



March 4, 2022

HOUSE ECONOMIC MATTERS COMMITTEE
HB 11 – Renewable Energy Portfolio Standard – Tier 1 Renewable Source – Alterations
(Reclaim Renewable Energy Act of 2022)

Statement in Opposition

Chesapeake Utilities Corporation (“Chesapeake Utilities”) respectfully **OPPOSES** certain provisions contained in HB 11. Among other things, HB 11 (1) seeks to alter the definition of the State’s “Tier 1 renewable source” for purposes of excluding energy derived from qualifying biomass and methane from the anaerobic decomposition of organic materials and (2) will prevent economic development and future jobs.

Chesapeake Utilities operates natural gas local distribution companies that serve approximately 31,000 customers on Maryland’s Eastern Shore in Caroline, Cecil, Dorchester, Somerset, Wicomico and Worcester Counties. These public utilities are regulated by the Maryland Public Service Commission and have provided in the coldest months of the year safe, reliable, resilient and affordable service in the State for decades. As a company, Chesapeake Utilities serves as a positive and informed resource in the ongoing energy and climate change discussions. In fact, the natural gas industry in general (and Chesapeake Utilities in particular) has been a part of the largest reduction in greenhouse gas emissions in this country and will continue to drive the practical solutions needed to move forward. Chesapeake Utilities is committed to being part of the solution as Maryland considers legislation addressing greenhouse gas emissions.

HB 11 will prevent the development of Renewable Natural Gas. In essence, this bill is intended to prevent the development of, and discourage the use of, Renewable Natural Gas (RNG), also referred to as biomethane or biogas. RNG is a fossil-free natural gas that is produced from naturally occurring sources such as food waste, lawn clippings, manure, and other animal/plant-base materials to create biogas. The biogas is upgraded and cleaned to a quality similar to “traditional” natural gas and can be injected into a public utilities’ natural gas distribution system to offset the use of traditional natural gas. RNG can be used just like natural gas and is clean, reliable and environmentally friendly and can also be used as a fuel for vehicles. The State should not discourage the use of an emerging renewable technology that has been proven effective in other states to offset greenhouse gas emissions. Currently in the United States and Canada, there are 249 operational RNG facilities, 105 under construction and 118 planned, with three of those facilities located in Maryland.¹

¹ www.rngcoalition.com/infographic





HB 11 will prevent economic development and future jobs. With three RNG facilities located in Maryland, HB 11 will prevent economic development and future job creation. Chesapeake Utilities is currently partnering with two of the RNG projects located on the Eastern Shore in Pocomoke City and Westover. Both facilities utilize anaerobic digesters to produce biogas using litter and manure collected from poultry farming locations with both sites designed to produce organic soil amendment products that are environmentally friendly for use as fertilizers for farmers.

On behalf of Chesapeake Utilities Corporation, and our thousands of employees and their families who contribute every day in the communities where they live and work, we respectfully request an unfavorable vote on HB 11.