Bioenergy DevCo partners to bring RNG to Delmarva Peninsula

Bioenergy DevCo, a leading global developer of anaerobic digestion facilities that create renewable energy and healthy soil products from organic material, announced today that it has entered into an agreement with Chesapeake Utilities Corp., a NYSE-listed diversified energy company, on a project to remove excess organics from the poultry industry and convert it into renewable natural gas. The intent is for BDC and Chesapeake Utilities Corp. affiliates Eastern Shore Natural Gas, Chesapeake Utilities and Marlin Gas Services, to collaborate on this project in addition to several other project sites where organic waste can be converted into a carbon-negative energy source. Beyond the environmental and energy benefits, this project will also support the economy in the Delmarva region.

The resources generated from organic material at BDC's anaerobic digestion facilities in Delaware, known as the Bioenergy Innovation Center, will be processed by Chesapeake Utilities Corporation, and Eastern Shore Natural Gas and Marlin Gas Services will facilitate the transport and receipt of RNG for multiple suppliers through its interconnect facility and equipment. Marlin Gas Services will transport the sustainable fuel to Eastern Shore Natural Gas, Chesapeake Utilities Corporation's interstate pipeline, where it will be introduced to CPK's own distribution system and ultimately distributed to its natural gas customers. This project provides the opportunity for Chesapeake Utilities to maintain the green attributes of the RNG by distributing the gas to its own natural gas distribution customers.

“Chesapeake Utilities Corporation, by working together with municipalities and the food-industry, understands that digesting organics is a solution that creates a sustainable, environmentally-friendly supply of renewable natural gas while also helping to solve major waste management problems,” said Shawn Kreloff, CEO of Bioenergy DevCo. “Recent estimates have shown that turning agricultural waste and excess organics from the poultry industry into truly renewable natural gas could replace 7 billion gallons of diesel fuel and generate 70,000 new jobs. Companies that embrace utility-scale anaerobic digestion, like Chesapeake Utilities Corporation, are on the forefront of a revolution in waste and energy infrastructure innovation.”

Anaerobic digesters use naturally occurring microbes to break down food waste into biogas and an organic soil amendment used by farmers. This waste would otherwise be sent to a landfill where it would decompose and release greenhouse gasses, or it would be incinerated, contributing to air pollution. Anaerobic digestion sequesters and transforms this waste, reducing the burden on local infrastructure and providing a source for renewable energy.

“We have taken steps to ensure that Chesapeake Utilities Corporation can support the emergence of the renewable fuels market and do its part to assist in managing agricultural and other waste recovery. These investments and our recent tariff changes to establish gas quality standards are evidence of our efforts. We see this partnership with BDC as the next important step in our commitment to operating with a focus on the environment and sustainability. By utilizing the RNG derived from processing excess poultry industry organics in the Delmarva region and transforming that into carbon-negative energy source, we can help fuel homes and businesses throughout the community while supporting a more sustainable future," said Jeff Householder, president and CEO of Chesapeake Utilities Corporation. “Beyond sustainability, these projects represent profitable growth investments across our value chain – natural gas transmission, natural gas distribution and our unregulated mobile compressed natural gas (CNG) business, Marlin Gas Services.”

Bioenergy DevCo is currently developing anaerobic digesters throughout the United States and has gained a strong foothold in the Mid-Atlantic region following a recently announced 20-year agreement with Perdue Farms, which had the foresight to more sustainably manage poultry litter and material from processing at its facilities on the Delmarva Peninsula. The Bioenergy Innovation Center's anaerobic digestion facility will eventually contribute to the RNG used to power and heat homes in the region, ultimately delivered by Chesapeake Utilities – a clear example of the circular economy in action, and a replicable model of BDC's vision for an economically viable and sustainable energy future.

Throughout the partnership, BDC and Chesapeake Utilities Corporation aim to jointly pursue a set of additional project sites to maximize the potential for RNG. BDC's digester technology is designed to optimize the quantity and quality of RNG created, using a data-driven process that ensures reliable utility-grade gas production. This scientific approach is backed by BDC's 22 years of experience managing complex anaerobic digesters around the globe.