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TESTIMONY WASHINGTON GAS LIGHT COMPANY EDUCATION, ENERGY, AND THE ENVIRONMENT

FEBRUARY 6, 2024

SENATE BILL 56

Washington Gas respectfully submits this statement in **SUPPORT** of Senate Bill 56, *Food Waste and Solid Waste Reduction – Grants, Fund, and Surcharge* (SB 56).

Washington Gas proudly provides safe, reliable natural gas service to more than 1.2 million customers in Maryland, Virginia, and the District of Columbia. Washington Gas has been providing energy to residential, commercial, government, and industrial customers for more than 175 years. Washington Gas expresses our support for SB 56 with amendments as outlined below.

The waste sector accounts for a significant portion of the State's greenhouse gas (GHG) emissions; landfills and wastewater treatment plants accounted for approximately 7 million metric tons of CO2e, or approximately 8% of the State's gross GHG emissions, as of 2020.¹ MDE recently found that landfills were the single largest source of methane emissions in Maryland, and that these emissions have been historically underestimated and are approximately four times higher than previously thought.² While the overall reduction and diversion of solid waste and food waste is important in its own right and can help to reduce GHG emissions at the margin, there are infrastructure and programs that can repurpose or transform the food and solid waste that is inherent. Namely, capturing biogas from food and solid waste and upgrading it into biomethane (or renewable natural gas) that can be used locally in Maryland's natural gas distribution system to replace conventional methane gas (usually imported from other states), reducing GHG emissions from landfill operations in the process.³

Related to this bill, a particularly complementary area is creating renewable natural gas from food waste diverted from landfills. Other than creating a valuable and lower carbon gas, these projects

¹ MDE. <u>2020 Greenhouse Gas Inventory</u> (Sep. 24, 2022). In the 'Summary' tab, emissions from "Landfills" and "Wastewater Management" add to 7.21748 million metric tonnes of CO2e, which corresponds to 8.4856% of Gross Emissions, which was 85.05523 million metric tonnes of CO2e. All numbers use a 20-year GWP.

² MDE. <u>Climate Pollution Reduction Plan</u> (Dec. 28, 2023). Page 52

³ EPA. <u>Renewable Natural Gas</u> (Aug. 3, 2023).

can have several co-benefits, including creating organic byproduct solids that can be composted with other green waste and purchased by major soil product producers for soil enrichment commodities. Several utilities and counties in other states are working on organic and food waste diversion projects for making renewable natural gas to blend into the natural gas distribution network:

- Minnesota: <u>CenterPoint Energy and Hennepin County</u>
- New Jersey: South Jersey Industries and Linden, NJ
- California: <u>SoCalGas and Southern California Counties</u>

The five (5) possible amendments across three (3) areas of the bill suggested here can augment the proposed grant programs, specifically the Food Waste Reduction and Diversion Grants Program and Circular Economy Incentive Program, to encourage GHG emission reduction via beneficial renewable natural gas projects. While the utilities are not expected to be direct recipients of any funding with these changes, these funds can support project developers and municipal waste facilities and reduce barriers to making these projects a reality.

Amendments:

Area #1: Reduce, Recycle, Remanufacture Fund

- Suggested Change #1
 - a. <u>Applicable Bill Text</u>: 9–17A–04 (B)(1-3) page 10, lines 2-8.
 - b. <u>Description</u>: Add a fourth criterion for potential grant awardees to consider projects that reduce negative environmental impacts from food waste and solid waste, including greenhouse gas emissions.
 - c. <u>Impact</u>: As written, there is no GHG or emissions-related language anywhere in the bill, although this would be a 2nd-order benefit of reducing overall waste. This language would explicitly recognize and allow MDE to reward programs and projects that create these GHG emission reduction benefits.
- Suggested Change #2
 - a. Applicable Bill Text: 9–17A–04 (B)(2) page 10, lines 2-8.
 - b. <u>Description</u>: Change the "AND" to an "OR".
 - c. <u>Impact</u>: As written, it is unclear whether a given project or program must satisfy all or at least one of these criteria.

Area #2: Food Waste Reduction and Diversion Grants Program

- Suggested Change #3
 - a. <u>Applicable Bill Text</u>: 9–17A–05 (C) page 12, lines 16-18.
 - b. <u>Description</u>: Amend/add to the language describing the purpose of the grant program to more explicitly encourage infrastructure and programming that would "repurpose" or "transform" food waste.
 - c. <u>Impact</u>: As written, the bill only encourages "reducing, rescuing, and diverting" waste, but not repurposing waste for other beneficial uses.
- Suggested Change #4
 - a. <u>Applicable Bill Text</u>: 9-17A-05 (E)(1)(I IV) pages 12-13.
 - b. <u>Description</u>: Amend/add to the types of eligible projects under the grant program to more explicitly enable food waste-to-RNG projects, such as "*Process source-separated food waste for a productive use, including for meeting local energy needs*" or similar.

c. <u>Impact</u>: Allows infrastructure or programs that would collect or process diverted food waste for upgrading to RNG to receive funds under this grant program.

Area #3: Circular Economy Incentive Program

- Suggested Change #5
 - a. <u>Applicable Bill Text</u>: 9–17A–06 (E)(3) page 15, lines 1-3.
 - b. <u>Description</u>: Amend/add to the language describing the purpose of the grant program to fill gaps in infrastructure for "repurposing" or "transforming" materials that would otherwise be disposed of, instead of just "collecting, processing, recycling, or reusing materials".
 - c. <u>Impact</u>: Emerging and established techniques for the thermal conversion of waste materials (e.g., pyrolysis) could be considered "upcycling" or "remanufacturing" waste materials. These can use waste to create lower carbon hydrogen, renewable natural gas, or other biomass-to-energy methods other than anaerobic digestion, and can provide another avenue for creating thermal energy other than for food or organic waste.

Washington Gas hopes to continue working with the sponsor and the committee and urges the committee to support SB 56 with the amendments offered in this testimony.

Thank you for consideration of this information, our amendments, and I am available for any questions or additional information.

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