State Coal Combustion By-Products Management Fund Fiscal Year 2026

Environment Article Section 9-285

Maryland Department of the Environment

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Report to the Legislature:
Status of the State Coal Combustion By-Products Management Fund

INTRODUCTION, BACKGROUND, AND SCOPE

This report is submitted to the General Assembly of Maryland to satisfy §9-285 of the Environment Article, Annotated Code of Maryland, which requires that the Maryland Department of the Environment (MDE) inform the legislature about the status of the State Coal Combustion By-Products (CCBs) Management Fund ("the Fund"). Section §9-285 requires MDE to provide information on:

(1) The status of the Fund;
(2) Revenues of and expenditures from the Fund;
(3) The efficiency of the CCBs regulatory program;
(4) Compliance rates within the regulatory program; and
(5) Based on the factors listed in items (1) through (4) above, the necessity to review and adjust the fee in accordance with §9-283(g).

The purpose of the Fund is to provide MDE with the resources to oversee the disposal, beneficial use, and management of CCBs in the State of Maryland. CCBs are the residuals created when coal is burned for energy. Coal consists of a large percentage of organic carbon, with a variable percentage of other naturally occurring minerals that may contain a wide range of elements including metals. A significant amount of volume reduction takes place when coal is burned, as a large percentage of the organic carbon in the coal is converted into carbon dioxide. The carbon dioxide escapes as a gas, but most of the chemicals that make up the other minerals remain as solids and often oxides form when the coal is burned. The removal of the carbonaceous material causes the percentage, or concentration, of the nonvolatile elements that were present to be increased in the residual ash. So, although there is no more of a given element in the ash than there was in the original coal, it is now mixed with a much smaller volume of other chemicals, producing a higher concentration in the ash than there was in the original coal. Therefore, although largely derived from natural earth materials including coal and limestone, CCBs can contain potentially harmful amounts of some heavy metals, such as mercury, lead, chromium, cadmium, selenium, molybdenum, and boron, among others. Although not acutely toxic or immediately hazardous, the concentrations of these chemicals can be harmful to plant and aquatic life and can render the air, surface water, and groundwater unhealthy for prolonged human exposure when not handled properly.

STATUS OF THE FUND

Each year, MDE calculates a generator fee to charge the major CCBs generators. This fee supports the State's regulatory activities around CCBs. This fee is based on the following factors:

- The requirements of the Code of Maryland Regulations (COMAR) 26.04.10.09;
- The amount of CCBs generated by each major generator, and the fate of those CCBs;
- The funding required to operate MDE's CCBs activities for a fiscal year; and
- The amount of money remaining in the Fund at the end of the previous fiscal year.

Revenues to the Fund. Under COMAR 26.04.10.09, CCBs generators were required to submit a report detailing their CCBs generation during CY24. These reports were due in March 2025. Based on the information contained in the reports, MDE developed fees for each site generating CCBs. In accordance with the regulation, MDE calculated an adjusted base fee of $18.27176353 per ton of CCBs disposed in Maryland. An invoice was mailed to the generator, and $1,367,641.50 was collected to support the program. A balance of $546,746.50 remained in the Fund at the end of FY25.

Expenditures from the Fund. A total of $1,178,427.78 was spent from the Fund in FY26. These expenditures were largely on salaries of technical staff, with the remainder used to provide supplies needed to operate the program. A balance of $735,960.22 remained in the Fund at the end of FY26.

Projected Costs for FY27. The anticipated costs to operate the program for FY27 are $1,984,243.00. This amount has been appropriated for the FY27 budget. A balance of $735,960.22 remained in the Fund at the end of FY26, which is required to be subtracted from the total amount billed for FY27 activities. This leaves $1,248,282.78 as the total amount to be invoiced for CY25 CCBs generation to cover FY27 costs.

Adjustments to the Base Fee. COMAR 26.04.10.09 provides that the base billing fee (subject to adjustment) is $1.15 per ton of CCBs generated. The adjustment factors are 1.0 per ton for CCBs disposed or used for noncoal mine reclamation in Maryland, and 0.5 per ton for CCBs transported outside the State. No fee is charged to generators for CCBs that are beneficially used, used for coal mine reclamation in Maryland, or to generators that generate less than 10,000 tons of CCBs per year. After removing tonnages exempt from the fee and applying the adjustment factors to the remaining tonnages, there were 73,786 billable tons of CCBs disposed of in state or transported outside the state. Further, MDE can adjust the base rate to accommodate anticipated expenditures. Based on the anticipated program needs and the amount of CCBs managed, MDE has calculated the base fee for this billing period (FY27) as $16.91761012 per billable ton. MDE developed fee for the site generating CCBs, which is outlined in Table I. This fee is anticipated to generate $1,248,283 (rounded), which would leave no surplus to be carried over if all appropriated funds are expended. Any surplus or unexpended funds will be credited to FY28's invoices.

If any generator questions MDE's assessments and MDE agrees with any of the claimed exemptions (e.g., for material that was beneficially used, or used in coal mine reclamation, which are exempted from the fee by statute), the base fee may be subject to reevaluation.

USES OF THE FUND

With the support provided by the Fund, MDE employs geologists, engineers, inspectors, and an Assistant Attorney General to focus on the management of CCBs in Maryland. The following is a description of the activities of MDE in FY26 that were supported by the Fund.

Review of Engineering Plans:

- Reviewed the permit modification application for the Fort Armistead Road – Lot 15 Industrial Landfill (located in Baltimore City).

Review of Operational Plans:

- Reviewed revised operations and maintenance manuals for the Westland Ash Management Facility (located in Montgomery County) and Brandywine Ash Management Facility (located in Prince George's County); and
- Reviewed residual fuel oil ash from H.A Wagner energy generation plant disposal at the Fort Armistead Road – Lot 15 Industrial Landfill.

Review of Monitoring Data:

- Performed hydrogeological evaluation of groundwater and surface water data collected as part of the Nature and Extent of Contamination Studies being conducted at the Brandywine and Westland CCB landfills; and
- Reviewed environmental monitoring data reports for the Fort Armistead Road – Lot 15 Industrial Landfill, Westland, Brandywine and Faulkner CCB landfills; and
- Reviewed the practical quantitation limit (PQL) variance request for the Fort Armistead Road – Lot 15 Industrial Landfill.

Compliance Activities:

- Performed inspections of CCB facilities, including inspections at the generating facilities, disposal sites, and mine reclamation sites; and
- Inspected the Westland Ash Management Facility; and
- Review and approval of Corrective Measures Plan for Brandywine and Westland Ash Management Facilities.

Revising Maryland Regulations Governing CCBs:

- MDE hosted four workshop meetings with interested stakeholders on developing changes to Maryland regulations on the Management of Coal Combustion Byproducts under COMAR 26.04.10 in 2016. MDE is revising the state's CCBs regulations to be consistent with the federal rule entitled "Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals from Electric Utilities (CCR)," which became effective on Oct. 19, 2015, and revised in 2018, and again revised in 2024 with additional proposed changes pending. MDE will revise the CCBs regulations once the additional changes proposed by the U.S. Environmental Protection Agency are finalized; and
- MDE will revise the draft CCBs beneficial use regulations after it adopts regulations to incorporate the federal CCR rule. The beneficial use regulations will be reviewed by the stakeholder workgroup; and
- MDE developed draft regulations for the CCBs Management Fund COMAR 26.04.10.09, pursuant to revisions to MD Environment Code § 9-283 enacted in May 2025. These regulations are expected to be promulgated in 2027. These regulations expand the source of funding to include fees for the storage of CCBs, in addition to the existing generator fee.

CONCLUSION

The industry has increased its efforts to recycle CCB materials through mine reclamation, as cement additive and other means, and this trend is anticipated to continue. The further development of beneficial use regulations will provide industry with additional acceptable ways of utilizing these materials, instead of disposing of them. The industry has already developed several ways to recycle these materials in building materials such as gypsum board and concrete.

The U.S. Environmental Protection Agency issued federal regulations governing coal combustion residuals that became effective on Oct. 19, 2015, August 29, 2018, and May 8, 2024. In a few areas, these regulations are more stringent than Maryland's, so MDE convened a workgroup to discuss the way COMAR 26.04.10 can be amended to match the federal rule. This will allow generators and disposers of CCBs in Maryland to follow one set of rules in managing these materials. The workgroup met with a substantial degree of consensus. These regulatory changes are in development. They were originally anticipated to be proposed in the third quarter of CY20, but subsequent changes to the federal regulations, most recently in May 2024, have required re-writes of the draft regulations. The revised COMAR regulations to incorporate the May 8, 2024 Coal Combustion Residuals Rule by reference are expected to be promulgated in 2027.

TABLE I: CCB TONNAGES AND INVOICES CALENDAR YEAR 2025

Generators < 10,000 tons total generation are exempt

Name	Total Generation	In State Disposal	Out of State Disposal	Out of State Beneficial Use	Billable Tons	Adjusted Per Ton Fee	Invoice Amount:
Raven Power - Brandon Shores	229,039	27,959	0	91,653	73,786	$16.91761012	$1,248,282.78
Raven Power - H.A. Wagner	0	120	0	0	0		
Holcim (US) Inc.	*	0	0	0	0		
Heidelberg Materials US Cement LLC	56,837	0	0	0	0		
Mettiki Coal, LLC	1,463	0	0	0	0		
TOTAL:	**287,339**	**28,079**	**0**	**91,653**	**73,786**		**$1,248,282.78**

Green	All generated CCBs reused beneficially
Red	Invoiced amount
Blue	Below 10,000 tons per year and exempt

Amt. Appropriated:
$1,984,243.00
Minus carryover:
$735,960.22
Amount to be billed:
$1,248,282.78

TABLE II: FINANCIAL STATEMENT

STATE COAL COMBUSTION BY-PRODUCTS MANAGEMENT FUND
Financial Statement
July 1, 2025 to June 30, 2026

Beginning Fund Balance $546,746.50
Revenue $1,367,641.50

FY26 Expenditures	
Salaries	$930,890.92
Communications	$656.98
Travel & Training	$5.00
Vehicles	$33,106.38
Contractual Services	$0
Supplies	$0
Equipment (Computers)	$0
Other	$0
Total Expenditures	$964,659.28
Indirect Costs	$213,768.50
Balance in Fund 6/30/2026	$735,960.22