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January 29, 2021

Delegate Dereck E. Davis, Chairman House Economic Matters Committee 6 Bladen Street, Room 231 Lowe House Office Building Annapolis MD 21401

DELIVERING THE ESSENTIA

Re: SUPPORT - HB 561 - Renewable Energy Portfolio Standard - Wastewater, Thermal, and Other Renewable Sources

Chairman Davis and Members of the Committee:

The Washington Suburban Sanitary Commission (WSSC Water) is the largest water and wastewater utility in Maryland, with nearly 5,844 miles of fresh water pipeline and over 5,610 miles of sewer pipeline. Our service area spans nearly 1,000 square miles in Montgomery and Prince George's Counties, and we serve 1.8 million residents through approximately 475,000 customer accounts.

HB 561 expands "Tier 1" of the State's Renewable Energy Portfolio Standard (RPS) to include raw or treated wastewater used as a heat source or heat sink for a heating or cooling system. The bill allows methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant to be used to generate thermal or mechanical energy; under the current RPS, methane from anaerobic decomposition must be used to generate electricity to qualify as a Tier 1 source,

Passage of this bill will indirectly benefit WSSC Water because we are DC Water's largest customer: on average, they process 118 million gallon per day of our system's wastewater at their Blue Plains Wastewater Treatment Plant ("Blue Plains"). This represents nearly two-thirds of all wastewater in our system and 42% of all the wastewater treated at Blue Plains. Under the bill, RECs generated at Blue Plains and other facilities can be sold to electric companies and energy suppliers in Maryland to mitigate their use of non-renewable energy sources. DC Water's RECs sales could result in additional revenue that may offset operating costs at Blue Plains and could potentially mitigate increases in or even reduce fees charged to WSSC Water.

WSSC Water requests a **FAVORABLE** report for HB 561 given the potential positive financial impacts on the Commission and adherence to our values of environmental stewardship and innovation.

If you have any additional questions, please contact Guy Andes, Government Relations Manager at (240) 917-5356 or Guy.Andes@wsscwater.com.

Sincerely,

Karyn A. Kile

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