

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 447 (Senator Carozza, *et al.*)
Education, Energy, and the Environment

Anaerobic Digestion Workgroup

This bill establishes an Anaerobic Digestion Workgroup, staffed by the Maryland Department of Agriculture (MDA). The workgroup must report its findings and recommendations to the Governor and the General Assembly by December 30, 2023. **The bill takes effect June 1, 2023, and terminates June 30, 2024.**

Fiscal Summary

State Effect: None. Expense reimbursements for workgroup members and staffing costs for MDA can be absorbed within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The workgroup must:

- study the current regulations regarding anaerobic digestion;
- study the process of anaerobic digestion;
- identify and examine categories of digestate produced during anaerobic digestion;
- identify and examine appropriate uses to recycle the digestate produced during anaerobic digestion;
- identify and examine options for incentivizing the use of the digestate produced during anaerobic digestion as agricultural fertilizer and manufactured topsoil;

- identify the infrastructure needs for the responsible construction of an anaerobic digestion facility; and
- make recommendations regarding the requirements for the responsible construction and operation of an anaerobic digestion facility.

A member of the workgroup may not receive compensation but is entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget.

Current Law: State laws that address or account for anaerobic digestion, or digestate produced during anaerobic digestion, include:

- *Maryland Commercial Fertilizer Law* – Digestate produced by anaerobic digestion that is incorporated into the soil is included under the definition of “soil conditioner.” Soil conditioners are regulated along with commercial fertilizers under the Maryland Commercial Fertilizer Law and are subject to registration and labeling requirements and other specified regulatory authority of the Secretary of Agriculture.
- *Renewable Energy Portfolio Standard (RPS)* – Anaerobic digestion is recognized as an eligible renewable energy source under the RPS. The RPS requires electric companies and other electricity suppliers to submit renewable energy credits – generated for eligible renewable energy sources – equal to a percentage of their retail electricity sales specified in statute each year or pay an alternative compliance payment equivalent to their shortfall.
- *“Organics Recycling”* – Anaerobic digestion is included under the definition of “organics recycling” under the Environment Article of the Maryland Code. Chapters 439 and 440 of 2021 require certain generators of large quantities of “food residuals” to separate the food residuals from other solid waste and ensure that the food residuals are diverted from final disposal in a refuse disposal system by, among other options, providing for the collection and transportation of the food residuals for processing in an organics recycling facility. The term “anaerobic digestion” means the controlled anaerobic biological decomposition of organic waste material to produce biogas and digestate.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 847 (Delegate Stein) - Environment and Transportation and Economic Matters.

Information Source(s): Maryland Department of Agriculture; Maryland Department of the Environment; Department of Legislative Services

Fiscal Note History: First Reader - February 13, 2023
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