



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Finance

Testimony on: SB65 – “Renewable Energy Portfolio Standard - Qualifying Biomass”

Position: Favorable

Hearing Date: January 21, 2021

The Maryland Sierra Club submits this testimony in support of SB65, 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 CO₂ 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' 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 liquor was the largest energy resource in the RPS, accounting for 38% of the retired Tier 1 renewable energy credits (RECs).ⁱ Now, according to the most recent data provided by the Public Service Commission (for 2019), black liquor has been reduced to a 23% share, with 98% coming from out of state.ⁱⁱ
- In 2019, Maryland's only paper mill closed. 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).

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.

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 75,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

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

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ⁱ 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>.

ⁱⁱPSC, Renewable Energy Portfolio Standard Report (2020), <https://www.psc.state.md.us/wp-content/uploads/CY19-RPS-Annual-Report-Final-1.pdf>.