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March 14, 2022

The Hon. Chairman Delores Kelley
The Hon. Vice Chair Brian Feldman
Senate Finance Committee
3 East, Miller Senate Office Building
Annapolis, MD 21401

Re: SB 616 – Renewable Energy Portfolio Standard – Eligible Sources

Dear Chairman Kelley and Vice Chair Feldman:

I am writing in support of parity and diversity among Tier 1 renewable sources in your consideration of Senate Bill 616 and all other renewable energy legislation. The bill maintains important Tier 1 renewable energy sources to bolster our State's Renewable Energy Portfolio Standard (RPS). To effectively address environmental challenges now, Maryland's RPS needs to include diverse solutions and resources that can start working together today and affect measurable change quickly.

There is an opportunity to promote meaningful in-state economic development by incentivizing clean renewable energy technology companies to locate and grow in Maryland. We appreciate your understanding that renewable energy diversity is an asset to our State. We ask that any legislation working to incentivize more renewable energy projects and expand the market for renewable energy credits include qualifying biomass, poultry litter-to-energy, and thermal energy from biomass, with the amended definition in SB 903. Renewable energy diversity is what is needed as we transition away from fossil fuels toward net-zero carbon goals. Our state's agricultural sector can contribute to our renewable energy mix.

CleanBay Renewables implements anaerobic digestion and nutrient recovery technologies to recycle poultry litter and create renewable energy at utility scale. It is important to consider emerging clean energy businesses like CleanBay finding solutions for agricultural byproducts in Maryland. Our closed-loop enclosed anaerobic digestion technology to recycle poultry litter is as clean as solar and wind generation, yet in addition to creating clean baseload renewable energy we also create a natural fertilizer that can replace synthetic fertilizers here and throughout the Chesapeake Bay watershed. Our technology presents Maryland with the opportunity to divert an abundant byproduct of local farms, create the sustainable and baseload energy our state needs, and improve the health of local air, soil and water.

At full capacity, each CleanBay facility can recycle more than 150,000 tons of poultry litter each year into generating 750,000 MMBTU of sustainable renewable natural gas, the amount of energy used by about 11,000 homes each year; reducing greenhouse gas emissions by up to 1,000,000 tons of CO₂ equivalent which is comparable to taking more than 200,000 passenger cars off the road each year, while providing our state and businesses with new ways to meet environmental regulations and low-carbon fuel standards; and producing 100,000 tons of organic, controlled-release fertilizer with added humic acid to address overall soil health and relieve nitrate and phosphorous runoff. Local farmers can use our fertilizer to improve soil health and increase organic food production.

When you think about ways to improve our environment and address impacts of climate change, realize that it is not just about powering our energy needs from renewable sources; we must also focus on removing or repurposing carbon, methane, nitrous oxide and other greenhouse gas emissions from our air, and finding new solutions to address age old





environmental challenges. CleanBay Renewables can provide renewable energy while also removing harmful emissions, providing natural fertilizer that can replace synthetic fertilizer, and generating jobs.

There have been state-prescribed carve outs for solar, wind and recently geothermal energy in increasing annual percentages mandating a certain portion of the RPS come from those sources of Tier 1 energy. The mandates were intended to propel those industries forward by creating favorable market conditions for investors to fund those types of renewable energy projects by giving market certainty to those investments, and it worked. However, the types of eligible Tier 1 renewable energy sources that we use as feedstock (qualifying biomass, poultry-litter-to-energy, and thermal energy from a thermal biomass system) are currently not on par with other Tier 1 sources that have a carve-out requiring a percentage of RPS be met using those specific renewable sources. Renewable Energy Credits (RECs) and clean energy incentives are market driven. Our type of renewable energy facility at utility scale can cost over \$500 million to develop, will employ more than 25 full-time employees with quality, permanent, high paying jobs; and includes more than 200 construction jobs for about 18 months of site work which means area economies can be impacted in a meaningful way.

Today, many new clean energy technology businesses like ours are working on sustainable resource management and clean energy innovation in our State. Now is the time to signal to investors that newer clean energy options are also part of the solution to meet Maryland's energy consumption needs. Thank you for understanding the importance of keeping energy derived from qualifying biomass, poultry-litter-to-energy and thermal energy from a thermal biomass system with the amended definition in SB 903 in our RPS.

Sincerely,

Thomas Spangler
Executive Chairman, CleanBay Renewables