



**Maryland**  
Energy  
Administration



**TO:** Members, Senate Finance Committee  
**SUBJECT:** SB0065 – Electricity - Renewable Energy Portfolio Standard - Qualifying Biomass  
**DATE:** January 21, 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 Senate Bill 65 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 (see pg. 3), so that the relevant portion of PUA § 7-701 would be in the same posture as it was introduced in CARES; leaving subsection (l)(1)(i) unmolested, in favor of altering subsection (l)(3).

MEA and DNR have included a copy of the appropriate CARES text, and urge a **favorable report as amended** for Senate Bill 65.

(1) (1) “Qualifying biomass” means a nonhazardous, organic material that is available on a renewable or recurring basis, and is:

(i) waste material that is segregated from inorganic waste material and is derived from sources including:

1. except for old growth timber, any of the following forest-related resources:

A. mill residue, except sawdust and wood shavings;

B. precommercial soft wood thinning;

C. slash;

D. brush; or

E. yard waste;

2. a pallet, crate, or dunnage;

3. agricultural and silvicultural sources, including tree crops, vineyard materials, grain, legumes, sugar, and other crop by-products or residues; or

4. gas produced from the anaerobic decomposition of animal waste or, poultry waste; or

(ii) a plant that is cultivated exclusively for purposes of being used at a Tier 1 renewable source or a Tier 2 renewable source to produce electricity.

(2) “Qualifying biomass” includes biomass listed in paragraph (1) of this subsection that is used for co-firing, subject to § 7-704(d) of this subtitle.

(3) “Qualifying biomass” does not include:

(i) unsegregated solid waste or postconsumer wastepaper; [or]

(ii) **BLACK LIQUOR; OR**

**(III)** an invasive exotic plant species.