



Testimony Supporting HB11  
House Economic Matters Committee  
March 4, 2022

Position: Support

Dear Chair and Members of the Committee,

As a resident of Poolesville, Maryland and Executive Director of Public Employees (PEER) for Environmental Responsibility, I am writing to express my support for HB11.

PEER is a national organization that works with current and former public employees throughout the country to improve environmental protections. We also represent environmental whistleblowers.

Last month PEER conducted a study of Maryland's Renewable Portfolio Standard (RPS). We estimate that Maryland residents will pay about \$500 million dollars subsidizing dirty energy sources between 2008 and 2030 under Maryland's RPS. Under the RPS, energy providers can continue to buy electricity produced from fossil fuels if they buy Renewable Energy Credits (RECs) from sources defined as renewable under the RPS. Unfortunately, many of these sources are as bad or worse for the climate than burning fossil fuels and most of these energy sources are from out-of-state and do not provide benefits to Maryland ratepayers of the economy.

In fact, Virginia ratepayers are the big winners in subsidies from Maryland ratepayers.

Here are some of our findings:

- From 2014 through 2020, Maryland power providers have spent more than \$26 million subsidizing operations of a Virginia utility by buying the RECs from its biomass facility—a source Virginia considers [too dirty to qualify](#) for its own recently-enacted RPS.
  - Just three trash incinerators provided 11.8% of Tier 1 RECs in 2020, and all are major polluters—so much so that county leaders want to shutter the facilities in [Baltimore](#) and [Montgomery County](#), while a plant in [Fairfax County](#), Virginia is considered one of the top sources of pollution in the Washington, DC area.
  - RECs from “other biomass gas” subsidize operations at the Blue Plains wastewater treatment plant in Washington, DC, including its sale of a toxics-laden fertilizer [containing high levels of PFAS](#) made from sewage sludge.
  - The multinational paper company WestRock has earned substantial sums of money from biomass and black liquor RECs sold to Maryland from its paper mills in Virginia, even though the electricity it generates from burning these waste products is used to power its own factories. Westrock and other paper mills in Virginia, North
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Carolina and elsewhere are regularly cited for their air and water pollution violations, even as they earn millions of dollars every year from an RPS meant to support clean energy.

- A Kentucky company operates a biomass cogeneration facility to- powers its manufacture of wood moldings and other interior finishes. A small amount of surplus electricity is sold to its local utility. A spokesman for the company was [quoted in the local newspaper](#) as saying the system produced net savings of about \$1.2 million in 2014 and 2015, with rates of return even higher at other times. Part of that savings comes thanks to Maryland ratepayers, who pay for the company's RECs even though they get no electricity or other benefit from the scheme.
- For years the town of Oberlin, Ohio, bought electricity from a local landfill gas facility to serve its residents, then sold the RECs to Maryland providers so it could lower rates for its own customers. Recently the landfill operator [decided to shut down](#) the generator, saying electricity from landfill gas can't compete economically with other sources. Now it is planning to build a new facility that, rather than produce electricity, will consume massive amounts of electricity to refine the landfill methane into pipeline quality gas it can market as "renewable natural gas" —the latest scheme to part clean energy customers from their money.

Today, the Maryland economy is under tremendous pressure from the COVID-19 pandemic, and many residents struggle to pay utility bills. Maryland [electricity prices](#) averaged 13.3 cents per kilowatt-hour in September 2021, a 3 percent increase from September 2020 and above the average for other states in its South Atlantic peer group. For the reasons outline above and to better ensure that Maryland reaches its climate goals, we strongly support HB11.