



Maryland Chapter

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**Committee: Economic Matters**

**Testimony on: HB98 – “Renewable Energy Portfolio Standard - Qualifying Biomass”**

**Position: Favorable**

**Hearing Date: February 20, 2020**

The Maryland Sierra Club submits this testimony in support of HB98, a bill to promote clean renewable energy by removing black liquor from the Renewable Portfolio Standard (RPS). The Sierra Club has long opposed inclusion of black liquor in the RPS as well as other combustion-based sources, and has supported the prioritization in the RPS of new, clean renewable energy resources like wind and solar.

Black liquor is a tarry, carbon-rich and harmful byproduct of the pulp and paper industry. It emits climate-disrupting CO<sub>2</sub> and other pollutants, including sulfur dioxide, arsenic and lead which cause serious damage to our climate and our residents' health.

The RPS is among our state's most important programs for substantially reducing our emissions of climate-disrupting greenhouse gases. The RPS' newly increased importance under the 2019 Clean Energy Jobs Act (CEJA) means it should be focused on incentivizing new, renewable energy facilities which will support Maryland's efforts to mitigate climate change.

Several recent developments provide further support for removing black liquor from the RPS:

- Black liquor is declining in importance: In 2007, black it was the largest energy resource in the RPS, accounting for 38% of the retired Tier 1 renewable energy credits (RECs).<sup>1</sup> A decade later, in 2017, black liquor was reduced to a 24% share, with over 90% coming from out of state.<sup>2</sup>
- In 2019, Maryland's only paper mill closed. However, Maryland remains the only state in the multi-state PJM grid to recognize black liquor as a Tier 1 RPS resource (Pennsylvania includes it as a Tier 2 resource).
- As noted, Maryland enacted the Clean Energy Jobs Act. Also last year, biomass electricity generation stopped growing nationwide.<sup>3</sup>

Removing black liquor from the RPS would lead to greater support for clean renewable energy. When dirty forms of energy are incentivized, they are treated like solar and wind energy and displace clean sources in the RECs market. Exclusion of black liquor would reduce the pool of RECs in PJM, which could be filled by truly clean, renewable energy.<sup>4</sup>

For all these reasons, we recommend a favorable report on this bill.

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<sup>1</sup> PSC, Renewable Energy Portfolio Standard Report (2009), <https://www.psc.state.md.us/wp-content/uploads/MD-PSC-Renewable-Energy-Portfolio-Standard-Report-of-2009-with-Data-for-Compliance-Year-2007.pdf>.

<sup>2</sup>PSC, Renewable Energy Portfolio Standard Report (2018), <https://www.psc.state.md.us/wp-content/uploads/FINAL-Renewable-Energy-Portfolio-Standard-Report-with-data-for-CY-2017.pdf>.

<sup>3</sup> Energy Information Administration, “Increases in electricity generation from biomass stop after a decade of growth,” (2019) <https://www.eia.gov/todayinenergy/detail.php?id=39052>

<sup>4</sup> Maryland Dept. of Natural Resources (2018), “2017 Inventory of Renewable Energy Generators Eligible for the Maryland Renewable Energy Portfolio Standard” <https://dnr.maryland.gov/pprp/Documents/DraftMDRPSInventory-4-30-18-Exeter-Associates.pdf>