

CASE STUDIES

“Renewable Natural Gas business will grow our EBITDA by 30-40% in four years”

James Fish (CEO, Waste Management Inc.)

Waste Management Inc

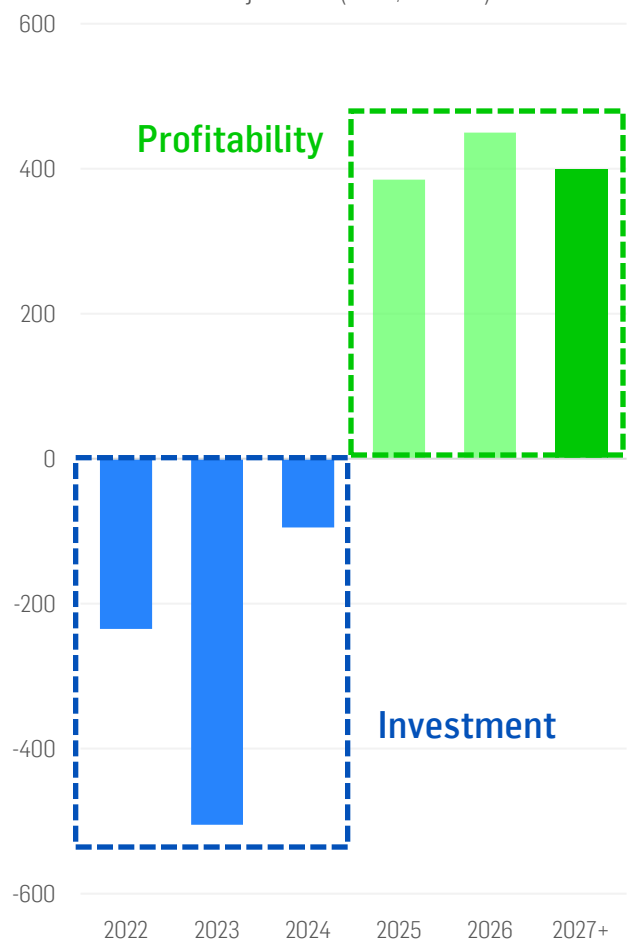
In 2022, Waste Management (WM), one of the world's largest environmental services providers, revealed ambitious plans to **invest USD 825mn in expanding its renewable energy portfolio by 2025**. Their main focus is to bolster their Renewable Natural Gas (RNG) infrastructure, aiming to supply renewable energy to one million homes across North America and to fuel their entire natural gas fleet with RNG by 2026.¹

Anticipating further growth, Waste Management announced additional multi-million-dollar capital expenditure by the start of 2023. With an extensive network of 91 owned and 44 third-party LFG-to-energy facilities, the company is leveraging its 254 active solid waste landfills and over 200 closed landfills for potential expansion.²

This strategic move aligns with regulatory tailwinds from the Environmental Protection Agency and the Inflation Reduction Act, leading them to believe that they will benefit substantially from policy developments.

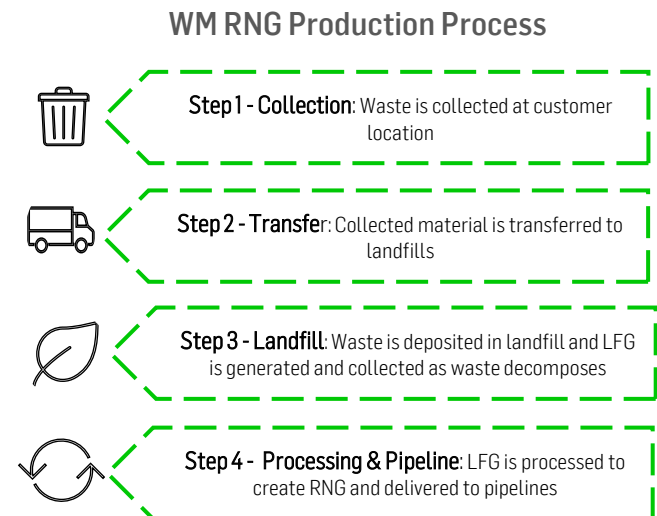
WM RNG Attributed Free Cash Flow

WM Projections (USD, million)



Case Studies

For instance, they anticipate that the Investment Tax Credit under the Inflation Reduction Act is poised to deliver between USD 250mn to USD 350mn in cumulative benefits to them. Additionally, they expect **USD 500mn incremental annual operating EBITDA from 20 RNG plants by 2026**, USD 240mn of which are set to come from strategic investments in material recovery facilities, which will enable a greater degree of labor efficiency, revenue quality, capacity expansion, and new market entry.



Republic Services

Republic Services and Archaea Energy, major players in environmental services and RNG production, respectively, announced a landmark **2022 USD 1.1bn joint venture** for the development of 39 Renewable Natural Gas (RNG) projects across the United States. This initiative is the U.S.'s most extensive RNG portfolio expansion to-date, and aims to convert landfill gas into high-quality RNG to strategically displace hydrocarbon-derived gas across multiple use-cases.³

It has been projected that once the 39 projects reach full operational capacity, they will generate **an annual output exceeding 12.5 million MMBtu** (million British thermal units). This collaboration solidifies Republic Services' commitment to expanding its renewable energy portfolio, poised to encompass over 100 projects.

Additionally, it may represent a significant source of profits for Republic Services, as RNG production enables them to gain access to lucrative carbon credits that can push realized gas prices to anywhere from USD 30 to more than USD 100 per MMBtu.

Casella Waste Systems

Casella Waste Systems' ventures into the RNG sector demonstrates that not only the largest environmental services players are noticing the potential of entering the energy generation business. Focused on redefining waste management through circularity, Casella envisions a renewed purpose for solid waste, transforming it into a valuable resource. In collaboration with their partners, they generate 25 megawatts per hour of clean energy across five landfills — sufficient capacity to power 25,000 homes. This strategic move not only aligns with the ethos of waste transformation but also underscores a commitment to sustainable energy practices, contributing to a paradigm shift in the waste management industry.⁴

References

- [1] [WM's Renewable Energy Investments Expected to Power over 1 Million Homes by 2026 \(mediaroom.wm.com\)](#)
- [2] [Sustainability Growth Investment Program \(investors.wm.com\)](#)
- [3] [Republic Services and Archaea Energy Launch Landmark Joint Venture to Develop 39 New Renewable Natural Gas Projects Across U.S. \(media.republicservices.com\)](#)
- [4] [Energy \(casella.com\)](#)

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