



# Maryland Department of Agriculture

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*Office of the Secretary*

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## Maryland Department of Agriculture

### Legislative Comment

**Date:** March 4, 2022

**BILL NUMBER:** House Bill 11

**SHORT TITLE:** Renewable Energy Portfolio Standard – Tier 1 Renewable Source – Alterations (Reclaim Renewable Energy Act of 2022)

**MDA POSITION:** Information

#### **EXPLANATION:**

HB 11 alters the definition of "Tier 1 renewable source" for purposes of excluding energy derived from qualifying biomass, methane from the anaerobic decomposition of organic materials, fuel cells, poultry litter-to-energy, waste-to-energy, refuse-derived fuel, and thermal energy from a thermal biomass system from being eligible for inclusion in the renewable energy portfolio standard.

Foremost, the Maryland Department of Agriculture (MDA) recognizes the significant actions that will need to be taken to address climate change and has been an active participant with the Maryland Commission on Climate Change (MCCC) and its development of the state's Greenhouse Gas Reduction Act (GGRA) Plan. Accordingly, the GGRA Plan recognizes the increasingly important role of renewable energy sources to contribute toward the ambitious 50% reduction of greenhouse gases by 2030 as well as the role our state's agricultural lands can play in mitigating climate change.

As the primary administrator of the state's Animal Waste Technology Fund, MDA has overseen the awarding of \$10.7 million toward projects that currently qualify as Tier 1 renewable energy, including anaerobic digesters and poultry waste-to-energy projects. HB 11 would eliminate these technologies from the Tier 1 definition resulting in significant impacts to the viability of current and future projects.

The Animal Waste Technology Fund was reauthorized in 2013 to provide public investment in alternative treatment for animal waste and reduce nutrient losses from farms to local waterways, including the Chesapeake Bay, by treating animal waste to avoid land application in areas with

excess nutrients. These public funds are at risk for diminished impact if they can no longer result in qualifying Tier 1 status since the energy generated by these technologies represent an important incentive to vendors and farms pursuing such projects via an additional potential revenue stream for the farm operation in addition to the nutrient management benefits of the technologies. In addition, animal waste technologies offer opportunities for climate change mitigation on Maryland farms. Two examples include 1) the ability of the animal waste projects to generate soil amendments as by-products of the treatment technologies (these soil amendments are a source of carbon that when land applied can improve soil health and increase sequestered soil carbon potential), and 2) as Maryland pursues additional organic waste reduction goals and/or waste diversion from landfills, farms could be an important partner to receive organic materials (e.g., residential food waste) that could be co-treated with animal waste in anaerobic digesters.

Ultimately, excluding eligibility of animal waste technologies as Tier 1 renewable sources will jeopardize the state's ability to achieve its nutrient reduction goals for the Chesapeake Bay and Maryland's renewable energy goals using in-state sources of energy.

If you have additional questions, please contact Cassie Shirk, Director of Legislation and Governmental Affairs, at [cassie.shirk@maryland.gov](mailto:cassie.shirk@maryland.gov) or 410-841-5886.