

March 13, 2026

The Honorable Marc Korman  
House Environment and Transportation Committee  
250-251 Taylor House Office Building  
Annapolis, Maryland 21401

**RE: Favorable with Amendments: HB 1572 Renewable Energy Portfolio Standard – Eligible Sources – Waste-to-Energy**

Dear Chairman Korman and Members of the Committee:

Domtar Corporation submits this testimony **in support of House Bill 1572, favorable with amendments**. HB 1572 reopens the statutory definition of Tier 1 renewable sources under Maryland's Renewable Energy Portfolio Standard (RPS). Domtar urges the Committee to use this legislative opportunity not only to expand eligible sources, but also to correct the unintended consequences of prior RPS changes enacted under Chapter 673 (2021), which removed certain forms of woody biomass specifically black liquor and other mill-based byproducts from Tier 1 eligibility.

About Domtar: Domtar is a major North American producer of paper, pulp, packaging, tissue products, wood products, and absorbent hygiene products, employing nearly 14,000 people across the United States, Canada, and Europe. Since 2013, Domtar has supplied Renewable Energy Credits (RECs) into Maryland's RPS from qualifying facilities in Kingsport, Tennessee and Plymouth, North Carolina.

In 2021, the General Assembly enacted changes to the RPS through Chapter 673 that removed black liquor and any product derived from black liquor from Tier 1 eligibility. At the time, Domtar submitted written testimony warning that removing qualifying biomass would constrain REC supply and increase costs for Maryland ratepayers. Domtar specifically cautioned that because RPS demand is set by statute, reducing supply diversity would predictably place upward pressure on Tier 1 REC prices. Domtar further testified that mill-based biomass resources had historically contributed to lower REC prices when they were permitted to participate, and that their removal would disproportionately impact residential and low-income ratepayers. Chapter 673 was ultimately enacted, and the eligibility of black liquor was removed notwithstanding those concerns.

Domtar's 2021 testimony anticipated that narrowing the pool of Tier 1 resources would increase compliance costs borne by ratepayers. Since the removal of woody biomass and black liquor from the RPS, Maryland has experienced continued upward pressure on Tier 1 REC prices,

consistent with Domtar’s earlier testimony that reducing supply options in an inelastic market increases costs.

While HB 1572 does not itself address biomass eligibility, it presents a timely opportunity to rebalance the RPS by restoring a proven, reliable renewable resource that previously helped moderate costs. Domtar supports HB 1572’s effort to expand Tier 1 eligibility by including additional forms of energy recovery, such as waste-to-energy. However, expanding eligibility without restoring previously removed qualifying biomass risks perpetuating the same supply imbalance that has contributed to higher costs since Chapter 673 (2021) was enacted.

To accomplish this, Domtar respectfully requests adoption of the following amendment to the Public Utilities Article §7–701(l)(1)(i):

***“For purposes of Tier 1 renewable sources, ‘qualifying biomass’ shall include energy derived from black liquor, spent pulping liquors, wood waste, and other biomass-based byproducts suitable for energy recovery.”***

This amendment restores eligibility for woody biomass, a resource that was previously recognized under Maryland law and that Domtar has long demonstrated operate reliably, efficiently, and in support of sustainable forest management. HB 1572 presents the General Assembly with an opportunity not only to expand Tier 1 renewable sources, but also to correct a prior policy change that has contributed to higher costs for Maryland ratepayers.

By restoring eligibility for black liquor and similar mill-based biomass through a targeted amendment, the Committee can strengthen the RPS, improve cost containment, and reaffirm the importance of a diverse and balanced renewable portfolio.

For these reasons, Domtar respectfully urges the Committee to issue a **favorable report with amendments** on House Bill 1572.

Respectfully,



Jan Martin  
Sr. Director, State and Regional Public Affairs

Domtar is a leading provider of communication, specialty and packaging papers, market pulp, tissue products, wood products, and absorbent hygiene materials. We are the market leader in North America in uncoated freesheet papers (office writing and printing papers) with 14,000 employees serving more than 50 countries around the world.