

To: The Honorable C.T. Wilson
Economic Matters Committee

From: Bioenergy Devco

Subject: House Bill 718, Renewable Energy Portfolio Standard - Eligible Sources - Alterations (Reclaim Renewable Energy Act of 2023)

Date: March 9, 2023

Position: Unfavorable

Bioenergy Devco opposes House Bill 718, Renewable Energy Portfolio Standard - Eligible Sources - Alterations (Reclaim Renewable Energy Act of 2023).

This testimony is offered on behalf of Bioenergy Development Company (BDC), an international leader in anaerobic digestion solutions with over 24 years of experience. BDC's exceptional team of engineers, microbial experts, biologists, chemists, agronomists, construction designers and facility managers are dedicated to delivering an environmentally sound solution that creates a true source of renewable, carbon-negative energy as well as a high nutrient soil amendment.

Bill Summary: This bill removes gas produced from the anaerobic digestion of animal or poultry waste as a qualifying biomass (see page 4, lines 6-7). Methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant (see page 6, lines 18-19) is retained in Tier 1.

What is Anaerobic Digestion? Anaerobic digestion (AD) is a natural, completely enclosed process in which bacteria break down organic waste (e.g. food waste, manures, etc.) in the absence of oxygen. The purpose of AD is three-fold:

- Divert organic waste from our municipal solid waste stream and prevent environmental and social impacts such as GHG emissions associated with landfills and incinerators,
- Produce biogas, which can be used locally to generate heat and / or electricity in a combined heat and power plant or processed into renewable natural gas and integrated into our energy grid.

- Produce digestate, an organic soil amendment that increases soil fertility and crop yields by returning carbon and nutrients back to soil

Concerns:

1. “Qualifying Biomass” According to the United States Environmental Protection Agency, anaerobic digestion of poultry manure in the United States has many environmental and economic benefits, including renewable energy production and reduced greenhouse gas emissions. Poultry manure is the nation's third largest source of methane from livestock manure management. Biogas from these feedstocks is an essential part of a national carbon reduction strategy because of its potential to prevent methane emissions from the management of wet wastes at landfills, farms, and wastewater treatment plants. These three sources constituted 30 percent of methane emissions and 3 percent of total U.S. GHG emissions. Eliminating this seems counterintuitive to our climate mitigation goals.

2. Food Waste Food scraps, fats, oils and spoiled products are among the most economical and environmentally responsible energy sources. In fact, this General Assembly has acknowledged the environmental benefits of food waste with the passage of HB 264 in 2021, which requires any entity that generates at least 2 tons of “food residuals” each week to recycle that waste at a qualified facility. This bill creates an important economic opportunity in the State driving investment not only by BDC, but others exploring opportunities for sustainable waste management and renewable energy production to the state. Yet, current law neglects food waste as an allowable Tier 1 source. This should be addressed.

Locally, BDC has commissioned its first North American Anaerobic Digestion facility in Jessup, Maryland. This AD captures 115,000 tons per year of organic food waste materials that would otherwise be headed to landfills and incineration. The resulting 26,000 tons of carbon dioxide saved from the atmosphere each year has the same environmental impact that a forest area 56 times the size of Central Park provides. This facility will produce an estimated 20,000 tons of rich, fertile soil amendment for agricultural and other land use and more than 275,000 MMBTU’s per year of renewable energy. This translates to approximately 30,000 equivalent tons of CO₂ removed from the atmosphere. Energy produced by this facility translates to:

- Annual electricity consumption of 6,635 US households
- 1,978,417 gallons of diesel fuel
- 11 million miles of tractor trailer fuel

Unfortunately, House Bill 718 neglects to add to Tier 1 methane from food waste facilities.



For these reasons, Bioenergy Devco respectfully requests an unfavorable report on House Bill 718.

Please contact Aaron J. Greenfield at 410.446.1992, if you have any questions