



Senate Bill 867

Public Utilities – Renewable Energy Portfolio Standard – Eligible Sources

MACo Position: **OPPOSE**

To: Finance Committee

Date: March 8, 2016

From: Leslie Knapp, Jr.

The Maryland Association of Counties (MACo) **OPPOSES** SB 867. The bill would reduce viable options for electricity suppliers to meet their renewable energy portfolio standard goals. It would also inhibit new technologies that could help address poultry litter and non-recyclable refuse, and it would potentially increase electricity prices.

SB 867 provides that after January 1, 2018, the following types of energy, which are currently considered a Tier 1 renewable source, will no longer be eligible to meet the renewable energy portfolio standard: (1) qualifying biomass; (2) methane from anaerobic decomposition of organic materials in a landfill or wastewater treatment plant; (3) a fuel cell producing electricity from the two previous sources; (4) poultry litter to energy; (5) waste-to-energy; (6) refuse-derived fuel; and (7) thermal energy from a thermal biomass system. Sources of these types of energy in existence before January 1, 2017, will remain eligible for inclusion.

The bill would remove a broad array of existing technologies and imperil promising emerging technologies, such as gasification of poultry litter. This Committee and the General Assembly recognized that there is no single “best technology” when it comes to renewable energy when it added waste-to-energy and refuse-derived fuel as a Tier 1 source in 2011 with the passage of SB 690. Each energy source has its advantages and drawbacks and all play an important role in reaching the State’s 20% Tier 1 renewable source goal in 2022.

In addition to reducing options for meeting the State’s renewable resource goal, reducing options available to electricity suppliers could make it more difficult for them to meet their portfolio standard requirements - potentially translating into higher electricity costs.

SB 867 would limit needed energy options and potentially drive up electricity costs. Accordingly, MACo urges the Committee to give SB 867 an **UNFAVORABLE** report.