

# WM Sees RNG as Major Revenue Generator

*Attend the Appalachian RNG Conference to Learn More*

PENN VALLEY, PA, US, April 11, 2023 /EINPresswire.com/ -- The company sees significant upside in building out a portfolio of [RNG](#) facilities, including from new regulations and incentives, with the potential to boost earnings as much as \$600 million by 2026.



WM Cleaner Air For Tomorrow Truck

[WM](#) has charted the course for a dramatic scale-up of its RNG business as a growing list of state and federal programs incentivize the production of the methane-derived fuel.

WM's RNG move will be discussed at the [Appalachian RNG Conference](#) on April 19, 2023 at the

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*Lynn Lyon, U.S. Gain, Director of Business Development*

Hilton Garden Inn at Southpointe/Pittsburg. The conference’s “RNG in Transportation” panel will discuss WM’s plans for RNG. “WM is certainly demonstrating its sustainability leadership,” commented Lynn Lyon, U.S. Gain, Director of Business Development - Sustainable Transportation. She further commented, “Conference attendees will be able to learn more about the WM program.”

WM sees the benefit in transitioning from diesel to RNG. They have made major investments in RNG trucks and fueling stations. Over half of their collection fleet are

currently fueled by natural gas and they are aiming for that entire fleet to be fueled by RNG by 2026.

The waste major’s planned renewable natural gas facility buildout could net it \$600 million in adjusted operating earnings before interest, taxes, depreciation and amortization in 2026, WM revealed during its annual Sustainability Investor Day presentation Wednesday. The investments are expected to generate \$450 million in free cash flow in 2026, when the expansion is scheduled to be complete, and stabilize at or above \$400 million in the following years.

During a question-and-answer session, WM CEO Jim Fish said that the company's status as North America's largest landfill operator isn't a negative, but rather allows it to build a "highly profitable" and growing revenue stream for the company.

"Landfills are not only pretty valuable in terms of the public service we provide, but now they're almost becoming these energy production facilities," Fish said during the presentation on Wednesday. Hemmer also said that WM's portfolio of landfill gas-to-electricity facilities could generate eRIN revenue with no added capital expenditures as soon as the new framework goes into effect.

The Inflation Reduction Act may also offer upside for WM. The landmark climate package's Investment Tax Credit program, which offers a discount of up to 30% on taxes for renewable energy projects like the ones WM and other waste companies pursue, could provide WM an additional \$250 to \$350 million in cumulative benefits.

The RNG plan as outlined Wednesday drew strong interest from investors during the call. Investment bank Jefferies Group, in a follow-on analysis, also noted that there was a potential for greater profits from eRINs or from the remaining 35% of natural gas generated by WM that won't already be captured for beneficial use by 2026. Their analysts also noted that WM's strategy of developing RNG facilities internally, rather than signing a development agreement like some of its competitors, makes sense for a company that has drawn scrutiny when attempting mergers and acquisitions.

Hemmer said the RNG investments will also contribute to the waste major's goal to reduce Scope 1 and 2 emissions 42% by 2032. The company's RNG investments, coupled with some additional landfill investment, are expected to reduce Scope 1 emissions by 20-30%, Hemmer said.

"The main lever for meeting our planned greenhouse gas emissions reduction is capturing more landfill gas, and by diverting it for beneficial use we generate more renewable energy revenue," Hemmer said.

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