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COMMITTEE: ECONOMICS MATTER

TESTIMONY ON: HB1036 PUBLIC UTILITIES – GENERATING STATIONS – GENERATION AND SITING (RENEWABLE ENERGY CERTAINTY ACT)

POSITION: SUPPORT WITH AMENDMENTS

HEARING DATE: FEBRUARY 28, AT 1:30PM

WASHINGTON GAS RESPECTFULLY SUBMITS THIS STATEMENT IN **SUPPORT with amendments** to *HB1036 – Renewable Energy Certainty Act* (“HB1036”).

Background

The Maryland General Assembly is considering HB1036, the Renewable Energy Certainty Act, to streamline processes for the development and siting of solar energy generating stations and energy storage devices, thereby enhancing Maryland’s renewable energy capacity.

Position

The Company supports the goals of HB1036 on the basis that there is no direct impact to the ability to continually invest in natural gas infrastructure. This bill is squarely focused on reducing the burdens associated with siting solar generation, and several of the provisions concerning siting, interconnection, and coordination with state agencies may also be applicable to biogas facilities as well.

Biogas facilities process organic waste materials to produce biogas, which can be used as a renewable energy source. Investing in ready-now solutions like renewable natural gas (RNG) can accelerate the State’s efforts to reduce greenhouse gas (GHG) emissions.

- **RNG is a fully interchangeable lower-carbon alternative to conventional natural gas.** According to the United States Department of Energy, RNG is a pipeline-quality gas that is fully interchangeable with conventional natural gas. RNG is essentially biogas (the gaseous product of the decomposition of organic matter) that has been processed to pipeline standards.¹ Capturing, treating, and upgrading RNG from sources of organic matter, including landfills, wastewater treatment facilities, organic food waste, and agricultural operations, to pipeline-quality gas can significantly reduce GHG emissions from the State’s

¹ DOE [Alternative Fuels Data Center](#)

waste and agriculture sectors.² The waste sector accounts for a significant portion of the State’s GHG emissions; landfills and wastewater treatment plants accounted for approximately 7 million metric tonnes of CO₂e, or approximately 8% of the State’s gross GHG emissions, as of 2020.³ The Maryland Department of the Environment (MDE) recently found that landfills were the single largest source of methane emissions in Maryland, and that these emissions have been historically underestimated and are approximately four times higher than previously thought.⁴ MDE recently published a final regulation for control of landfill gas emissions from municipal solid waste (MSW) landfills in 2023⁵ establishing support for specific, predictable, and achievable reduction in GHG targets for waste products which can unlock private/public investment and preserve customer energy affordability for alternate fuels. The agriculture sector accounted for 4% of the State’s GHG emissions in 2020, and MDE projects these emissions to be relatively constant through 2050 with few abatement options identified.⁶

- **Supporting utility investment in RNG projects can help environmental justice areas.** According to the Rocky Mountain Institute, “many landfills and incinerators directly impact disadvantaged communities and an analysis utilizing United States Environmental Protection Agency’s Environmental Justice Screening and Mapping Tool (EJScreen) found that 54 percent of landfills reporting to the Greenhouse Gas Reporting Program have communities within one mile of the landfill that exceed the national average for either people of color or those with low incomes.”⁷ Procuring RNG and building RNG projects in Maryland can achieve GHG emission reductions, divert negative impacts from disadvantaged communities, and support the development of lower-carbon fuels for a variety of end uses.
- **RNG can support energy security and energy system resiliency.** Maryland procures the vast majority of its natural gas from out-of-state sources. RNG can provide an additional source of local supply, potentially creating resiliency benefits in the case of system disruption.
- **RNG can be used as a lower-carbon transportation fuel.** Natural gas vehicle fuel can help to reduce GHG emissions by ~27% relative to diesel and using RNG can help fleets reach negative GHG emission levels.⁸ Using RNG can provide a cost-effective solution to decarbonizing heavy transport. For heavy-duty vehicles, natural gas vehicles fueling with RNG can be a more cost-effective option than battery-electric technology at reducing GHG emissions.
- **RNG can create significant economic opportunities for the State.** Capturing otherwise lost methane can provide an additional source of revenue to municipal facilities, including

² EPA. [Renewable Natural Gas](#) (Aug. 3, 2023).

³ MDE. [2020 Greenhouse Gas Inventory](#) (Sep. 24, 2022). In the ‘Summary’ tab, emissions from “Landfills” and “Wastewater Management” add to 7.21748 million metric tonnes of CO₂e, which corresponds to 8.4856% of Gross Emissions, which was 85.05523 million metric tonnes of CO₂e. All numbers use a 20-year GWP.

⁴ MDE. [Climate Pollution Reduction Plan](#) (Dec. 28, 2023). Page 52

⁵ Maryland Code. [Section 26.11.42.04 - Requirements for Municipal Solid Waste \(MSW\) Landfills](#) (Feb. 9, 2024).

⁶ MDE. [Climate Pollution Reduction Plan](#) (Dec. 28, 2023). Pages 58-59

⁷ Rocky Mountain Institute. [Priority Climate Action Plan Guide: Organic Waste & Landfill Methane Strategies](#) (2022).

⁸ Cummins. [Natural Gas Engines vs Diesel Engines](#) (May 4, 2022)

landfills and wastewater treatment, as well as agricultural operations. It can also create useful co- and by-products, such as high-quality fertilizers.⁹

Conclusion

At Washington Gas Light, our core values are safety, collaboration, integrity, inclusion, and learning. The Company supports Maryland's goals to meet its greenhouse gas reduction targets while enhancing energy reliability and minimizing ratepayer impacts and is committed to working with stakeholders to help achieve Maryland's GHG emissions reduction targets. RNG can be used to help reduce GHG emissions from current uses for natural gas while it remains an important part of the State's energy system. Natural gas is currently used to provide energy to the residential, commercial, industrial, and transportation sectors and most analyses today indicate this will continue to be the case for decades to come.

HB1036 supports the accelerating of solar energy generating stations and energy devices development to enhance Maryland's renewable energy capacity. The State's existing natural gas infrastructure can and should be leveraged to preserve affordability, reliability, safety, and security of energy delivery. Washington Gas is an innovative company and is supportive of leveraging its unique talent and expertise to provide alternative energy sources and believes the inclusion of biogas facilities has the potential to offer several benefits to its Maryland customers.

Thank you for your consideration of this information.

ADDENDUM: PROPOSED AMENDMENTS

- Add a definition for "biogas facility" to ensure clarity and inclusion in the bill

“(X) "Biogas Facility" means a facility that processes organic waste materials to produce biogas, which can be used as a renewable energy source.”

- Amend Section 7-207(e)(1) detailing generating stations to explicitly include biogas facilities:

"the recommendation of the governing body of each county or municipal corporation in which any portion of the construction of the generating station, biogas facility, overhead transmission line, or qualified generator lead line is proposed to be located;"

- Amend Section 7-207(d)(1)(i) to include biogas facilities in the public hearing requirements to ensure community involvement and transparency:

⁹ CleanBay Renewables. [Home](#) (2023). CleanBay's poultry litter RNG facilities can create tons of **natural, controlled-release fertilizer** with humic acid for farmers in our watershed to better **meet the region's agricultural needs** and **reduce phosphorous runoff**.

"The Commission shall provide an opportunity for public comment and hold a public hearing on the application for a certificate of public convenience and necessity in each county and municipal corporation in which any portion of the construction of a generating station, biogas facility, an overhead transmission line designed to carry a voltage in excess of 69,000 volts, or a qualified generator lead line is proposed to be located."

- Amend Section 7-218(H)(1) to ensure biogas facilities are considered in local jurisdiction planning and coordination efforts:

"A local jurisdiction may not adopt zoning laws or other laws or regulations that prohibit the construction or operation of solar energy generating stations or biogas facilities;"

- Amend Section 2(b)(2) to include biogas facilities in the partnerships and interconnection processes to promote their development:

"require that a generating station or biogas facility constructed by a partnership be connected to the electric distribution system in the State;"

- Amend Section 7-207(e)(2)(vi) to ensure biogas facilities are included in environmental impact assessments and regulatory considerations:

"when applicable, air quality and water pollution impacts from generating stations, biogas facilities, or qualified generator lead lines;"

About Washington Gas Light

Washington Gas Light Company ("the Company") provides safe, reliable natural gas service to more than 1.2 million customers in Maryland, Virginia, and the District of Columbia. Washington Gas has been providing energy to residential, commercial, government, and industrial customers for more than 176 years, and currently serves more than 500,000 Maryland customers in Montgomery, Prince George's, Charles, St. Mary's, Frederick, and Calvert Counties. The Company employs over 400 people within Maryland, including contractors, plumbers, union workers, and other skilled tradespeople. We strive to improve the quality of life in our communities by maintaining a diverse workforce, working with suppliers that represent and reflect the communities we serve, and giving back through our charitable contributions and employee volunteer activities. The Company, together with other natural gas distribution utilities, are responsible for delivering the primary source of heat to Maryland residential energy consumers, serving approximately one half of all Maryland households while providing critical energy

services to residential, commercial, and industrial customers at one-third the cost of electricity on a per unit basis.¹⁰

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¹⁰ DOE. [Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy](#) (Aug. 28, 2023).