



Maryland  
Energy  
Administration



**TO:** Members, House Economic Matters Committee  
**SUBJECT:** HB0875 – Electricity - Renewable Energy Portfolio Standard - Qualifying Biomass  
**DATE:** February 18, 2021

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#### **MEA POSITION: FWA**

The removal of “black liquor” from eligibility under Maryland’s Renewable Portfolio Standard was one of the many beneficial initiatives included in Governor Hogan’s Clean and Renewable Energy Standard (CARES) proposed in the 2020 Legislative Session.

Here it appears that House Bill 875 attempts to do the same, but in a fashion that is unnecessarily broad. This risks the commercial viability of forestry industry products other than black liquor, puts added pressure on an already beleaguered Maryland industry. Each and every wood manufacturing enterprise generates residues, whether a sawmill, flooring company, or architectural millwork. Residues are significant sources of revenues for all wood product manufacturers, and in the case of sawmills, the residues are very often the only sources of profits. If their respective residues are excluded from markets, manufacturers incur greater additional costs and will be forced to dispose of their residues in landfills, driving the release of methane into the atmosphere. Historically, 15% of mill residues become fuel, and the State’s drive to bring more combined-heat-and-power (CHP) systems online would increase that share greatly. Eliminating mill residues unrelated to black liquor from the emerging market of renewable energy would further inhibit growth and investment in this critical sector.

The Maryland Energy Administration and Maryland Department of Natural Resources encourage the committee to amend the bill, so that the relevant portion of PUA § 7-701 would be in the same posture as it is in the Third Reader version of Senate Bill 65.

The Maryland Energy Administration and Maryland Department of Natural Resources thank the committee for its attention to this matter, and urge a **favorable report as amended**.