources such as food waste, manure, and other animal/plant-base materials to create biogas. The biogas is then upgraded and cleaned to a pipeline-quality gas that is fully interchangeable with traditional natural gas and can be injected into public utility’s natural gas distribution system. RNG can also be used as a transportation fuel to replace diesel or traditional gas for vehicles. Because RNG captures methane emissions from waste streams that break down and emit methane, which is a naturally occurring GHG, RNG is considered a carbon neutral fuel and can be used to offset GHG emissions.

RNG is A Proven Renewable Fuel Technology. To effectively address the State’s environmental challenges, while driving continuing economic development and increased employment opportunities, Maryland needs to use a diverse portfolio of energy solutions and resources that can work together now and affect measurable change quickly. RNG reduces the impacts of organic wastes, while also fueling a clean, reliable renewable energy future. Currently there are over 720 RNG facilities across the Nation that are either operational, under construction or planned. And according to the American Biogas Council, Maryland ranks 21st out of the 50



states for its RNG potential. Additionally, numerous states in the nation, including Virginia, have passed RNG related laws to produce and utilize RNG.

Chesapeake Utilities Owns Planet Found. Chesapeake Utilities owns Planet Found Energy Development (“Planet Found”), a Maryland-based facility formed by scientists, farmers and businesspeople in cooperation with the University of MD Eastern Shore and University of MD College Park. Planet Found is partially funded through grants from the Maryland Energy Administration. Located in Worcester County and in operation since 2017, Planet Found operates a farm-scale anaerobic digestion and nutrient capture system that produces a nutrient-rich soil conditioner sold under the brand Element Soil. With additional equipment, Planet Found could produce RNG in Maryland from its anaerobic digestion processes using poultry litter. Planet Found spent years researching and developing this technology to produce RNG from poultry litter, which is very difficult to digest, and there are only a few poultry litter anaerobic digesters operating in the United States.

On behalf of Chesapeake Utilities Corporation, and our thousands of employees and their families who contribute every day in the communities where they live, work and serve, we respectfully request an favorable vote on HB 1379.

Sincerely,

Chesapeake Utilities Corporation
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