



PO Box 2710 • Manassas, VA 20108-0875 • (703) 335-0500

TO: The Honorable C.T. Wilson, Chair
Members, House Economic Matters Committee
The Honorable Vaughn Stewart

FROM: Michael J. Dailey, Vice President, Energy & Business Development **Michael J. Dailey** Digitally signed by Michael J. Dailey
Date: 2023.02.27 08:41:22 -05'00'

DATE: March 9, 2023

RE: *OPPOSE – House Bill 718 – Renewable Energy Portfolio Standard – Eligible Sources – Alterations (Reclaim Renewable Energy Act of 2023)*

Northern Virginia Electric Cooperative (NOVEC) is a member-owned electric distribution cooperative headquartered in Manassas, VA. NOVEC provides reliable electric service to more than 176,000 homes and businesses in Clarke, Fairfax, Fauquier, Loudoun, Prince William, and Stafford counties, and serves a portion of its members' energy requirements through the operation of its waste-wood fueled biomass electric generating facility in Halifax County, Virginia. NOVEC opposes House Bill 718 for the reasons set forth below.

House Bill 718 would limit the definition of a Renewable Energy Portfolio Standard (RPS) – TIER 1 Renewable Resource by excluding “waste-wood” biomass as a qualified biomass. The Maryland General Assembly correctly excluded black-liquor biomass in a previous session but taking that even further to exclude waste-wood biomass would be a grave mistake in terms of its impact on the forest industry, the environment, and the Maryland economy.

Waste-wood biomass is an important part of proper forest management and timber production and provides a mechanism to manage municipal yard waste instead of delivering the waste products to landfills or disposing of them through open-air fires. The burning of these woody waste products in open fires results in the release of uncontrolled pollutants including greenhouse gas constituents. In contrast, having the wood-waste byproduct delivered as fuel to a biomass facility results in a controlled burn action that reduces pollutants to acceptable air quality standards as well as providing desired renewable electricity.

The removal of wood waste from timbered lands allows landowners to replant 100% of the land surface, helping to keep the forest healthy and viable. Additionally, the ash created from the combustion process can be captured and spread over agricultural lands and timbered lands as a soil amendment that acts as a liming agent and provides additional natural nutrients back into the soil. The application of this ash has been shown to increase the production of crops on fields where it has been applied as compared to those that had lime applied.

Finally, excluding waste-wood biomass plants from outside of Maryland, like NOVEC's, would limit the number of qualified renewable resources eligible to serve the Maryland RPS, increasing the likelihood of higher Renewable Energy Certificate (REC) prices being paid by Marylanders.

For these reasons, NOVEC urges an unfavorable report on House Bill 718.

Business Center

10323 Lomond Drive
Manassas, VA 20109-3113

Corporate Center

10432 Balls Ford Road, Suite 220
Manassas, VA 20109-2516

Technical Center

5399 Wellington Branch Drive
Gainesville, VA 20155-4004

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