

# Medical Marijuana's Impact on the Utility Industry: 2019 Missouri Public Utilities Annual Conference Presentation



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I undertook a presentation at the 2019 Missouri Public Utilities Annual Conference in Branson, Missouri titled:

*Medical Marijuana's Impact on the Utility Industry ("Presentation")*

The Presentation addressed the Missouri Medical Marijuana Amendment and its potential impact on Missouri utilities.

Three issues addressed in regards to Missouri municipal utilities included:

- Significant energy consumption by medical marijuana cultivation facilities
- Medical marijuana cultivation, manufacturing (infusion) and dispensary use of water and wastewater services
- Municipal utility employee issues associated with the legal use of medical marijuana (especially in safety/environmentally sensitive positions?)

Initially noted was the fact that medical marijuana was legalized in Missouri in 2018 when voters approved Amendment 2:

- Marijuana was decriminalized from a state (Missouri) standpoint certain uses of marijuana (i.e., medical)
- Amendment 2 permits Missouri licensed doctors to recommend marijuana for medical purposes for Missouri residents for qualifying patients
- Missouri Department of Health and Senior Services is required to issue licenses for dispensaries, manufacturing (infused products), and cultivation

Facilities authorized by Amendment 2 include:

- Not less than 24 dispensaries (192 projected)
- 61 cultivation facilities
- 86 infused manufacturing facilities

The Presentation reminded attendees that medical marijuana is still illegal at the federal level as a Schedule 1 controlled substance. Further caveats included:

- U.S. Department of Transportation guidance trumps state Law and prohibits use of medical marijuana by those regulated by the federal Hazardous Materials Transportation Act
- Companies subject to federal Drug Workplace Act must prohibit use
- OSHA general duty clause? (maintain safe work place)

The Presentation included a discussion of the components/processes typically found in cultivation/infused product facilities.

The energy use of cultivation facilities was addressed. Relevant statistics included:

- 2000-3000 kilowatt hours of energy per pound of product is stated to be used
- One percent of all electricity used in the United States is utilized by indoor marijuana growers
- Four mature marijuana plants consume about as much power as running 29 refrigerators around the clock

A particular question for utilities is whether multiple cultivation facilities will require the replacement of transformers to be able to deliver additional energy. As a result, there is interest in focusing on design and operational methods that may reduce energy consumption by 40 percent per plant. Noted was the fact that cultivation facilities are motivated regarding energy conservation because:

- Highly competitive industry
- Margins decreasing
- Energy is one of the largest cost components for cultivation/infusion facilities

The cultivation activities consuming energy were identified.

Noted was the fact that while there may be interest in reducing energy through comparison of industry data and/or federal programs, these may be problematic because:

- Potential federal scrutiny
- Protect trade secrets in competitive market place
- Relatively new industry/operations

Some states, such as Illinois, have included energy efficiency requirements in their marijuana legislation.

Environmental issues discussed included:

- Water use (noting that for purposes of producing high marijuana yields influent water may be scrutinized for various contaminants)
- Wastewater
- Need to evaluate cultivation/infusion facilities' wastewater streams (i.e., nutrients, biocides, fats, oils, and grease [infusion], etc.)
- Solid/hazardous waste generated (some solid and/or RCRA Subtitle C hazardous waste generated)
- Air
- Odors
- VOCs
- Natural gas-fired boilers/emergency generators
- OSHA issues

Finally, the impact on employer/employee issues was addressed noting:

- American Disabilities Act ("ADA") Issues
- Federal Drug Free Workplace Act of 1988
- State Worker Compensation Laws
- Federal Department of Transportation Regulations

Drug Free Workplace and Federal DOT programs ignore the legalization by states and make clear they still ban medical marijuana use in certain circumstances.

The unique properties of marijuana such as carryover impairment effects, slow rate of metabolization, etc. were discussed as problematic in terms of employer/employee issues.

Regardless of the laws, it was noted that utility facility/activities are typically complex and require diligence in ensuring such workplaces are safe.

Issues such as drug testing, unemployment insurance, employee handbooks, etc., were addressed.

A copy of the Presentation can be downloaded [here](#).