BDC - 2024 - HB 1318 - Solid Waste Disposal Surcha Uploaded by: Aaron Greenfield



То:	The Honorable Marc Korman Environment and Transportation Committee		
From:	Bioenergy Devco		
Subject:	HB 1318, Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs – Establishment		
Date:	March 1, 2024		
Position:	Favorable		

Bioenergy Devco supports House Bill 1318, Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs – Establishment.

This testimony is offered on behalf of Bioenergy Development Company (BDC), an international leader in anaerobic digestion solutions with over 24 years of experience. BDC's exceptional team of engineers, microbial experts, biologists, chemists, agronomists, construction designers and facility managers are dedicated to delivering an environmentally sound solution that creates a true source of renewable, carbon-negative energy as well as a high nutrient soil amendment.

BDC would like to thank the Committee members who recently visited our organic recycling facility during the last interim. Our facility in Jessup recycles approximately 130 tons of organic waste annually. By diverting this material from the waste stream, we are helping to address the environmental, social, and economic issues that result from existing waste industry practices. We would like to thank the sponsor of this legislation for working with all the stakeholders to make modifications in the bill that will improve its effectiveness.

House Bill 1318 establishes a solid waste disposal surcharge on the final disposal of solid waste in the State. These funds will be deposited in the Wasted Food Reduction and Diversion Fund and the On–Farm Organics Diversion and Recycling Grant Program to facilitate grants within the State. These grants will be used to develop the necessary infrastructure for comprehensive organic diversion and recycling across the State.

This is not a new concept. In 2008, the Maryland General Assembly passed The Empower Maryland Act. This legislation imposed a similar fee on utilities in Maryland. Just like this bill, those fees were used to develop the necessary infrastructure to



accommodate renewable energy and energy efficiency technology. As we look to our future it is critical that we act swiftly in developing the organics recycling infrastructure that will be needed to accomplish our climate mitigation goals.

Bioenergy Devco respectfully requests a favorable report on House Bill 1318.

Please contact Aaron J. Greenfield at 410.446.1992, if you have any questions.

HB 1318 Solid Waste Disposal Surcharge and Wasted Uploaded by: Barbara Matheson



HB 1318

Solid Waste Reduction Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant - Established

Testimony before the Environment and Transportation Committee March 1, 2024 Position: FAVORABLE

Dear Chair Korman, Vice Chair and Sponsor Boyce, and members of the committee, my name is Barbara Matheson. I represent the 700+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today **in support of HB1318**. The purpose of this bill is to create a grant program to encourage on-farm solutions to wasted food. It establishes a funding source by charging fees at waste collection sites.

Food waste in landfills produces methane as it rots. About 6%-8% of all human-caused greenhouse gas (ghg) emissions could be reduced if we stop wasting food. Maryland has 40 municipal waste landfills that produce as much methane and carbon dioxide as about 975,000 passenger vehicles driving for one year. This makes landfills the largest source of methane in the state. In keeping with these facts, the Maryland Department of the Environment has ruled to cut methane emissions in landfills by 50%. The best way to reduce emissions from landfills is to reduce the amount of waste. Food is the most prevalent type of waste in Maryland landfills.

The Waste Food Reduction and Diversion Grant Program would encourage the development and implementation of on-farm recycling, diversion, prevention, and reduction of wasted food. Specifically,

grants would be given for programs that do the following:

- 1. Reduce the amount of food generated,
- 2. Rescue edible food for purpose of redistribution,
- 3. Recover wasted food as animal feed,
- 4. Compost or recycle food residuals, including at-home, community, and on-farm, and
- 5. Transition from single use food service ware to durable and reusable food service ware.

Funding for the program would come from a surcharge on solid waste, proposed to be \$2 per ton. Waste collection sites would be responsible for submitting funds to the Department of Environment. Fees could be passed on to haulers and depositors.

The Maryland General Assembly ambitious goal of 60% reduction in greenhouse gas emissions cannot be achieved without tackling methane emissions from landfills. HB 1318 establishes a means to reduce solid waste at landfills.

Thank you for your consideration of this important legislation.

We respectfully urge a favorable report.

Barbara Matheson Columbia, Maryland

ILSR-Platt-HB1318-Testimony-FAV.pdf Uploaded by: Brenda Platt



TESTIMONY TO THE MARYLAND HOUSE OF DELEGATES COMMITTEE ON ENVIRONMENT & TRANSPORTATION

HB 1318 – Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs

Position: Support

March 1, 2024 Public Hearing

Brenda Platt, Director, Composting for Community Initiative, <u>bplatt@ilsr.org</u> Institute for Local Self-Reliance 1200 18th Street, NW, Suite 700, Washington, DC 20036

Dear Members of the Committee,

The Institute for Local Self-Reliance urges a favorable report on HB 1318 – Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs. This bill would establish significant and needed funding for diverting wasted food and other organics from landfills and incinerators, including food rescue, composting, and a transition to durable food service ware.

Maryland has made significant legislative progress in promoting recycling and composting. What is <u>still</u> <u>lacking is funding</u> for more programs and infrastructure, for everything from education and outreach to equipment for farmers. We thank Vice Chair Regina T. Boyce for bringing this legislation forward to establish funds and grant programs to support a wide range of eligible projects throughout the state.

Key reasons to support this bill include:

- Maryland's recycling level has stagnated and landfills are approaching capacity.
- Maryland's landfills are emitting four times more methane than previously estimated.
- More programs focused on wasted food prevention, reuse, repair, and composting are needed in Maryland. For instance, in 2021, less than 23% of the 1,060,014 tons of wasted food in Maryland was recycled,¹ and a major report found that policies to fund and incentivize food waste reduction and composting in Maryland are weak.²
- HB264, passed in the 2021 session, requires large food waste generators to divert their wasted food if capacity exists. HB1318 now creates a tremendous opportunity to support farmers in creating some of that needed capacity and in using compost produced in the state. An influx of diverted food waste will require expanded processing capacity at all levels (including community-scale and farm composters).
- We have heard first-hand testimony from other states (including Ohio, Pennsylvania, New Jersey, Wisconsin, Indiana, Minnesota, North Carolina and Iowa) who have a similar disposal surcharge to waste diversion mechanism in place. These states have shared that their programs have had positive impacts on their local communities, economies, and the environment. Wisconsin's \$7 per ton recycling fee, for instance, generates \$37 million to \$40 million per year in funding. Even

¹ Source: Maryland Dept. of the Environment website, <u>"Solid Waste Management - Organics Recycling and Waste Diversion - Food</u>

<u>Residuals.</u>" 819,846 tons were disposed of in landfills and incinerators. Only 240,168 tons were recycled or diverted as animal feed. ² Source: Natural Resources Defense Council, <u>Maryland Food Waste Policy Gap Analysis and Inventory</u>. October 2021 (p. 13).



states such as Indiana with a small per ton fee have had tremendous impact. In 2020, its \$1.8 million in grant funding created 47 new jobs and diverted 85,000 tons in new material from disposal. Why not Maryland too?

- The New York State's new Solid Waste Management Plan calls for a \$5/ton surcharge as one of its three top legislative priorities.
- The grant programs will help Maryland businesses develop and expand their food waste diversion efforts. It will also provide direct funding to counties to fund a wide range of projects.
- The bill has a built-in funding mechanism. This is not an unfunded mandate on the state.
- This bill complements HB 735 The Beverage Container Recycling Refund and Litter Reduction Program, which would establish a deposit on beverage containers in the state.
- Expanding waste prevention, reuse, repair, recycling, and composting brings myriad benefits and co-benefits to Maryland: jobs, Bay protection, cleaner air and water, climate protection (see, for example, the attached infographic: *How Composting Combats the Climate Crisis*).

Since the bill's first introduction in the 2022 session, there have been a number of changes based on conversations with numerous stakeholders to address their concerns and suggestions to improve this bill. ILSR, with the guidance of Vice Chair Boyce, has gathered input from numerous stakeholders in order to get this bill to fit Maryland's unique landscape. Some of these stakeholders include the Maryland Association of Counties, Prince George's County Department of the Environment, Maryland Clean Water Action, US Composting Council's Maryland-DC Chapter, and others. More recently, ILSR collaborated extensively with the Maryland Department of Environment and Department of Agriculture to ensure the bill filled programmatic gaps and was implementable by the agencies. As a result of these collaborations, major changes include:

- Dropping the per-ton surcharge from \$5/ton to \$2/ton
- Focusing resources specifically on food waste reduction and diversion.
- Counties (including Baltimore City and the Mid-Shore) may apply to opt out of the statewide program if they set up their own disposal surcharge to fund waste reduction in the county. Opted-out Counties have the flexibility to tailor their program to their needs.
- Allocating funding equally between the Wasted Food Reduction Grant Program (administered by MDE) and the On-Farm Organics Diversion Grant Program (administered by MDA). This bill also allocates 4% of annual funding as support for the School Waste Reduction and Composting Program (administered by MSDE) until the program sunsets.
- Increasing the administrative costs limits for all grants programs from 10% to 25%.
- Updating the implementation timeline to better align with existing agency processes and to allow for the agencies to avoid out-of-pocket costs when setting up the grant programs.

Sincerely,

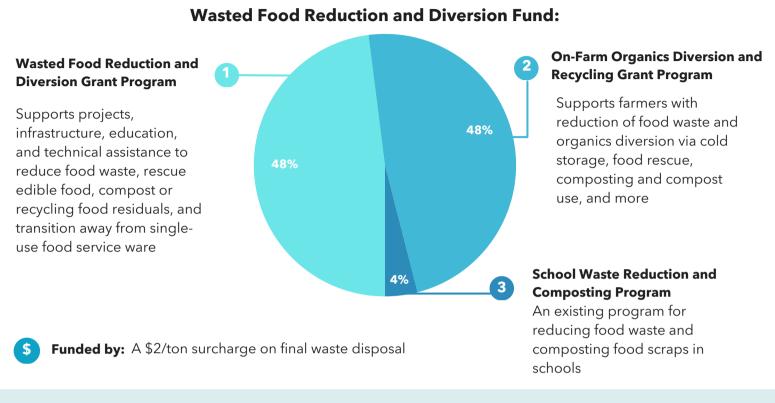
Patt

Brenda Platt Director, Composting for Community Project, Institute for Local Self Reliance

Attachments: (1) Fact Sheet on HB1318, (2) FAQs on HB1318, and (3) Infographic on climate benefits

Maryland HB 1318 Wasted Food Reduction and Diversion

This bill establishes funding for food waste reduction and diversion projects including food rescue, food waste prevention, organics recycling and compost use, and moving away from single-use food serviceware.



Why is this bill needed?

Maryland's high landfill methane emissions, emissions reduction goals, 2021 food waste diversion mandate, and increasing demand for alternatives to food waste disposal underscore the need to prevent and divert wasted food by expanding organics processing capacity, and education.

What types of projects may be funded?

- Local composting infrastructure
- Education and technical assistance
- Food rescue to feed people or animals
- On-farm cold storage for produce
- Reusable food service ware and dishwashers
- Labor and wages to make projects happen
- ...to name a few examples

How will the bill support small businesses and local communities?

- Grant funds will be accessible to businesses (e.g., restaurants, multi-family housing units, and small haulers) interested in developing or expanding their waste diversion efforts within their local communities.
- Preventing and rescuing wasted food and recycling what's left will generate more jobs and local economic opportunities than continued landfilling and incineration.
- Priority funding will go to projects serving overburdened and underserved communities, including creating jobs within those communities.
- ▶ There are numerous opportunities for partnerships between nonprofits, schools, farmers, businesses, and local governments to advance this work.

How does this bill support Maryland Counties and their landfills?

- Increased organics recycling and waste diversion rates will extend the life of existing landfills and delay expenditure on expansions.
- Counties may opt-out of the statewide program to set up their own surcharge and waste diversion program with greater flexibility.

Does this mechanism exist elsewhere?

Yes, at least eight other states and a handful of local governments collect a surcharge on waste disposal to fund waste diversion programs.

Wasted Food Reduction and Diversion - HB 1318 Frequently Asked Questions

Drafted by: Sophia Jones (siones@ilsr.org), Institute for Local Self-Reliance

What does this bill do?

- Establish a funding mechanism to support food waste reduction and diversion grant programs via a \$2 per ton surcharge on final waste disposal in landfills and incinerators.
- Create two new grant programs for (1) reducing, rescuing, composting, and recycling wasted food (including infrastructure, operations, education, and technical assistance) and (2) on-farm organics recycling and compost use, wasted food prevention, and food rescue.
- Support the <u>School Waste Reduction and Composting Program</u> with a portion of the funds.
- Mobilize an estimated \$14 million to build alternatives to food waste disposal.
- Make food waste diversion more accessible and more competitive by using funds from waste disposal to build food rescue, food waste reduction, and organics recycling projects.

Why is funding for reduction and diversion of wasted food needed in Maryland?

- Maryland is in need of expanded access to and capacity for food waste reduction, food rescue, and diversion of wasted food from disposal that benefits local communities.
- A major obstacle to development and expansion of food waste reduction infrastructure and programs is lack of funding.
- The Maryland Food Systems Resiliency Council's November 2023 report¹ makes recommendations to invest in cold storage, organics recycling of food residuals, food residual diversion sites programs, and education and technical assistance to support reduction of food waste.
- Maryland has passed numerous policies supporting healthy soils, food waste recovery, recycling, and composting but funding to support effective development of these efforts is sorely lacking. A nominal per-ton waste surcharge will provide funding to support and expand food waste reduction and diversion throughout the state while also disincentivizing final solid waste disposal in landfills and incinerators.
- Expansion of composting and organics recycling infrastructure and the availability of high-quality, non-contaminated compost is crucial to supporting Maryland soils² by reducing the need for synthetic fertilizers, increasing soil organic matter, and improving water and nutrient cycling.
- A 2021 report revealed that Maryland landfills were emitting four times more methane than previously estimated.³ Diverting organic waste from landfills, where anaerobic decomposition produces methane, a potent greenhouse gas, is a necessity for Maryland to achieve its goals of 60% emissions reductions by 2031 and net-zero in 2045.⁴

¹ November 2023. "Food System Resiliency Council 2023 Report to the General Assembly."

² Via, Sara. 2021. "<u>Increasing Soil Health and Sequestering Carbon in Agricultural Soil: A Natural Climate Solution</u>." Izaak Walton League of America and National Wildlife Federation.

³ Maher, Ryan and Kelly, Leah. June 9, 2021. "<u>Greenhouse Gases from Maryland's Landfills. Underestimated and Under Regulated</u>." Environmental Integrity Project.

⁴ June 2023. "<u>Maryland's Climate Pathway</u>." Maryland Department of the Environment and University of Maryland Center for Global Sustainability.

• Maryland's 2021 food waste diversion mandate law has increased demand for alternatives to food waste disposal. Expanded processing capacity is needed to meet food waste diversion goals.

What will the programs funded by the disposal surcharge support?

- The Wasted Food Reduction and Diversion Grant Program will fund projects, infrastructure, and education to reduce food waste, rescue edible food, compost or recycle food residuals, and to transition away from single-use food serviceware.
- The On-Farm Organics Diversion and Recycling Grant Program will support farmers in food preservation and rescue, including: cold storage; recovering food to feed animals; organics recycling; compost use; and the equipment, infrastructure, labor, technical assistance, testing, and other needs to achieve food waste reduction and diversion.
- The <u>School Waste Reduction and Composting Program</u> is an existing program to support county boards and public schools in developing and implementing programs for reducing food waste and for composting food scraps. It currently is without a steady source of funding.

Who will be eligible for funding under the new grant programs?

- The Wasted Food Reduction and Diversion Grant Program will be accessible to: units of local government (except those that have opted out of the statewide program), local educational agencies, institutions of higher education, non-profit organizations, for-profit businesses, and farmers including urban farmers. This includes waste haulers looking to move their businesses toward waste reduction activities.
- The On-Farm Organics Diversion and Recycling Grant Program will be accessible to: farmers including urban farmers, Soil Conservation Districts, institutions of higher education, non-profit organizations, and for-profit businesses.
- Priority funding for both programs will go to projects that provide benefits to their local communities and address community needs, serve overburdened or underserved communities, follow relevant best management practices, produce minimally-contaminated compost, and more.

How will the surcharge be collected?

- The owner or operator of each refuse disposal facility (landfill, incinerator, or transfer station) is responsible for collecting the disposal surcharge at their facility and submitting the collected monies to the State. The Maryland Department of Environment will set specific guidelines for reporting.
- The surcharge is not applicable to materials recycled, composted, or otherwise diverted from final disposal. For example, materials collected or deposited for recycling will not be subject to the \$2/ton surcharge.
- The surcharge may not be assessed more than once on the same solid waste destined for disposal. For example, if the surcharge has been assessed on solid waste at a transfer station, the surcharge will not apply at the landfill or incinerator that receives the solid waste for final disposal.

Who will pay the disposal surcharge? Will the costs get passed down to customers?

• The disposal surcharge will be collected on waste for final disposal at landfill, incinerators, and transfer stations. Haulers will pay the surcharge at the time of waste deposit at the disposal facility.

- Haulers are allowed to pass down the costs of the surcharge, with guardrails to prevent exploitation of those costs, as follows:
 - "Every solid waste hauler or collector is authorized to collect rates, fees, or surcharges from solid waste generators serviced by the solid waste hauler or collector only up to the amount sufficient to recover the surcharge collected"
- If a hauler decides to pass down the costs of the surcharge to waste generators, a surcharge of \$2/ton that gets passed down might cost the average Maryland household \$6.50 per year (less than 2 cents per day).
- The goal of the grant programs that will be funded by the disposal surcharge is to make alternatives to disposal of food residuals more available and accessible to all Maryland communities.

How might the surcharge amount change?

- This bill sets the surcharge amount at \$2/ton of waste disposed.
- The surcharge will be reviewed every two years beginning on or before July 1, 2027, to adjust for inflation and to determine if other adjustments to the surcharge amount are recommended.
- Successful food waste reduction and diversion will ideally decrease tonnage disposed in landfills and incinerators. In order to provide steady annual funding for the grant programs as waste disposal tonnages (ideally) decrease over time, the surcharge amount may be increased.

Does this disposal surcharge mechanism exist in other states?

- Yes, most states levy some surcharge on waste disposal to landfills, incinerators, and/or transfer stations. At least eight states have disposal surcharges that directly fund recycling, compost, and other environmental initiatives.⁵ They include New Jersey, Indiana, Pennsylvania, Minnesota, Ohio, Iowa, North Carolina, and Wisconsin. The average per-ton surcharge among these states is \$4.82/ton.
- Some examples of surcharge policies administered at the local level include Alameda, San Mateo, and Santa Clara Counties in California.
- Recently, a handful of states have moved to establish, revive, or expand disposal surcharge mechanisms to fund waste reduction, including <u>New York</u>, <u>Arizona</u>, and <u>Pennsylvania</u>.

How have these other states benefited from this mechanism?

- ILSR produced an <u>article</u> in 2022 featuring examples of this program's results in other states and municipalities. Some notable investments and impacts on waste diversion include:
 - Ohio's <u>Community and Litter</u> grant program awarded \$3.4 million was awarded to 77 projects in 2021, ranging from organics composting, to public space litter cleanups, to recycling equipment like organic material chippers.
 - Indiana's <u>Recycling Market Development Grants</u> and the <u>Community Recycling Grant</u> <u>Program</u> awarded over \$1.8 million in grant funding in 2020, creating up to 47 new jobs and increasing the amount of recycled materials by almost 85,000 tons.
 - Pennsylvania's Environmental Stewardship Fund supports <u>agricultural best management</u> <u>practices and watershed protection efforts</u> in addition to waste reduction projects.

⁵ Jones, Sophia. February, 2022. "Surcharges on Waste Disposal Fund Composting." Institute for Local Self-Reliance.

• In North Carolina, almost \$1 million in recycling grant funding was awarded to 47 recipients in Fiscal Year 2019-2020, resulting in 45 new jobs created, 8 million additional tons of plastic recycled, and 55,000 tons of organic material diverted from landfills.

Will this program work in Maryland, where most landfills are publicly owned?

- Yes, there's no reason it will not work in Maryland.
- Once implemented, the bill will extend the life of publicly-owned landfills, avoiding capital-intensive landfill replacement costs, which would result in counties incurring more capital debt.
- The surcharge applies to waste generated, which comes from both the public and private sectors. The landfill/incinerator facilities serve as collectors of the surcharge, remitting the funds to the State, to be used for expansion of food waste reduction and diversion programs and infrastructure.

Who was involved in the development of this bill?

- Over the past 3 years, the Institute for Local Self-Reliance (ILSR), with the guidance of Delegate Regina T. Boyce, has gathered input from numerous stakeholders in order to get this bill to fit Maryland's unique landscape. Some of these stakeholders include the Maryland Association of Counties, Prince George's County Department of the Environment, Maryland Clean Water Action, US Composting Council's Maryland-DC Chapter, and others.
- More recently, ILSR collaborated extensively with MDE and MDA to ensure the bill filled programmatic gaps and was implementable by the agencies.

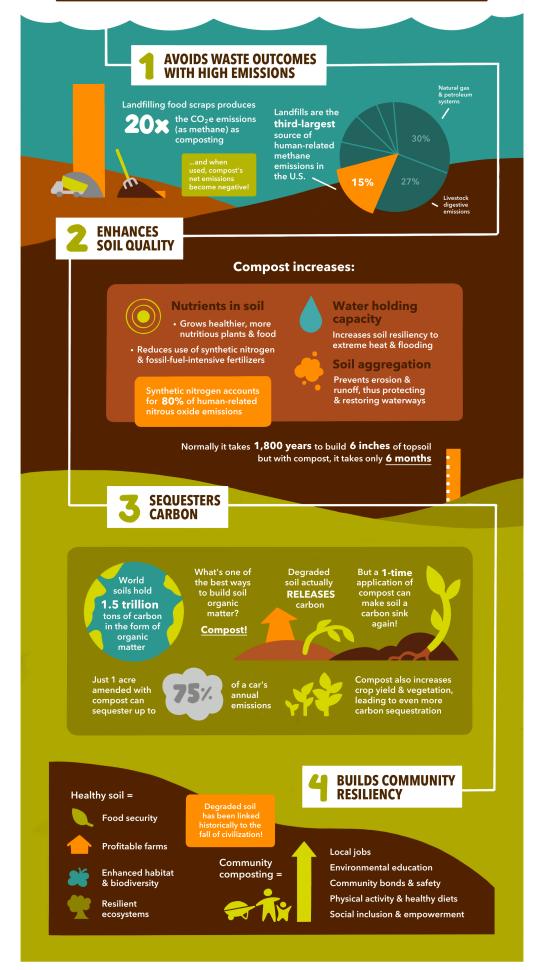
A version of this bill was originally introduced in Maryland in 2022, how is this bill different?

- The 2024 bill more narrowly focuses on food waste reduction and diversion.
- Funding is allocated between the Wasted Food Reduction Grant Program (administered by MDE) and the On-Farm Organics Diversion Grant Program (administered by MDA). This bill also allocates 4% of annual funding as support for the School Waste Reduction and Composting Program (administered by MSDE).
- Counties (including Baltimore City and the Mid-Shore) may apply to opt out of the statewide program if they set up their own disposal surcharge to fund waste reduction in the county. Opted-out Counties have the flexibility to tailor their program to their needs.
- The disposal surcharge has been lowered to \$2 per ton of waste landfilled or incinerated.

How did this bill get to be 14 pages long?

- We've adopted and included the best features of the best existing state programs out there. Some of the detail, while making the bill long, does not add complexity but rather clarification on key aspects.
- The bill includes details on the disposal surcharge mechanism, a flexible opt-out for counties, and project and entity eligibility details for the grant programs in order to provide clear implementation guidance to the administrative agencies (MDE, MDA, and MSDE).
- As multiple agencies would be responsible for administering portions of the grants, the bill also includes some repetitive text in addressing each agency's responsibilities.

HOW COMPOSTING COMBATS THE CLIMATE CRISIS



INSTITUTE FOR Local Self-Reliance

ilsr.org/compost-climate

HB1318_ZeroWasteMoCo_FAV_Mar7_2024.pdf Uploaded by: Elad Firnberg



Testimony On:HB1318 Solid Waste Disposal Surcharge and Wasted FoodReduction and Diversion Fund and Grant Programs - EstablishedCommittee:Environment and TransportationOrganization:Zero Waste Montgomery CountySubmitting:Kelly DoordanPosition:SupportDate:March 1, 2024

Honorable Chair Korman, Vice-Chair Boyce, and Members of the Committee,

Thank you for the opportunity to submit this statement for the record. Zero Waste Montgomery County strongly SUPPORTS H.B. 1318 (Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs).

Maryland has enacted laudable policies to reduce food waste and increase food recovery and recycling. A barrier to expanding these programs further has been a lack of dedicated funding for infrastructure to expand some of these programs. A \$2 per ton surcharge on waste disposed of at incinerators and landfills can help fill the identified need for investments in programs like cold storage for edible food recovery, infrastructure to expand on-farm composting, and other means to reduce wasted food all along the supply chain. This model for funding waste reduction projects has successfully been used in numerous states and local jurisdictions across the United States.

We know that reducing food waste benefits the climate by helping to avoid emissions from generation to disposal. This legislation helps us achieve climate benefits as well as significant social and economic co-benefits by reducing food waste through expanded infrastructure for edible food recovery and food security, as well as expanded opportunities for farmers to benefit from on-farm composting and compost use.

Expanding on-farm composting and the availability of high-quality compost supports agriculture and regenerative food systems in Maryland by building healthier soils to reduce the need for non-organic chemicals. Grants from this program will provide community benefits and a funding mechanism to help Maryland meet existing and new

goals for climate and zero waste while supporting food security, local farmers and agriculture, and a transition to durable and reusable food serviceware as part of a circular economy where materials can be maintained for as long as possible at their highest and best use rather than incinerated or landfilled or contaminated during processing.

Please approve HB 1318 to provide a mechanism to support zero waste, edible food recovery, Maryland farmers, and climate progress.

HB1318_CleanWaterAction_Fav.pdf Uploaded by: Emily Ranson



HB1318: Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs - Established House Environment and Transportation Committee March 1, 2024

Position: Favorable

Dear Chairman Korman and Members of the Committee,

Clean Water Action urges a favorable report on HB1318.

Maryland has commendable goals to reduce food waste and increase organic recycling. These efforts have significant co-benefits, improving food security for our residents, reducing greenhouse gas emissions from food rotting in landfills or burning in incinerators, and enables our farmers to diversify their income and reduce climate-polluting synthetic fertilizers. But we know that a major limiting factor for the expansion of infrastructure and programs reducing food waste and recycling organics is cost. Maryland has no dedicated funding streams for reducing and diverting food waste.

Maryland has made great strides reducing methane emissions from landfills, with more stringent methane regulations on landfills. Controlling the amount of methane from a landfill is great, but another effective strategy is to reduce the amount of methane-producing organic waste from entering the landfill in the first place.

Funding practices like cold storage for food rescue, on-farm compost, school grants, and upcycling through a modest \$2 per ton surcharge on waste disposed of at landfills and incinerators will provide tangible benefits and fund Maryland's goals and its unfunded programs, like school grants for food waste reduction and composting, which passed in 2022 but requires an annual appropriation.

SB56 funds food waste and organic diversion through three grant programs:

Wasted Food Reduction and Diversion Grant Program (MDE)

This fund will give MDE the ability to fund infrastructure, programs, and education that reduces, rescues, and diverts wasted food in the state. Examples of these could be rescuing food to feed people or animals, like expanding cold storage or connecting farmers with suitable food waste generators.

On-Farm Organics Diversion and Composting Grant Program (MDA)

While farmers may be interested in generating their own compost or using compost, the practice does require specialized equipment, training, and has other costs. These grants will help defray those start-up costs and enable MDA to better support farmers as they seek to incorporate compost and organic recycling into their operations.

School Waste Reduction and Composting Program (MSDE)

These grants were created in 2022 and funded in 2023. Applications for 2024 closed in early January and are currently under review. These grants fund school waste reduction (like share tables and food

donation) as well as composting. <u>HB1318 sunsets the funding for this program in 2027, which is when</u> the grant program sunsets. We suggest that language be amended to continue funding if the program is reauthorized.

Thank you and we urge a favorable report,

Emily Ranson Clean Water Action eranson@cleanwater.org

HB 1318_MDSierraClub_fav_1Mar2024.pdf Uploaded by: Martha Ainsworth



Maryland Chapter P.O. Box 278 Riverdale, MD 20738

Committee: Environment and Transportation

Testimony on: HB 1318: Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs - Established

Position: Favorable

Hearing Date: March 1, 2024

The Maryland Chapter of the Sierra Club urges the Committee to support HB1318. Reducing waste and its disposal in landfills and incinerators is a key strategy for reducing greenhouse gas emissions and fighting climate change. However, success at diverting waste depends critically on having in place the infrastructure for expanded composting and recycling. It requires investments in infrastructure by local government, farmers, businesses, schools, nonprofits, and other local entities. HB1318 would generate the resources for these needed investments, while encouraging waste reduction.

The bill would create a Wasted Food Reduction and Diversion Fund to finance three grant programs aimed at increasing waste diversion, recycling, and composting infrastructure, financed by a \$2 per ton surcharge on waste disposal. Solid waste surcharges ranging from 50 cents per ton to \$13 per ton at landfills, incinerators, and transfer stations have been funding recycling and waste reduction programs in Indiana, Iowa, Minnesota, New Jersey, North Carolina, Ohio, Pennsylvania, and Wisconsin, as well as in local jurisdictions, since as early as the 1980's. These investments pay for themselves by reducing the amount of waste disposed. In Maryland, the grants could total more than \$14 million per year to support local governments, small businesses, non-profits, schools, farmers, and others in their efforts to advance food waste prevention, rescue, recycling, and composting projects and infrastructure.

Earlier versions of this bill were introduced in 2022 (HB1070) and 2023 (HB1139). The current bill incorporates changes based on discussions with the Maryland Department of Environment and the Department of Agriculture to ensure that the bill fills programmatic gaps and is implementable by the agencies.

Waste diversion investments are critical, and a waste disposal surcharge has proven to be a highly effective way of funding them across the country. The Sierra Club respectfully requests a favorable report on HB1318.

Ben Fischler Chapter Zero Waste Team <u>brf57@yahoo.com</u> Josh Tulkin Chapter Director Josh.Tulkin@MDSierra.org

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

HB 1318 - CBF - FAV.pdf Uploaded by: Matt Stegman Position: FAV



Environmental Protection and Restoration Environmental Education

House Bill 1318

Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs – Established

Date:	March 1, 2024	Position:	Favorable
To:	Environment and Transportation Committee	From:	Matt Stegman
			MD Staff Attorney

Chesapeake Bay Foundation (CBF) **SUPPORTS** HB 1318 which establishes the On-Farm Organics Diversion and Recycling Grant Program in the Department of Agriculture to award grants to eligible entities for onfarm organics recycling and compost use, wasted food prevention, and food rescue; establishes a solid waste disposal surcharge of \$2 per ton of solid waste processed by a refuse disposal system for final disposal; and establishes the Wasted Food Reduction and Diversion Grant Program in the Department of the Environment.

Food waste affects climate change.

The diversion of food waste from incinerators and landfills through composting helps minimize the amount of carbon dioxide and methane released into the atmosphere by these traditional methods of waste management. Lower greenhouse gas emissions improve air quality, reduce impacts to human health, and increase resilience to the effects of climate change.

Soil health is key to the future of agriculture.

Well-managed composting of waste adds biologically rich material to soils, feeding essential microorganisms and fungi that improve soil health and enhance production of healthy, nutritious food. Healthier soils increase water holding capacity, facilitate nutrient cycling, and reduce soil loss, helping farmers maintain their land and minimizing risks to water quality and the Chesapeake Bay.

This legislation will improve soil health, help fight the effects of climate change, and transition Maryland to a more effective, equitable, and environmentally sound waste management system.

CBF urges the Committee's FAVORABLE report on HB 1318.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at <u>mstegman@cbf.org</u>.

HB1318_FAV_Montgomery County Food Council .pdf Uploaded by: Michelle Caruso

February 28, 2024



2024 SESSION SUPPORT TESTIMONY HB1318: Solid Waste Disposal

BILL:HB1318: Solid Waste Disposal Surcharge and Wasted Food Reduction and
Diversion Fund and Grant Programs - EstablishedCOMMITTEE:Environment and TransportationPOSITION:Testimony in support of HB1318BILL ANALYSIS:Establishing the On-Farm Organics Diversion and Recycling Grant Program

in the Department of Agriculture to award grants to eligible entities for on-farm organics recycling and compost use, wasted food prevention, and food rescue; establishing a solid waste disposal surcharge of \$2 per ton of solid waste processed by a refuse disposal system for final disposal; establishing the Wasted Food Reduction and Diversion Grant Program in the Department of the Environment; etc.

Dear Chair Korman and members of the Environment and Transportation Committee:

Thank you for the opportunity to provide testimony, and thank you Delegate Boyce for introducing this important legislation. The Montgomery County Food Council (MCFC) urges you to SUPPORT this bill to establish the On-Farm Organics Diversion and Recycling Grant Program and the Wasted Food Reduction and Diversion Grant Program to award grants to assist with the costs of developing and implementing on-farm composting, compost use, food waste prevention, and food rescue projects.

This legislation addresses a critical need to expand Maryalnd's infrastructure around food waste prevention, edible food recovery, and diversion and recycling. Expanding on-farm composting and the availability of high-quality compost support agriculture in Maryland by improving the availability of healthier soils. Grants from this type of program present a wide array of opportunities to provide community benefits, including priority to projects that serve farms owned including projects that maximize local benefits such as job creation, job training, and inclusive hiring and leadership development practices. Grants could also provide funding for a much needed increase in cold storage infrastructure, which would support food recovery, as well as local growers, food assistance providers, and residents.

P.O. Box 32212 | Bethesda, MD 20814 | 310-637-7071 mocofoodcouncil.org | info@mocofoodcouncil.org



This legislation creates a funding mechanism to help the State of Maryland meet its goals around climate, food security, and food system resilience.

According to the USDA 30-40% of food in the United States goes to waste¹. At the same time, the recently released Montgomery County Strategic Plan to End Childhood Hunger states that 14% of Montgomery County students are food insecure². Improved food waste and recovery infrastructure has the potential to greatly improve overall food security within the State of Maryland. Food recovery infrastructure can also have huge impacts on climate change. More than 85% of greenhouse gas emissions from landfilled food waste result from activities prior to food entering a landfill,³ which points to the importance of a strong infrastructure around food waste and recovery.

Improving infrastructure around food waste and recovery provides a multitude of benefits for the State of Maryland and this legislation takes the necessary steps to improve the overall infrastructure around programs that focus on food waste reduction. Addressing food insecurity in the state requires multiple approaches and this legislation will strengthen programming around food recovery to help Maryland residents and improve the overall food security of the state. The Food System Resiliency Council's 2023 report to the General Assembly cited the "need for an increase in organic recycling capacity to meet Maryalnd's needs for diverted source-separated organic materials diversion"⁴ and suggested a disposal surcharge to provide funding to meet this need. The programs included in this legislation are solutions that have been vetted by state-appointed experts in a process supported by the legislature.

While the MCFC supports the passage of HB 1318, we do have two items of consideration for the committee:

I) If a local government already has a surcharge on solid waste disposal and this legislation is passed, would the revenue from this surcharge go only to the new funds proposed by this legislation? How might this affect existing programs funded by the surcharge revenue in the local jurisdiction?

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[&]quot; "Why Should We Care about Food Waste?" USDA

² <u>Strategic Plan to End Childhood Hunger</u>. Montgomery County, Maryland.

³ <u>"Preventing Wasted Food at Home."</u> EPA.

⁴ <u>2023 Report to the General Assembly</u>, Maryland FSRC

2) While we support the goal of reducing wasted food, it is important to recognize that it alone will not solve food insecurity. We want to ensure that the administrators of the Wasted Food Reduction and Diversion Grant Program prioritize dignity and equity, aligning with broader goals to address the complex root causes of food insecurity.

This legislation would promote composting within the State of Maryland and increase the efforts to prevent food waste and support local communities through increasing food security, and supporting local jobs and economies. For these reasons, the Montgomery County Food Council supports HB1318 and urges a FAVORABLE REPORT for this bill.

The Montgomery County Food Council is a nonprofit organization that serves as the primary connection point for businesses, nonprofits, government agencies, and residents around food system issues in our County. We bring together over 2,000 local and regional partners in community-wide education, advocacy, and capacity building initiatives. Our work cultivates a more resilient, sustainable, and equitable local food system by enhancing food access for the over 100,000 at risk for hunger, expanding food education opportunities for all residents, supporting our County's farms and food and beverage businesses, and addressing the impact of local food production, distribution, consumption and recycling on our natural resources

For more information, please contact Michelle Caruso, Director of Policy and Partnerships, at the email and phone number below.

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ILSR - HB1318 Sign-On Testimony - FAV.pdf Uploaded by: Sophia Jones



TESTIMONY TO THE MARYLAND HOUSE OF DELEGATES COMMITTEE ON ENVIRONMENT & TRANSPORTATION

HB 1318 – Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs

Position: Favorable

March 1, 2024 Public Hearing

Institute for Local Self-Reliance, 1200 18th Street, NW, Suite 700, Washington, DC 20036

Dear Members of the Committee,

The Institute for Local Self-Reliance and the undersigned 26 organizations support HB 1318 and encourage the committee to pass this bill. We thank Vice Chair Boyce for once again bringing this legislation forward to establish needed funds and grant programs to reduce, rescue, and divert wasted food from disposal in Maryland.

Maryland's stagnant recycling rate, high landfill emissions, shrinking landfill capacity, and increasing demand for alternatives to food waste disposal indicate the need for investment into wasted food diversion in a way that benefits local communities, NOW. Maryland has numerous policies supporting healthy soils, food waste recovery, organics recycling, and composting (e.g. HB 264 on Large Food Waste Generators in 2021, SB 124 on School Waste Reduction and Composting, and HB 1063 on the Maryland Healthy Soils Program) but funding for implementation and support remains a crucial obstacle to progress.

HB1318 establishes a funding mechanism via a nominal \$2/ton surcharge on final waste disposal to provide tangible support for developing of infrastructure, programs, education, and other support for wasted food diversion in Maryland through the (1) Wasted Food Reduction and Diversion Grant Program, the (2) On-Farm Organics Diversion and Recycling Grant Program, and (3) the existing School Waste Reduction and Composting Program.

This bill would not only fund projects and infrastructure to rescue food, recycle and compost organics, and reduce foodservice waste, but also the necessary education, technical assistance, labor, and wages to make projects effective. Priority funding is dedicated to projects that directly benefit local Maryland communities, particularly those overburdened and underserved, by addressing community needs, providing education, creating local green jobs, providing living wages, and preventing local environmental contamination.

Expansion of composting and organics recycling infrastructure and the availability of high-quality, non-contaminated compost is crucial to supporting Maryland farmers in building and maintaining healthy soils to increase soil organic matter, improve water and nutrient cycling, and grow healthy food, contributing to cleaner Maryland watersheds, increased resilience to extreme weather, and stronger Maryland food systems.

INSTITUTE FOR Local Self-Reliance

This model is successful in numerous other states (such as New Jersey, Pennsylvania, Iowa, Ohio, Indiana, Minnesota, Wisconsin, and North Carolina) and has had positive impacts on their local communities, economies, and the environment. States like New York and Rhode Island are moving to implement similar programs as well. We strongly believe this model will work successfully in Maryland.

A \$2/ton surcharge on waste disposed to keep organics out of landfills and incinerators, where harmful greenhouse gases are produced, and moving Maryland toward its goal of 60% emissions reductions by 2031 and net-zero in 2045, is a nominal and reasonable cost in comparison to the future costs of 'business as usual' that all Marylanders will have to bear if we do nothing.

We urge the Committee to support HB 1318.

Sincerely,

Sophia Jones Policy Lead, Composting for Community Institute for Local Self-Reliance

Signed-On Organizations:

Beaverdam Creek Watershed Watch Group <u>Catoctin Conservation Club</u> <u>Cedar Lane Unitarian Universalist</u> <u>Environmental Justice Ministry</u> <u>Clean Water Action</u> <u>Coker Composting & Consulting</u> <u>Compostology</u> <u>Cub Scout Pack 436: Wolf Den</u> <u>Denali Water Solutions</u> <u>DoTheMostGood</u> <u>Envision Frederick County</u> <u>Felt Board Lady</u> <u>Gnatt Medical Associates</u> <u>Go Green OC</u> HxH ArchitectsLunch out of LandfillsMaryland-DC Compost CouncilMaryland Legislative Coalition ClimateJustice WingMontgomery County-Faith Alliance forClimate SolutionsMountainside Education and EnrichmentNational AquariumOur Zero Waste Future, Inc.Porch View Farm LLCRegenerative SolutionsTerra Solutions LLCZero Waste Montgomery County

Testimony in support of HB 1318.pdf Uploaded by: Stephanie Lansing Position: FAV





February 28, 2024 2024 SESSION SUPPORT TESTIMONY HB 1318: Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Funds

HB 1318: Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs - Established COMMITTEE: Environment and Transportation POSITION: Testimony in Support of House Bill 1318

Honorable Chair, Vice Chair, and Members of the Committee, thank you for the opportunity to submit this statement for the record **in support of House Bill 1318**.

This letter is submitted on behalf of the Maryland Food System Resilience Council. The Food System Resiliency Council was established by the Maryland General Assembly during the 2021 legislative session to bring together 33 appointed council members from across the state, all with different points of entry and expertise to work toward a more resilient food system and address the food insecurity crisis due to COVID-19.

One of the key mandates of this Council is to develop equity and sustainability policy recommendations to increase the long-term resiliency of Maryland's food system. In the November 2023 Food System Resiliency Council Report to the Maryland Legislature, we recommended increasing the capacity for diverted organic materials. Currently, minimal facilities are available for food scrap diversion. Increasing food diversion and education on food waste reduction will help increase our food system resiliency and strengthen the food waste recovery infrastructure, building on emerging practices already established in the State. Food waste occur across the supply chain. It is important that legislation addresses problems throughout the process, with resources allocated to organic diversion, composting, food rescue, education, source separation, upcycling, and exploring linkage between food waste and hunger.

Increased food resiliency can be achieved is by **passing HB 1318**, which will establish funds to provide infrastructure, programming, and education resources for on-farm food waste composting as well as preventing food waste and increasing food rescue efforts. The passing of HB 1318 would create an On–Farm Organics Diversion and Recycling Grant Program in the Department of Agriculture to award grants to eligible entities to develop and implement on-farm organics recycling and compost use, wasted food prevention, and food rescue. The program will also create the Wasted Food Reduction and Diversion Fund to establish the Wasted Food Reduction and Diversion Grant Program in the Department of the Environment to award grants for infrastructure, programs, and education that reduce, rescue, and divert wasted food. These two funds would be created through a surcharge on the final disposal of solid waste.





Over one-third of the food produced in the United States is never eaten, wasting the calories and production resources used to grow food that could have fed more than 150 million people each year. The wasted food comprises 1/4 of our landfill content. It is stated by USEPA that reducing 50% of the food waste going to US landfills would be the equivalent of eliminating the greenhouse gas emissions from 21 coal-fired power plants or 15 million homes' energy use for a year.

Passing HB 1318 will benefit Maryland's Food System, create resources for important food system resiliency initiatives throughout the supply change, and increase our circular bioeconomy. Each year, 119 billion lbs. of food is wasted in the US, equivalent to 1 lb./person/day, 130 billion meals, and at an economic value is \$408 billion per year. With 13.5 million US households being food-insecure at some time, there is a need to reduce this food waste impact. The HB 1318 legislation will create the resources needed to execute these important initiatives.

While the Maryland Food System Resilience Council supports the passage of HB 1318, we do have two items of consideration for the committee. 1) If a county already has a surcharge on the final disposal of solid waste, would this legislation require that all collected revenue from this surcharge be only used for these two funds? How would this mandate impact locally-funded programs that rely on the existing surcharge revenue? 2) It is important to acknowledge that 'Wasted Food Reduction and Diversion' is not a holistic solution to reducing food insecurity. The dignity of food insecure individuals should always be at the forefront. Food diversion efforts alone cannot solve the food system crisis nor do these efforts always align with uplifting the humanity of individuals experiencing food insecurity. There should be assurances that administrators for the Wasted Food Reduction and Diversion Grant Program uphold these principles and align with the goals of the Maryland Food System Resilience Council to increase equity in the food system and their acknowledgement that the root causes of food system vulnerability and food insecurity are complex.

Thank you for the opportunity to share our support of HB 1318.

Michael J. Wilson Co-Chair, Maryland Food System Resiliency Council

HB1318 Support Testimony - Solid Waste Disposal Su Uploaded by: Tom Taylor

Written Testimony in Support of HB1318 – Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs

To: Chair Korman, Vice Chair Boyce and Members of the Environment and Transportation Committee

I am offering this testimony to urge the committee to support HB1318, and give it a favorable report.

HB1318 establishes a funding mechanism via a nominal \$2/ton surcharge on final waste disposal to provide needed support for developing infrastructure, programs, education, and other resources for wasted food diversion in Maryland through the:

- 1) Wasted Food Reduction and Diversion Grant Program
- 2) On-Farm Organics Diversion and Recycling Grant Program
- 3) Existing School Waste Reduction and Composting Program.

This legislation would establish needed funds and grant programs to support food waste reduction and diversion efforts in Maryland.

Maryland has numerous policies supporting food waste recovery, organics recycling, composting, and healthy soils already in place, but funding for implementation and support remains a significant obstacle to progress. As a community volunteer active in food waste reduction efforts, I can testify first-hand to the great difficulty in finding funding and resources to establish organics recycling and composting programs in our communities. This bill will be a tremendous help in overcoming this obstacle.

This legislation would provide funding for projects and infrastructure to recycle and compost organics, reduce foodservice waste, and support food rescue efforts. It also would provide funding for the needed education, technical assistance, labor, and wages to give these projects maximum effectiveness. Priority funding is dedicated to projects that directly benefit local Maryland communities, especially those that are overburdened and underserved, thereby addressing issues of environmental justice.

Expansion of composting and organics recycling infrastructure and the availability of high-quality, noncontaminated compost is crucial to supporting Maryland farmers in building and maintaining healthy soils. This, in turn, will lead to improved water and nutrient cycling, healthier food, and cleaner watersheds.

By keeping food waste out of landfills and incinerators, thereby reducing greenhouse gas emissions, this legislation also will help Maryland reach its emissions reduction goals.

All of this is doable with the infrastructure and resources that this bill will make possible. This is a winwin for the health of Maryland's citizens and our environment.

Please support HB1318 and give this legislation a favorable report. Thank you for considering my views.

Sincerely,

Tom Taylor 11-G Laurel Hill Road Greenbelt, MD 20770 301-513-9524

Support of HB1318 - Solid Waste Disposal Surcharge Uploaded by: Tyler Hough

Position: FAV



February 28, 2024

To: House Environment & Transportation Committee

From: Maryland Farm Bureau, Inc.

Re: <u>Support of HB1318 - Solid Waste Disposal Surcharge and Wasted Food</u> <u>Reduction and Diversion Fund and Grant Programs - Established</u>

On behalf of our member families, I submit this written testimony in support of HB 1139, legislation that will create grant programs to divert compostable waste from landfills as well as on-farm composting and compost use. Funded by a nominal surcharge on waste disposed at landfills, incinerators, and waste transfer stations, this grant program could generate as much as \$30 million per year to be made available to mobilize investments in waste prevention, reuse, repair, recycling, and composting.

A significant amount of the grant funds would be earmarked to support on-farm composting and compost use. Expanding the ability to compost on farms is essential for farmers to generate the needed organic matter and natural fertilizer to improve soil health and make farm fields more resilient. Programs like this one would inject money into a fledgling industry that would help divert compostable materials from the landfill and to a farm for a much better and more sustainable use.

MDFB Policy: We support the right for Maryland farmers to make and process mulch and compost from both on and off the farm sources.

MARYLAND FARM BUREAU SUPPORTS HB 1139 AND REQUEST A FAVORABLE REPORT

Rough

Tyler Hough Director of Government Relations Please contact Tyler Hough (443) 878-4045

HB 1318 MDE SWA.pdf Uploaded by: Gabrielle Leach Position: FWA



The Maryland Department of the Environment Secretary Serena McIlwain

House Bill 1318

Environment - Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs - Established

Position:	Support with Amendments
Committee:	Environment and Transportation
Date:	February 31, 2024
From:	Gabrielle Leach

The Maryland Department of the Environment (MDE) **SUPPORTS** HB 1318 **WITH AMENDMENTS** .

Bill Summary

As proposed, HB 1318 would establish the On–Farm Organics Diversion and Recycling Grant Program (Program). The Program would award grants to eligible entities to develop and implement on–farm organics recycling and compost use, wasted food prevention, and food rescue. The Maryland Department of Agriculture (MDA) would administer the Program, in consultation with MDE. The bill would also establish the Wasted Food Reduction and Diversion Grant Program to be administered by MDE, in consultation with MDA. Finally, HB 1318 would establish a solid waste disposal surcharge of \$2 per ton on the final disposal of solid waste in the State, which would go to the referenced grant programs as well as the Grant Program to Reduce and Compost School Waste.

The amendments offered by the sponsor for House Bill 1318 revise the eligibility requirements to participate in the Program. In addition, as amended, House Bill 1318 would increase the estimated annual revenue that shall be used for administrative costs from "no more than 10%" to "no more than 25%", which will assist MDE, MDA, and the Maryland State Department of Education (MSDE) in covering the additional administrative costs associated with implementing the Programs.

Position Rationale

MDE supports HB 1318 as amended, as it will help establish a reasonable surcharge at refuse disposal systems to help establish grants for organics recycling infrastructure. According to a 2016 Waste Characterization Study conducted in the State of Maryland, approximately 18% of Maryland's waste stream consists of food residuals, making food residuals the State's most prominent waste stream. This bill will provide the grant funding necessary to help scale organics recycling in the State.

For the reasons detailed above, MDE asks for a **FAVORABLE WITH AMENDMENTS** report for HB 1318.

Washington Gas - HB1318_Support.pdf Uploaded by: Manuel Geraldo

Position: FWA



1000 Maine Avenue, SW| Suite 700 | Washington, DC 20024 | www.washingtongas.com

COMMITTEE: ENVIRONMENT AND TRANSPORTATION

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 scrapspecific recycling rate target of 60% by 2035, and in 2015 the US Environmental Protection

¹ MDE. <u>Food Scraps Management (2024)</u>. Introduction.

Agency and US Department of Agriculture announced a national goal to reduce food waste by 50% by the year 2030.¹² 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 producet 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. <u>Climate Pollution Reduction Plan</u> (Dec. 28, 2023). Page 52

³ 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.

⁴ MDE. <u>Climate Pollution Reduction Plan</u> (Dec. 28, 2023). Page 52

⁵ Maryland Public Service Commission. <u>PSC Electrification Study Scenario Shows Moderate Growth in Electricity</u> <u>Demand, Significant Gas Demand Reduction</u> (Dec. 29, 2023)

⁶ CenterPoint Energy. <u>CenterPoint Energy Proposes Innovations to Advance a Cleaner Energy Future In Minnesota</u> (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.

Contact:

Manny Geraldo, State Government Relations and Public Policy Manager M 202.924.4511 | manuel.geraldo@washgas.com

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

⁸ SoCalGas. <u>Renewable natural Gas Produced in California by CR&R Flows into SoCalGas Pipelines for Frist Time</u> (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.

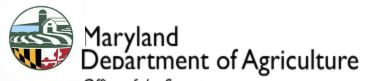
Proposed Amendment:

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."

HB 1318 - Letter of Support.docx.pdf Uploaded by: Rachel Jones

Position: FWA



Office of the Secretary Wes Moore, Governor Aruna Miller, Lt. Governor Kevin M. Atticks, Secretary Steven A. Connelly, Deputy Secretary Agriculture | Maryland's Leading Industry The Wayne A. Cawley, Jr. Building 50 Harry S Truman Parkway Annapolis, Maryland 21401 mda.maryland.gov 410.841.5885 Baltimore/Washington 410.841.5846 Fax

Maryland Department of Agriculture

Legislative Comment

Date: March 1, 2024

BILL NUMBER: HB 1318

SHORT TITLE: Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs - Established

MDA POSITION: LETTER OF SUPPORT

House Bill 1318 would establish the On-Farm Organics Diversion and Recycling Grant Program ("Program") at the Department of Agriculture (MDA), a novel and innovative new initiative to further support Maryland farmers.

Maryland farmers are the original stewards of the land. As our farms look to diversify their operations while also supporting the state's climate change goals, the diversion and recovery of food waste for proper composting will support the state in achieving its organic recycling goals. HB 1318 would establish a revenue source to farm and farm organizations and other stakeholders that may receive the materials, and advance the land application of compost materials that when properly managed and applied can increase carbon and soil health benefits.

HB 1318 allows MDA and MDE (MD Department of the Environment) to coordinate to administer the Program to provide the grant to a wide range of eligible persons, including:

- Traditional farmers and urban farmers
- Soil Conservation Districts
- Nonprofits, small businesses, and consortiums

Eligible projects are those that:

- Reduce the amount of wasted food generated
- Rescue edible food for redistribution
- Recover wasted food as animal feed (registered by MDA)

- Compost or recycle food residuals
- Transition from single-use food serviceware to durable/reusable food serviceware

Thank you for your consideration. MDA welcomes additional discussion or questions from the Committee and requests a favorable report on HB 1318.

If you have additional questions, please contact Rachel Jones, Director of Government Relations, at <u>Rachel.Jones2@maryland.gov</u> or (410) 841-5886.

HB1318_UNF_NWRA_Solid Waste Disposal Surcharge & W Uploaded by: Pam Kasemeyer

Position: UNF



Maryland-Delaware Solid Waste Association



- TO: The Honorable Marc Korman, Chair Members, House Environment and Transportation Committee The Honorable Regina T. Boyce
- FROM: Pamela Metz Kasemeyer J. Steven Wise Danna L. Kauffman Andrew G. Vetter
- DATE: March 1, 2024
- RE: **OPPOSE** House Bill 1318 Solid Waste Disposal Surcharge and Wasted Food Reduction and Diversion Fund and Grant Programs Established

The Maryland-Delaware Solid Waste Association (MDSWA), a chapter of the National Waste and Recycling Association, is a trade association representing the private solid waste industry in the State of Maryland. Its membership includes hauling and collection companies, processing and recycling facilities, transfer stations, and disposal facilities. MDSWA and its members **oppose** House Bill 1318.

House Bill 1318 proposes to establish an On-Farm Organic Diversion and Composting Grant Program that is funded through the establishment of a new solid waste disposal surcharge on the final disposition of solid waste in the State. The solid waste disposal surcharge will impose a surcharge of \$2 per ton of solid waste processed by a refuse disposal system. The surcharge must also be adjusted every two years after establishment in accordance with the Consumer Price Index for the Mid-Atlantic Division and gives the Maryland Department of the Environment the authority to evaluate the surcharge to determine whether it should be increased. The legislation also allows a County to be exempt from the statewide surcharge if they enact their own surcharge. The Counties would then not be required to pay the statewide surcharge. Given that is not always possible to allocate waste that is disposed of at a disposal facility by jurisdiction, it would be impossible to allocate surcharge payments by jurisdiction as there may be waste from more than one jurisdiction in a collection vehicle. Furthermore, not all jurisdictions have disposal facilities and, therefore, it is unclear how surcharges could be assessed for those counties and what surcharges would be paid at a facility not within the jurisdiction of origin. Having a statewide surcharge combined with multiple local jurisdiction surcharges is not operationally possible to implement.

MDSWA does not object to the intent of this legislation, which is to identify ways to offset the costs of developing and implementing on-farm composting and compost use, food waste prevention, and food rescue projects. However, we do not believe that the proposed surcharge is the most effective way to accomplish these goals. Any new solid waste disposal surcharge will most likely be passed on to the generators of solid waste, meaning nearly every household and business in Maryland would have higher charges for waste disposal. At a time when household budgets are being squeezed by inflation and other

economic pressures, legislation resulting in higher waste disposal costs is not prudent. In addition to increased costs for consumers, this legislation would also result in increased costs for local governments. This surcharge would apply equally to the public and private refuse disposal systems. Local governments are already struggling financially to provide essential public services. A new cost in the form of a surcharge would place another burden on local governments and taxpayers.

Increased disposal fees will lead to more out of state waste disposal; higher collection rates and transportation costs, which will be passed down to the consumers and businesses; and will further challenge the efficient and effective operation of the State's current recycling facilities as they seek to manage market volatility and work to increase the effectiveness of their material processing functions.

For more information: Pamela Metz Kasemeyer J. Steven Wise Danna L. Kauffman Andrew G. Vetter 410-244-7000

Gerber's letter 2.28.2024.pdf Uploaded by: Valerie Skvirsky Position: UNF

February 28, 2024

The Honorable Marc Korman Chair, Environment and Transportation Committee Environment and Transportation 6 Bladen Street Annapolis, MD 21401

RE: In Opposition to House Bill 163 and HB 1318

Dear Chairman Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee:

Gerber's Refuse is a Baltimore County-based refuse removal business that has been operating for more than 85 years. The company is against above the referenced bills which would create an On-Farm Organic Diversion and Composting Grant Program.

Our company and employees support greater sustainability in our industry, but this plan will make it more difficult and more expensive to provide services to our customers. Charging a \$2 fee for every ton of solid waste processed is a new cost of doing business for us. The fact the fee will change every two years based on the Consumer Price Index for this region means the cost will continue to go up. And since the Maryland Department of the Environment might also raise the surcharge, it's impossible to know just how much this is actually going to cost businesses like ours.

The proposal would allow individual counties to skip the state surcharge if they put their own surcharge in place. This could lead to a different operating cost for the same work in every county in Maryland. Who in our company is going to be able to track all this constantly changing information?

This kind of flexible surcharge model is the wrong way to promote on-farm composting and to reduce food waste. This proposal will make it a lot more expensive for waste management companies to operate. And since those costs will go up, households and businesses all over the state will end up paying more, which is tough when lots of families and businesses are already dealing with money challenges.

The surcharge plan will hit both public and private trash disposal systems the same way, making things harder for local governments that have trouble providing public services. This could lead to more trash being sent out of state, higher costs for collecting and moving trash, and more strain on the state's recycling centers.

Gerber's supports the idea of making waste management more sustainable, but we think above referenced bills would put too much financial pressure on waste management companies, local residents, and county governments.

Sincerely

Mike Gerber President William Gerber, Inc.

Letter in opposition to compost tax.pdf Uploaded by: Valerie Skvirsky Position: UNF

COCKEY'S ENTERPRISES, INC. 3300 TRANSWAY RD BALTIMORE ,MD 21227 Phone: 410-242-3344 Fax: 410-242-5566

February 28, 2024

The Honorable Marc Korman Chair, Environment and Transportation Committee Environment and Transportation 6 Bladen Street Annapolis, MD 21401

RE: In Opposition to House Bill 163 and HB 1318

Dear Chairman Korman, Vice Chair Boyce, and Members of the Environment and Transportation Committee:

Cockey's Enterprises, Inc. is a family operated business that has provided reliable waste-removal services throughout the Baltimore community since 1947. The company is opposed to the above referenced bills, which would establish an On-Farm Organic Diversion and Composting Grant Program. This proposal will not only increase business costs for companies like ours; it will also make it more difficult for us to anticipate and plan for future operating expenses.

This program would be funded by a new solid waste disposal surcharge on the final disposition of solid waste in the State. The surcharge – set at \$2 per ton of solid waste processed by a refuse disposal system – would be subject to adjustment every two years based on the Consumer Price Index for the Mid-Atlantic Division. But the Maryland Department of the Environment could also potentially increase the surcharge, making it difficult to anticipate actual costs. Additionally, individual counties could be exempt from the statewide surcharge if they enact their own surcharge. This is completely impractical from an operational standpoint. Without a single, predictable fee structure, it will be virtually impossible for companies to develop realistic budgets.

Cockey's generally supports on-farm composting and compost use, food waste prevention, and food rescue projects; however, we believe that the proposed surcharge is the wrong way to promote these objectives. This approach would significantly increase the operational costs for waste management companies. These increased costs would ultimately have to be passed on to households and businesses across the state at a time when many are already facing difficult economic challenges.

It is important to note the proposed surcharge would burden both public and private refuse disposal systems equally, increasing financial issues for local governments struggling to provide essential public services. The resulting rise in disposal fees could lead to higher rates of out-of-state waste disposal, greater collection and transportation costs, and added pressure on the operation of the State's recycling facilities. The program could also lead to greater environmental costs by shipping more waste to out-of-state disposal sites using fossil fuel-powered vehicles.

In summary, while Cockey's supports the objectives of promoting sustainable waste management practices, we believe as currently proposed the above referenced bills, would impose significant financial burdens on waste management companies, consumers, and local governments, all while potentially undermining the efficiency and effectiveness of the State's recycling infrastructure.

Sincerely,

Robert T. Singleton, Jr Chief Operating Officer Cockeys Enterprises, Inc.

HB1318-ET-LOC.pdf Uploaded by: Nina Themelis Position: INFO



BRANDON M. SCOTT MAYOR

Office of Government Relations 88 State Circle Annapolis, Maryland 21401

March 1, 2024

HB1318

TO: Members of the Environment and Transportation Committee

- **FROM:** Nina Themelis, Director of Mayor's Office of Government Relations
- **RE:** House Bill 1318 Solid Waste Disposal and Wasted Food Reduction and Diversion Programs Established

POSITION: Letter of Concern

Chair Korman, Vice Chair Boyce, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) supports opportunities to reduce or divert food waste from communities' waste streams as proposed in House Bill (HB) 1318 but does have some **concerns** regarding the imposition of a surcharge to fund this effort.

HB 1318 establishes a solid waste disposal surcharge on the final disposal of solid waste in the State. It would establish a solid waste disposal surcharge of \$2 per ton of solid waste processed by a refuse disposal system for final disposal. These surcharges would be used to establish grants for the On -The Farm Organics Diversion and Recycling Programs statewide. It will also establish the Wasted Food Reduction and Diversion Funds with the interest the surcharge will be accrued. This will allow the Department of the Environment to award grants to eligible entities, for infrastructure, programs, and education that will reduce, reduce, and divert wasted food in the state.

The BCA recognizes the importance of such programs and initiatives that can help change the way in which we manage food waste. Beginning in September 2018 Baltimore City worked with the Natural Resources Defense Council (NRDC) and the Rockefeller Foundation to establish a Food Matters pilot food waste management project. With technical support provided by NRDC the City was able to award approximately \$100,000 in grants to 11 nonprofits to support reducing food waste. A support network was also developed for community composting sites. A large consumer "Save the Food" Campaign focused on educating consumers about how to avoid food waste at the household level. Today the City has a free food scrap drop-off program for residents at its five (5) residential convenience centers. Food scraps collected at the Downtown Farmers Market and Bazaar and the Waverly Farmers Market are donated to local farmers for animal feed or for composting. Major food rescue and donation organizations continue their good work to get donated food in the hands of food-insecure residents.

The BCA agrees that more needs to be done to instill a culture of reducing food waste and diverting it from disposal in landfills and incinerators. While HB 1318 could provide those opportunities, the BCA is concerned that the proposed surcharge to fund the programs may apply to some local government solid waste activities, which could cost the City an estimated \$31,000 per month.

For the above reasons, the BCA asks the Committee to consider the potential fiscal implications on local governments while deliberating on HB1318.

Annapolis – phone: 410.269.0207 • fax: 410.269.6785 Baltimore – phone: 410.396.3497 • fax: 410.396.5136 https://mogr.baltimorecity.gov/

HB1318_Boyce_Amendment Uploaded by: Regina Boyce Position: INFO



HB1318/563120/1

BY: Delegate Boyce

(To be offered in the Environment and Transportation Committee)

AMENDMENT TO HOUSE BILL 1318 (First Reading File Bill)

On page 4, in line 4, after "**RECYCLES**" insert "<u>SOURCE-SEPARATED</u>"; in line 5, strike "**OR**"; in line 7, after "**SERVICEWARE**" insert "<u>;</u>

(6) PROVIDES LABOR AND WAGES IN SUPPORT OF WASTED FOOD PREVENTION, FOOD RESCUE, AND ON-FARM ORGANICS RECYCLING AND COMPOST USE;

(7) PROVIDES BEST MANAGEMENT PRACTICE TRAINING IN RELEVANT FIELDS BY A REPUTABLE TRAINING PROGRAM;

(8) <u>STUDIES THE IMPACTS OF COMPOST APPLICATION ON ON-</u> FARM NUTRIENT AND WATER QUALITY MANAGEMENT; OR

(9) ASSISTS IN THE PAYMENT OF APPLICABLE PERMIT APPLICATION COSTS.

(G) IN AWARDING GRANTS UNDER THE GRANT PROGRAM, THE DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF THE ENVIRONMENT, SHALL PRIORITIZE PROJECTS:

(1) FOR WHICH THE APPLICANT CLEARLY DESCRIBES HOW THE PROJECT WILL:

(I) <u>Provide direct</u>, <u>Meaningful</u>, <u>and Assured</u> <u>Benefits to the community; and</u>

AMENDMENTS PREPARED BY THE DEPT. OF LEGISLATIVE SERVICES

> 15 FEB 24 14:14:54

HB1318/563120/01 Amendments to HB 1318 Page 2 of 3 Boyce

(II) ADDRESS IMPORTANT COMMUNITY NEEDS;

(2) <u>THAT PREVENT, RESCUE, AND DIVERT WASTED FOOD WITHIN A</u> LOCAL COMMUNITY;

(3) THAT PLAN TO PRODUCE COMPOST THAT MEETS THE CLASSIFICATION OF "GENERAL USE" UNDER COMAR 15.18.04.05;

(4) THAT PLAN TO PRODUCE MINIMALLY CONTAMINATED COMPOST THROUGH:

- (I) **PROCESSING SOURCE-SEPARATED MATERIALS;**
- (II) NOT USING DEPACKAGERS; AND

(III) <u>MEETING THE U.S. COMPOSTING COUNCIL'S SEAL OF</u> <u>TESTING ASSURANCE</u>;

(5) THAT SERVE AN OVERBURDENED OR UNDERSERVED COMMUNITY;

(6) THAT MINIMIZE NEGATIVE IMPACTS TO THE LOCAL COMMUNITY; AND

(7) <u>THAT MAXIMIZE BENEFITS TO THE LOCAL COMMUNITY,</u> <u>INCLUDING:</u>

- (I) <u>THE CREATION OF JOBS;</u>
- (II) INCREASING JOB TRAINING; AND

HB1318/563120/01 Boyce Amendments to HB 1318 Page 3 of 3

(III) INCREASING HIRING AND LEADERSHIP DEVELOPMENT PRACTICES THAT ARE INCLUSIVE AND PROVIDE A LIVING WAGE";

and in lines 8 and 12, strike "(G)" and "(H)", respectively, and substitute "(H)" and "(I)", respectively.

On page 9, in line 18, strike "10%" and substitute "25%".