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Date: March 2, 2022

To: Members of the House Economic Matters

From: Holly Porter, Executive Director

Re: HB 11 - Renewable Energy Portfolio Standard - Tier 1 Renewable Sources - Alterations (Reclaim

Renewable Energy Act of 2022) - OPPOSE

Delmarva Chicken Association (DCA) the 1,600-member trade association representing the meat-chicken growers, processing companies and allied business members on the Eastern Shore of Maryland, the Eastern Shore of Virginia, and Delaware opposes HB 11 and asks for an unfavorable position.

HB 11 alters the definition of "Tier 1 renewable source" for purposes of excluding energy derived from qualifying biomass, methane from anerobic decomposition of animal waste or poultry waste, poultry litter-to-energy, waste-to-energy, refuse-derived fuel, and thermal energy from a thermal biomass system from being eligible for inclusion in the renewable energy portfolio standard.

For numerous years, many of the same proponents to this bill have been claiming that there is excess litter on the Eastern Shore of Maryland and that farmers should not be using it as the valuable locallyproduced, slow-release organic fertilizer that it is for concerns of polluting local waterways and the Chesapeake Bay. While DCA does not agree with those claims, we do support any initiatives that would increase the value of this product to our growers. And we support alternative energy uses for other processing wastes.

In 2013, with support by the Maryland legislature, the Animal Waste Technology Fund was created through the Maryland Department of Agriculture to provide grants to companies that demonstrate new technologies on farms and provide alternative strategies for managing animal waste, including generating energy. HB 11 would have a negative effect on this program, removing the ability for companies to utilize the Tier 1 renewable energy credits (RECs) as part of their business model. This could also result in the state not being able to achieve its nutrient reduction goals for the Chesapeake Bay.

Technology on litter-to-energy and anerobic digestion projects has advanced greatly over the past decade. To have another alternative for both litter and/or processing or food waste not only benefits the environment, but also helps with the state's goals of renewable energy and is a win for everyone. The Greenhouse Gas Emissions Reduction Act Plan requires reducing GHG emissions by 50% before 2030 (and currently there is legislation to increase that percentage) and replacing fossil fuel systems with clean, renewable energy. By removing the options of using anerobic digestion or litter-to-energy, the state will continue to increase what goes to landfills, increasing methane emissions from landfills and CO2 emissions from transportation, and the amount of fossil fuels that are imported into the state.

Some groups have claimed that these types of "dirty projects" will allow the chicken community to increase the production of waste or litter. However, chickens are not grown on the Eastern Shore of Maryland for the litter; chicken is not harvested at plants on the Delmarva for the processing waste.







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Delmarva has actually seen a 3.4% decrease over the past 20 years of chickens processed with the closing of processing plants on Delmarva, not new ones opening. The ability to have litter-to-energy projects or anerobic digestion is a solution, not a problem.

DCA urges an **unfavorable** vote on HB 11.

Should you have any additional questions, please feel free to contact me at porter@dcachicken.com or 302-222-4069 or Nick Manis, Manis Canning & Associates, 410-263-7882.



