

FAVORABLE – House Bill 1417
Establishing a Clean Energy Procurement Program in the Department of General Services
House Economic Matters Committee

Columbia Gas of Maryland, Inc., a natural gas utility providing energy to more than 34,000 customers in Maryland's western counties of Allegany, Garrett and Washington, supports House Bill 1417. Columbia supports public policies promoting an environment of innovation, research, development and deployment needed for greenhouse gas emissions reductions in Maryland that maintain customer affordability and system reliability.

The legislation requires the Maryland Department of General Services, in consultation with the Maryland Green Purchasing Committee, the University System of Maryland and the Maryland Clean Energy Center to establish a Clean Energy Procurement Program in the Department. The purpose of the program is to procure biogas for use as a fuel in Maryland's transportation and building sectors and to evaluate the environmental and economic benefits and costs of replacing fossil natural gas with biogas, on a short-term and long-term basis, in furtherance of the state's net-zero statewide greenhouse gas emissions reduction goals.

Biogas is a reliable waste-derived fuel that can be used to power homes, businesses and even vehicles. It is made by capturing and refining gases released from decomposing organic waste material. Every community in Maryland produces waste. As that waste breaks down, it emits methane, which is a naturally occurring greenhouse gas. Biogas projects capture this methane from existing food waste, animal manure, wastewater sludge and garbage, and redirect it away from the environment, repurposing it as an ultra-low to zero-carbon renewable energy source.

Because biogas uses methane emissions that would otherwise be emitted into the atmosphere, it is considered a carbon-neutral fuel. Biogas is ready to use in existing natural gas infrastructure and can be injected into pipelines to immediately begin reducing natural gas carbon content. In a recent study by ICF, a global consulting and technology services company, Maryland has the potential feedstock to produce enough biogas to replace 1/3 of the natural gas used in the state. Use of biogas can make meaningful progress towards decarbonization, especially in hard-to-decarbonize sectors such as heavy-duty transportation or industrial facilities that require high-temperature heat for industrial processes. Such industries could use biogas to reduce their carbon footprint. Further, biogas can be used in existing natural gas equipment, allowing decarbonization without the need to replace or retrofit systems. Studies have shown that biogas can be a lower cost way to decarbonize heating systems.

Columbia Gas of Maryland believes the requirements of House Bill 1417 are appropriately and reasonably crafted policies related to the creation of a Clean Energy Procurement Program. Studying biogas to determine if it can be a cost-effective and reasonably priced addition to Maryland's energy mix, creating an even larger "all of the above approach" to reduce greenhouse gas emissions to meet Maryland's ambitious climate goals, is an idea worth examining. Columbia supports the legislation.

March 13, 2025

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