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COMMITTEE: ENVIRONMENT AND TRANSPORTATION

TESTIMONY ON: HB 1318 – SOLID WASTE DISPOSAL SURCHARGE AND WASTED FOOD REDUCTION AND DIVERSION FUND AND GRANT PROGRAMS

POSITION: SUPPORT

HEARING DATE: MARCH 1, 2024

Washington Gas respectfully submits this statement in **SUPPORT** of **House Bill 1318 – Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs**

Washington Gas (“the Company”) was founded in 1848 by Congressional Charter and is marking its 175th year of providing affordable, safe, and reliable natural gas service and currently serves more than 500,000 Maryland customers in Montgomery, Prince George’s, Charles, St. Mary’s, Frederick, and Calvert Counties and 1.2 million customers across its entire service area. Washington Gas employs over 400 people within Maryland, including contractors, plumbers, union workers, and other skilled tradespeople. We strive to improve the quality of life in our communities by maintaining a diverse workforce, working with suppliers that represent and reflect the communities we serve, and giving back through our charitable contributions and employee volunteer activities. The Company, together with other natural gas distribution utilities, are responsible for delivering the primary source of heat to Maryland residential energy consumers, serving approximately one half of all Maryland households while providing critical energy services to residential, commercial, and industrial customers.

Background

The Company appreciates the opportunity to inform legislation concerning the development of solid waste disposal and food waste reduction funds and grant programs in Maryland. According to the Maryland Department of the Environment (“MDE”), an estimated 1.86 million tons of compostable materials is generated each year in the State, including 927,926 tons of food waste. Only 15.5% of that food waste was recycled in 2019 and only 22.66% was recycled in 2023.¹ Managing, recycling, and reducing food waste is an issue that is receiving attention from State and federal government agencies. MDE’s Climate Pollution Reduction Plan establishes a food scrap-specific recycling rate target of 60% by 2035, and in 2015 the US Environmental Protection

¹ MDE. [Food Scraps Management \(2024\)](#). Introduction.

Agency and US Department of Agriculture announced a national goal to reduce food waste by 50% by the year 2030.^{1 2} House Bill 1318 (“HB 1318”) can help the State meet these ambitious goals while providing secondary benefits.

Emissions Reductions and Renewable Natural Gas

The Waste sector accounts for a significant portion of the State’s greenhouse gas (GHG) emissions; landfills and wastewater treatment plants accounted for 7 million metric tonnes of CO₂e, or approximately 8% of the State’s gross greenhouse gas (“GHG”) emissions, as of 2020.³ 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.⁴

The overall reduction and diversion of solid waste and food waste is important and the State should consider opportunities to develop infrastructure and programs that can repurpose food and solid waste for productive end uses that reduce the State’s GHG emissions. The Company is advocating for amendments to HB 1318 that enable the grant programs established in the legislation to support projects that capture biogas from food and solid waste and upgrade it into renewable natural gas (“RNG”) (or biomethane). This locally produced, lower carbon fuel can be used in Maryland’s natural gas distribution system in place of conventional methane gas, which is almost always imported from other states, reducing GHG emissions from landfill operations in the process.⁵ In addition to creating a valuable and lower carbon gas, these projects 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.

Industry Support

Several utilities and counties in other states are working on organic and food waste diversion projects for making RNG to blend into the natural gas distribution network:

In Minnesota, CenterPoint Energy is working to obtain RNG through requests for proposals, as well as from a planned Hennepin County organics recycling facility in Brooklyn Park and a similar planned facility for the Ramsey/Washington County organics recycling program.⁶

In New Jersey, South Jersey Industries is partnering with energy companies to build one of the largest food waste-to-renewable natural gas projects in the United States. The Linden Energy project in Linden, NJ will convert organic waste into pipeline-quality RNG that can be used to

² MDE. [Climate Pollution Reduction Plan](#) (Dec. 28, 2023). Page 52

³ MDE. [2020 Greenhouse Gas Inventory](#) (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.

⁴ MDE. [Climate Pollution Reduction Plan](#) (Dec. 28, 2023). Page 52

⁵ Maryland Public Service Commission. [PSC Electrification Study Scenario Shows Moderate Growth in Electricity Demand, Significant Gas Demand Reduction](#) (Dec. 29, 2023)

⁶ CenterPoint Energy. [CenterPoint Energy Proposes Innovations to Advance a Cleaner Energy Future In Minnesota](#) (Jun. 29, 2023)

displace conventional methane gas with the energy equivalent of 30,200 gallons of gasoline per day. The project is expected to support hundreds of union construction jobs while contributing to New Jersey's decarbonization goals.⁷

In California, CR&R Environmental is injecting the RNG it develops into the SoCalGas pipeline system to provide fuel for CR&R's refuse trucks. The project received support from the California Energy Commission, CalRecycle, and the South Coast Air Quality Management District, and has enough capacity to displace 4 million gallons of diesel fuel annually. In addition, the RNG development process produces nutrient-rich solids that are used to make other products that are purchased by soil product producers for soil enrichment commodities.⁸

Conclusion

At Washington Gas, our core values are safety, collaboration, integrity, inclusion, and learning. The Company is committed to working with stakeholders to help achieve Maryland's GHG emission reduction targets. There is a role for technology innovation to support diverse pathways to decarbonizing Maryland, and the State can leverage its food waste initiatives to reduce emissions from landfills and food waste. The Company is advocating for the State's food waste reduction and diversion programs to provide grant funding for projects that process and repurpose food waste for productive uses, including meeting local energy needs.

Washington Gas hopes to continue working with the sponsor and the committee and urges the committee to support HB 1318 with the amendments offered in this testimony. Thank you for your consideration of this information.

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⁷ ROI NJ. [Food to fuel: SJI to construct huge RNG facility in Linden](#) (Dec. 20, 2023)

⁸ SoCalGas. [Renewable natural Gas Produced in California by CR&R Flows into SoCalGas Pipelines for Frist Time](#) (Jul. 2, 2018)

ADDENDUM: PROPOSED AMENDMENTS

Amendment 1 – Wasted Food Grant Program Purpose

Context:

As written, the bill only encourages reducing, rescuing, and diverting wasted food, but not repurposing food waste for other beneficial uses.

WGL Position:

The State’s Wasted Food Reduction and Diversion grant programs should take a holistic view of the benefits that food waste reduction, rescue, and diversion can have, including repurposing those waste streams for productive end uses such as providing local supplies of energy.

Proposed Amendment:

The Company proposes the following section be amended as shown by red text:

Amend 9-1725.3 (C): “The purpose of the grant program is to award grants annually for infrastructure, programs, and education that reduce, rescue, repurpose, transform, and divert wasted food in the State.”

Amendment 2 – Wasted Food Grant Program Project Criteria

Context:

The bill provides several examples of projects that are eligible for grant funding but does not include energy-related projects in that list.

WGL Position:

The Company believes that processing and repurposing food waste to help meet local energy needs is an important category of projects that should receive consideration under this bill.

Proposed Amendment:

The Company proposes the following section be amended as shown by red text:

Add 9-1725.3 (F)(6): “Process source-separated wasted food for productive uses, including meeting local energy needs.”

Amendment 3 – Wasted Food Grant Program Prioritized Benefits

Context:

The bill lists criteria that will be used to prioritize which projects receive grant program funding, such as minimizing negative impacts to local communities. The bill does not currently include criteria related to the environmental benefits that projects can provide.

WGL Position:

As has been pointed out by MDE, landfills and food waste are a significant source of GHG emissions within the State. The Company believes grant program funding should be made available to projects that can help reduce GHG emissions and other negative environmental impacts resulting from the waste sector.

Proposed Amendment:

The Company proposes the following section be amended as shown by red text:

Amend 9-1725.3 (G)(6): “That minimize negative impacts to the local community, including negative environmental impacts such as greenhouse gas emissions; and”

Amendment 4 – Wasted Food Grant Program Prioritized Benefits

Context:

The bill provides several examples of projects that are eligible for grant funding but does not include energy-related projects in that list.

WGL Position:

The Company believes that processing and repurposing food waste to help meet local energy needs is an important category of projects that should receive consideration under this bill.

Proposed Amendment:

The Company proposes the following section be amended as shown by red text:

Add 2-109 (F)(6): “Process source-separated wasted food for productive uses, including meeting local energy needs.”