

SB 912 Testimony for Wandra Ashley

Uploaded by: Ashley-Williams, Wandra

Position: FAV



March 11, 2020

BILL:	SB 912
TITLE:	Climate Crisis and Education Act
POSITION:	SUPPORT
HEARING DATE:	3/11/2020
COMMITTEE:	Budget and Taxation
SPONSOR:	Senator Benjamin Kramer

Climate XChange – Maryland supports Senate Bill 912 - the **Climate Crisis and Education Act (CCEA)** that would incentivizes the reduction in fossil fuel CO2 emissions by putting an increasing fee on fossil fuels at the point of entry in Maryland, while generating billions of dollars to reinvest in Maryland's economy.

Maryland is in the midst of an air quality crisis. Our state ranks 8th from the bottom in air quality, [according to the U.S. Air Quality Index](#). Baltimore [came in among the 10 worst metropolitan areas in the country](#) in air quality. And, in 2017, [six coal plants in Maryland released an equivalent amount of climate pollution as over 2 million cars](#). As we strive to move towards a pollution free environment, we must consider how to reduce the native health effects of harmful air pollutants and to make this move a **just transition**.

Exposure to air pollution has been associated with many health effects. According to the Centers for Disease Control and Prevention (CDC), science has proven links between health conditions and the environment. For example, continuous exposure to fossil fuels often leads to detrimental health effects, such as infant mortality, chronic bronchitis, heart disease and strokes. Poor air quality can trigger asthma attacks and elevated blood lead levels in children can cause developmental disabilities. Extreme weather that causes power outages can lead to cases of carbon monoxide poisoning. Vulnerable populations like the elderly and infants are also intensely at risk for heat-related illnesses during heat waves.

One study found that in 2005, the national health burden of air pollution from carbon emissions was between 130,000 and 320,000 premature deaths per year. This was mostly due to emissions from generating electricity, vehicular exhaust... [Another study estimated that fossil fuels burned for home heating \(in 2005\) contributed to around 10,000 excess deaths each year in the U. S.](#), and that fossil fuel use for electricity production contributed to around 21,000 deaths annually.

But, there's another dimension to the dual issues of climate change and air quality: **justice**. The communities hardest hit by climate change, those on the metaphorical frontline of sea level rise and extreme heat in Maryland, are the same that have historically experienced the worst air

pollution in the state. Targeted communities, such as urban areas, low income communities, communities of color are disproportionately harmed by air pollutants.

While addressing climate risks and mitigating their consequences must be among the state's top priorities, we must ensure that economically vulnerable communities be protected from any additional costs in the transition to a clean energy economy. They must not bear the brunt of the burden of implementing policy that will reduce/eliminate carbon in our environment.

The CCEA (SB0912) retains two provisions for benefits to low-income households. One is a cash rebate originally designed to protect low-to moderate-income residents. The other provision exists in the infrastructure fund, which currently allocates 30% of its funds to residents in communities historically pollution-burdened and underserved.

For these reasons and more, Climate XChange urges a FAVORABLE REPORT on SB 912.

Respectfully submitted,

Wandra Ashley-Williams
Maryland Regional Director
Climate XChange - Maryland
410-914-8011

Cc: Members of the Budget and Finance Committee

SB 912 Testimony for TAME

Uploaded by: Cameron, Diane

Position: FAV

(March 10, 2020)

BILL: SB 912
TITLE: Climate Crisis and Education Act
POSITION: SUPPORT
HEARING DATE: 3/11/2020
COMMITTEE: Budget and Taxation
SPONSOR: Senator Benjamin Kramer

The Transit Alternatives to the Mid-County Highway Extended (TAME) Coalition supports SB 912, the Climate Crisis and Education Act.

This initiative establishes greenhouse gas reduction goals, including 100% reduction of carbon emissions from 2006 levels as of 2040 that are similar to those of Montgomery County's Emergency Climate Resolution.

This initiative also establishes a greenhouse gas pollution fee, and a high-emissions vehicle fee, that will raise \$350 million each year for education in Maryland (e.g. the Kirwan Initiative), and for green infrastructure projects and benefits to lower- and moderate-income families.

The Climate Crisis Council will be charged with ensuring that a just economic transition provides for the livelihood of workers in the fossil fuel industry. Low-income and moderate-income households will be protected from any economic harms arising from the fossil fuel fees that this plan would impose.

The Infrastructure Fund that this bill would create, would provide funding for improved access to public transportation, renewable energy sources and energy efficiency, and other benefits, to low-income and moderate-income families. This aspect of SB 912 is especially important to the residents of the 355 corridor, including Montgomery Village, Gaithersburg, Germantown and Clarksburg, where a higher percentage of residents are younger, and lower-income, compared with the population of Montgomery County as a whole.

By helping to provide transition funds for frontline communities, this legislation advances climate justice in Maryland – including for Montgomery County communities in the Route 355 corridor.

For these reasons and more, the TAME Coalition urges a FAVORABLE REPORT ON SB 912.

Respectfully submitted,

Margaret Schoap
Diane Cameron
TAME Coalition (Transit Alternatives to the Mid-County Highway Extended)
(301) 933-1210

Cc: Members of the Budget and Finance Committee

SB 912 Testimony for Julia Clark

Uploaded by: Clark, Julia

Position: FAV

March 10, 2020

BILL: SB 912
TITLE: Climate Crisis and Education Act
POSITION: SUPPORT
HEARING DATE: 3/11/2020
COMMITTEE: Budget and Taxation
SPONSOR: Senator Benjamin Kramer

As students, AcClimate members see a worthwhile future stretched out before us. Every choice we make is to build a better tomorrow. We study instead of play so we can gain critical knowledge; we work long into the night so we can get good grades and a stable job. In many ways, we forgo the ignorance and lightheartedness of youth for the sake of ensuring our futures. We endure the demands of education because we have faith that it will lead to a better tomorrow for ourselves and our communities. How, then, can we accept the actions of our legislators when they fail to protect that promise of tomorrow?

By neglecting to pass effective climate legislation, our representatives have left our futures unguarded. We are already beginning to lose our homes, to suffer worse health, and to face the economic consequences from the unchecked use of fossil fuels. Each year that this committee waits to pass a thorough, equitable, and evidence-based policy addressing the climate crisis, our hopes for tomorrow grow dimmer.

Few bills have the power to safeguard the futures of an entire generation of Marylanders. This is one of them. By incentivizing the transition to renewable energy while protecting the consumer and re-investing in our state, the Climate Crisis and Education Act restores our opportunity to create a better tomorrow.

For these reasons and more, AcClimate MD urges a FAVORABLE REPORT on SB 912.

Respectfully submitted,

Julia Clark
President
AcClimate MD
443-823-0702

Cc: Members of the Budget and Finance Committee

Michael_DeLong_FAV_SB912

Uploaded by: DeLong, Michael

Position: FAV



Montgomery County Young Democrats Testimony in Support of SB 912-Climate Crisis and Education Act

Chair Guzzone, Vice Chair Rosapepe, members of the Committee,

Thank you for receiving our testimony. My name is Michael DeLong and I am the President of the Montgomery County Young Democrats, a group of young Democrats ages 14-34 who are dedicated to making Montgomery County and Maryland better places to live, with freedom, opportunity, and justice for all. Our testimony is in support of SB 912 (the Climate Crisis and Education Act), sponsored by Senator Ben Kramer, and the House version HB 1543, sponsored by Delegate David Fraser-Hidalgo. This bill will help to mitigate climate change and fund education on the crisis as well as other educational priorities, and it deserves your support.

Climate change is one of the biggest crises facing our state, and in order to mitigate its effects, Maryland needs to reduce our greenhouse gas emissions by 70% in 2030 and 100% by 2040. These pollutants are harming the future of our children, our economy, and our infrastructure. At the top of those affected by climate change and the accompanying poor air quality are historically disenfranchised communities: those living in poverty stricken areas and communities of color.

SB 912 will establish a Climate Crisis Initiative in the Department of the Environment and a Climate Crisis Council that will develop a plan to reduce greenhouse gas emissions. It will also fine companies emitting fossil fuels, charging them for the pollution they are causing. The bill forbids the fossil fuel companies from passing these fees on to consumers, and will hold them accountable for the damage they are causing to the environment and climate.

Accountability continues to be an ongoing challenge for companies who are emitting greenhouse gases, with too many of them avoiding payment for their emissions. SB 912 will end that and ensure companies have a strong incentive to reduce their greenhouse gas emissions and move toward cleaner energy. It will further result in substantial funds for the state government; fossil fuel companies will become more accountable for their actions and put their money towards the improvement of Maryland.

Finally, the Climate Crisis and Education Act will fund excellent priorities. It will invest in clean energy infrastructure and provide money for the Kirwan Commission's recommendations to fully fund education. The fee will result in \$350 million per year to fund those recommendations, which will benefit Maryland's children, families, and overall welfare.

We Montgomery County Young Democrats urge you to vote for SB 912 and favorably report it out of committee, and to urge your colleagues to do the same.

Please contact us at mocoyoungdems@gmail.com or michaeldelong94@gmail.com if you have any questions.

Sincerely,

Michael DeLong, President
Teresa Woorman, Vice President
Stephen Schiavone, Treasurer
Kathleen Bender, Political Advocacy Director
Keyna Anyiam, Membership Director
Margie Delao, Communications Director
Steven Cenname, Secretary

SB 912 Testimony for MoCo Young Dems

Uploaded by: DeLong, Michael

Position: FAV



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SB 912 testimony for Jamie DeMarco

Uploaded by: DeMarco, Jamie

Position: FAV



Citizens' Climate Lobby

BILL: SB 912

TITLE: Climate Crisis and Education Act

POSITION: SUPPORT

HEARING DATE: 3/11/2020

COMMITTEE: Budget and Taxation

SPONSOR: Senator Benjamin Kramer

Chair, vice chair, and members of the committee, Thank you for the opportunity to speak today,

My name is Jamie DeMarco, I represent the Citizens Climate Lobby and our 2,600 members across the state.

This bill is a rare win-win-win opportunity for the legislature. It will help fund Kirwan, reduce our emissions, and protect consumers. Specifically it will put \$350 million into Kirwan every year, it will reduce our greenhouse gas emissions about 45% by 2030, and no end use consumers will see any increase in what they pay.

I will say all that again for emphasis. This bill will put \$350 million into Kirwan every year. It will reduce our greenhouse gas emissions about 45% by 2030, and no end use consumers will see any increase in what they pay. This is truly, a win-win-win piece of legislation.

Like any good win-win-win piece of legislation, there is a unique and compelling coalition supporting the bill that breaks traditional lines of political alignment. Endorsing this bill we have:

- The Maryland State Education Association
- Sunrise Baltimore
- The Maryland NAACP
- The Episcopal Diocese of Maryland
- 1199 SEIU
- Strong Schools Maryland
- Maryland Nonprofits
- Maryland Legislative Coalition
- Chesapeake Climate Action Network
- Audubon Naturalist Society
- Evangelical Lutheran Church of America

As you might imagine, other states have picked up on this as well. Charging a tax on oil, coal, and gas to in part fund education is common practice it is currently being done in: Alabama, Arizona, Arkansas, Colorado, Kansas, Kentucky, Louisiana, Michigan, Montana, New Hampshire, New Mexico, North Dakota, South Dakota, Tennessee, and Wisconsin.

We urge the committee to give a favorable report on this bill this year.

For these reasons and more, I (your name or organization) urge a FAVORABLE REPORT on SB 912.

Respectfully submitted,

Jamie DeMarco

State-Level Carbon Pricing Coordinator

Citizens Climate Lobby

443-845-5601

SB 912_Carbon Taxing Blueprint_Support_Caldwell

Uploaded by: Gardiner, Shamoyia

Position: FAV

EQUITY FOR ALL KIDS



To: Chair Guzzone and members of the Budget and Taxation Committee
From: Jamesha Caldwell, Education Policy Legislative Intern
Re: SB 912: Environment – Climate Crisis and Education Act
Date: March 11, 2020
Position: Support

In 2018, the American Lung Association failed eight of Maryland's jurisdictions in a study conducted on high ozone pollution¹. Of the results, researchers also placed Maryland among its top twenty list of the most polluted American cities². The emission of greenhouse gases such as carbon dioxide (CO₂), nitrous oxide (N₂), methane (CH₄), and ozone (O₃) among others pose many dangerous threats to the environment and public health of all. In recent studies, researchers Ritchie and Roser found that when there is an increase in the emission of greenhouse gases, CO₂ in particular, the overall global temperature increases by at least 1 °C³. And while that number may seem extremely low, the increase of global temperature and the emission of greenhouse gases has astronomical impacts on our collective public health.

The Centers for Disease Control and Prevention found that there are several impacts related to the onset and/or the exacerbation of detrimental health conditions and diseases⁴ such as infectious diseases, mental illness, increased rates of respiratory and cardiovascular diseases, and premature injury and/or death. Though data maintains that the results of climate change have the ability to affect everyone, the severity of effects are not felt equally. Those in lower socioeconomic statuses on average contribute the least amount of greenhouse gas emissions--while having a greater risk of experiencing the ecological and public health consequences of climate change. As a result, the children in these communities will also have a greater risk of experiencing exacerbated health conditions that can have detrimental impacts on their school performance, social ability, and overall quality of life.

SB912 will ensure that Maryland remains in compliance with many of the shared global goals and efforts to reduce greenhouse gas emissions. SB912 acknowledges the influence and danger of greenhouse gases on communities and calls for fees to (a) hold active participants in the grossing emission of greenhouse gases accountable in an effort of deterrence, and (b) reinvest in the education of Maryland students through the Kirwan Initiative Fund/Blueprint for Maryland's Future Fund, as Maryland's students contribute the least to emissions and are most vulnerable to its consequences. **ACY urges a favorable report.**

¹ State of the Air, Report Card, American Lung Association, 2018

² Most Polluted American Cities, American Lung Association, 2018

³ Ritchie, H., & Roser, M. (2020). CO₂ and Greenhouse Gas Emissions. Our World In Data

⁴ Climate Effects on Health, Centers for Disease Control and Prevention, 2019

McKenna Geller_FAV_SB912

Uploaded by: Geller, Paul

Position: FAV

IN FAVOR OF SENATE BILL 912
Testimony to the Senate Budget and Taxation Committee
Environment – Climate Crisis and Education Act
Testimony of Melissa McKenna and Paul Geller, Community Advocates
Wednesday, March 11, 2020

Chair Guzzone, Vice Chair Rosapepe, and distinguished Senators,

We are here to urge your favorable report on Senate Bill 912 Environment – Climate Crisis and Education Act. Thank you Senator Kramer for re-introducing this important legislation.

There are three reasons why we support this legislation:

- 1) As advocates for our public school students statewide, this bill addresses an issue of major benefit to our kids – curbing the production of green house gas emissions.
- 2) This bill will create significant funding for the Kirwan Initiative Fund, while protecting low- and moderate-income households and small businesses from adverse increases in energy costs.
- 3) We greatly appreciate the fact that, “funds received from the fees on high-emissions vehicles must be used to (1) provide rebates on the sale of electric vehicles; (2) purchase electric transit and school buses; and (3) expand electric vehicle infrastructure.”

We’re here today for our children. SB912, the Climate Crisis and Education Act, or the very aptly named “Our Children’s Future Act,” is a win/win for everyone.

One of the most important things we can do for future generations is leave the planet in better shape than we inherited it. We must ramp up our efforts and do our part. We’re here today for our children. SB912, the Climate Crisis and Education Act, or the very aptly named “Our Children’s Future Act,” is a win/win for everyone. Fees collected from those contributing to polluting the air with carbon dioxide go towards providing incentives for the purchase of cleaner electric vehicles and the infrastructure needed to support them; protections are put in place for low- and moderate-income residents; a Climate Crisis Council will be created to help further save the Chesapeake Bay, our “3,100 miles of tidally influenced shoreline” which is highly susceptible to sea level change, and our lungs; AND a guaranteed \$350M per year will be invested in the Kirwan Initiative Fund. By supporting this bill you will be taking a bold step toward improving the environment and helping fund the greatest education transformation in a generation in one fell swoop.

Thank you. We ask you for a favorable report on Senate Bill 912.

Melissa McKenna, Community Advocate
melmckenna@utexas.edu

Paul Geller, Community Advocate
ppgusa@hotmail.com

IN FAVOR OF SENATE BILL 912
Testimony to the Senate Education, Health, and Environmental Affairs Committee
Environment – Climate Crisis and Education Act
Testimony of Melissa McKenna and Paul Geller, Community Advocates
Wednesday, March 11, 2020

Chair Pinsky, Vice Chair Kagan, and distinguished Senators,

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Thank you. We ask you for a favorable report on Senate Bill 912.

Melissa McKenna, Community Advocate
melmckenna@utexas.edu

Paul Geller, Community Advocate
ppgusa@hotmail.com

SB 912 Anjali Gutali testimony for SB912

Uploaded by: Gulati, Anjali

Position: FAV

03/09/2020

BILL: SB 912
TITLE: Climate Crisis and Education Act
POSITION: SUPPORT
HEARING DATE: 3/11/2020
COMMITTEE: Budget and Taxation
SPONSOR: Senator Benjamin Kramer

Climate change is often associated with rapidly rising sea levels, erosion, ocean acidification, and increased precipitation. These environmental factors sound relatively faraway, until we take into consideration how we are affected. Floods, fires, droughts, and disease are advancing faster than many scientists predicted. If we fail to act now in response to climate change, temperatures will continue to rise, health risks due to heat stress will rise, and so will the prevalence of respiratory illness.

I'm from Baltimore City, which is disproportionately affected by climate change in Maryland, especially people of color and people earning low incomes who cannot afford to move elsewhere. HBCU students, in an already historically disenfranchised area, are the forefront of Baltimore's fight against political greed at the expense of our physical health.

A report from the University of Maryland Center for Environmental Science predicts sea levels around the state could rise by as little as 1 foot or as much as 7 feet by the end of the century — this is DIRECTLY DEPENDENT on how much carbon the world emits into the atmosphere. A study by Union of Concerned Scientists showed that 23,000 MD residents are at risk of chronic flooding by 2045, affecting nearly \$3.6 billion of residential property. Those numbers more than quadruple by 2100, when flooding is likely to become a near-daily occurrence in places like the Inner Harbor and Annapolis' City Dock.

A proposal for \$27 billion sea walls across Maryland to protect homes, businesses, and farmlands from Baltimore to Ocean City, begins to show how much there is to lose in the long run if we keep focusing on this year's budgetary needs alone.

That figure does not include the costs of adapting or building new stormwater and drinking water systems. It does not include the costs of raising and repairing roads, extinguishing wildfires, replenishing beaches, building community cooling centers and air-conditioned public housing, dealing with droughts or recovering from extreme storms.

Dealing with climate change takes more than chump change. It takes accountability from the primary emitters who profit at the expense of our health. We may not be able to control our national involvement in the Paris Agreement, but we can set goals for our state that could reverberate throughout the region, which are to reduce emissions totally by 2040.

Maryland's ecological diversity, between the mountains, plains, ocean, and the largest estuary in the US, should lead the nation by example. Virginia has already committed to this cause with passing the Clean Economy Act.

SB 912: Climate Crisis and Education Act not only formalizes material solutions to reverse environmental injustice, but the plan has the mechanism to generate the revenue to implement it successfully.

For these reasons and more, I, Anjali Gulati, urge a FAVORABLE REPORT on SB 912.

Respectfully submitted,

Anjali Gulati

President

Females United to Uplift, Reshape and Educate (F.U.T.U.R.E.)

Morgan State University

410-322-6018

Cc: Members of the Budget and Taxation Committee

SB 912 testimony for CCAN

Uploaded by: Hershkowitz, Steven

Position: FAV

Testimony in Support of Senate Bill 912
Senate Budget and Taxation Committee | March 11, 2020

Steven Hershkowitz, CCAN Action Fund Maryland Director

The Chesapeake Climate Action Network (CCAN) Action Fund supports Senate Bill 912, legislation to expand Maryland's carbon pricing policies. We thank Sen. Ben Kramer for sponsoring this legislation to reduce greenhouse gas emissions, fund the Blueprint for Maryland's Future, ensure affordability for small businesses and low-to-middle income families, and provide the resources needed to mitigate and adapt for climate change.

CCAN Action Fund and our grassroots network throughout Maryland is dedicated to achieving a net zero greenhouse gas emissions economy by 2045, as is recommended by the United Nations Intergovernmental Panel on Climate Change (IPCC). To create this future, we must invest in frontline and historically disadvantaged communities, protect workers, and create good-paying union jobs that result in greater wealth and income equality.

The IPCC also recommends that states with high median income like Maryland must reduce their emissions 60% by 2030 (based on 2010 levels) in order to stay below the all important global warming threshold of 1.5 degrees Celsius. That means Maryland must reduce its emissions to 42.8 MMtCO₂e. As of 2017 (the most recent data), we are at 78.5 MMtCO₂e. The General Assembly must commit to ambitious climate actions if we are going to do our part in preventing the worst impacts of climate change.

One of Maryland's most effective existing tools in reducing emissions is its participation in the Regional Greenhouse Gas Initiative (RGGI). For many years now, Maryland has joined nine other states in this cap-and-trade cooperative, charging pollution fees on dirty power plants for large quantities of emissions. The cap is being lowered 30% by 2030 under regulations enacted by the Hogan Administration, requiring power plants to purchase more pollution allowances -- a bipartisan policy expected to bring in \$446 million in additional funding over the next decade.

While encouraging, this funding is barely enough to *start* on actions needed to reduce emissions to 42.8 MMtCO₂e. The Climate Solutions Act (SB926) proposes using much of that additional funding on several cost effectiveness measures like increasing tree-based carbon sequestration, electrifying state vehicles, and constructing net zero emissions public buildings. But Maryland will also need to invest significantly in expanded mass transit, electric vehicle charging infrastructure, transitioning private sector buildings transition from propane and gas heating to electric heat pumps, healthy soils, a just transition for workers from fossil fuel industries to new jobs or a secure retirement, and helping frontline communities adapt to the costs of climate change already here and expected in the near future. With general fund revenue options dedicated to the Blueprint, expanded carbon pricing is the best option available for funding climate change prevention.

SB912 represents the ideological middle ground for climate policy. Republicans in Congress are proposing a carbon tax and dividend idea, where all revenue brought in by a carbon fee goes back out to consumers and businesses. They believe market forces will reduce emissions under this structure. Meanwhile, Democrats who support the Green New Deal focus exclusively on the public investments needed to reduce climate change. This legislation does a combination of both by market-based carbon fee and splitting the funding between climate change mitigation strategies and consumer and business rebates. In fact, the rebates in this legislation represent what would effectively be one of the largest tax cut policies enacted by the General Assembly in recent years.

There is also \$350 million annually set aside in this legislation for the Blueprint for Maryland's Future. Our public policies may get split up by issue area here in Annapolis, but they interact as one web of impact in the everyday lives of Marylanders. We know from studies that air pollution and extreme heat, two major consequences of climate change, have significant negative impacts on student learning. We also know that without creating a world-class school system, we won't have the scientists, engineers, first responders, and innovators needed to mitigate and adapt to the climate crisis. The legislature has achieved a rare and incredible mission by developing truly structural change in the form of the Kirwan recommendations. This legislation is a large piece of the structural change we need in climate policy -- it should help fund structural change in education policy.

As policymakers, you are constantly choosing between different versions of our future. In every one of those versions, our children and their children are looking back at us to understand why we made the decisions that we did. Will they look back at us and ask how we built the political will to do what was necessary to save their healthy climate? Or will they look back, doing their best to live in a compromised climate, and ask why we couldn't -- why we looked around at other states and nations and waited for them to act first?

Our children and their children are looking back at us in this moment. Let them see that Maryland was one of the world's leaders, ensuring they were handed a better quality of life than the one our parents and their parents handed to us.

Please give SB912 a favorable report.

CONTACT

Steven Hershkowitz, Maryland Director
steven@chesapeakeclimate.org or (310) 941-7886

Nathan_Hultman_FAV_SB912

Uploaded by: Hultman, Nathan

Position: FAV

**Testimony of Prof. Nathan E. Hultman
Director, Center for Global Sustainability
School of Public Policy, University of Maryland**

**HB 1543/SB 912
Climate Crisis and Education Act
State of Maryland General Assembly
March 11, 2020**

Through the Climate Crisis and Education Act, the State of Maryland can accelerate our transition toward a clean, vibrant, and healthy economy for the 21st Century, and in doing so, advance a broader movement across the United States to build ambitious climate action of a sufficient pace and scale to address the current climate emergency.

In just the past few years, states across the United States, as well as cities, counties, businesses, universities, communities of faith, tribal groups, and others, have increasingly taken broader and deeper actions to address climate change and, in doing so, to build the economy of the 21st Century. Such actions are diverse, ranging from clean electricity standards, to building efficiency and transportation, to carbon taxes, and natural and working lands. But while diverse, they share a common goal: moving rapidly to address climate change in the context of our own state opportunities, and in the process to build a clean energy economy that provides a sound basis for sustained and vibrant economic growth, that yields cleaner air for our citizens, that reduces the largest risks of climate change, and provides the groundwork for the United States to become a leader in the necessary, rapid global response to the climate emergency.

The resulting groundswell of actions across the country is reflected in the burgeoning coalitions of actors taking steps to raise climate ambition in their own jurisdictions and organizations. Such coalitions include the We Are Still In (WASI) network—which now counts nearly 4,000 actors,¹ and the U.S. Climate Alliance² of states to which Maryland belongs—which now numbers 25 governors of both parties.

These coalitions are globally significant—and their impact is powerful and growing (Figure 1). Work that we at the University of Maryland have led, through the America’s Pledge initiative on climate change,³ recently assessed that these coalitions together represent over half of the U.S. greenhouse gas emissions, roughly 65% of the U.S. population, and nearly 70% of U.S. Gross Domestic Product. Notably, this GDP of actors addressing climate change today in the United States is equivalent to the world’s second-largest economy—an economy the size of China’s.

¹ Further details of the We Are Still coalition are available at <https://www.wearestillin.com>.

² Further details of the U.S. Climate Alliance are available at <https://www.usclimatealliance.org>.

³ The 2019 report, *Accelerating America’s Pledge*, as well as executive summary, fact sheets, and technical appendix, are available at www.AmericasPledge.com. The University of Maryland Center for Global Sustainability led this report and co-leads the America’s Pledge project team; I served as lead author for the 2018 and 2019 reports. The full reference is: Hultman, N., C. Frisch, L. Clarke, K. Kennedy, P. Bodnar, P. Hansel, T. Cyrs, M. Manion, M. Edwards, J. Lund, C. Bowman, J. Jaeger, R. Cui, A. Clapper, A. Sen, D. Saha, M. Westphal, W. Jaglom, J.C. Altamirano, H. Hashimoto, M. Dennis, K. Hammoud, C. Henderson, G. Zwicker, M. Ryan, J. O’Neill, E. Goldfield (2019). *Accelerating America’s Pledge: Going All-In to Build a Prosperous, Low-Carbon Economy for the United States*. Published by the America’s Pledge Initiative on Climate Change and Bloomberg Philanthropies, with the University of Maryland Center for Global Sustainability, Rocky Mountain Institute, and World Resources Institute.

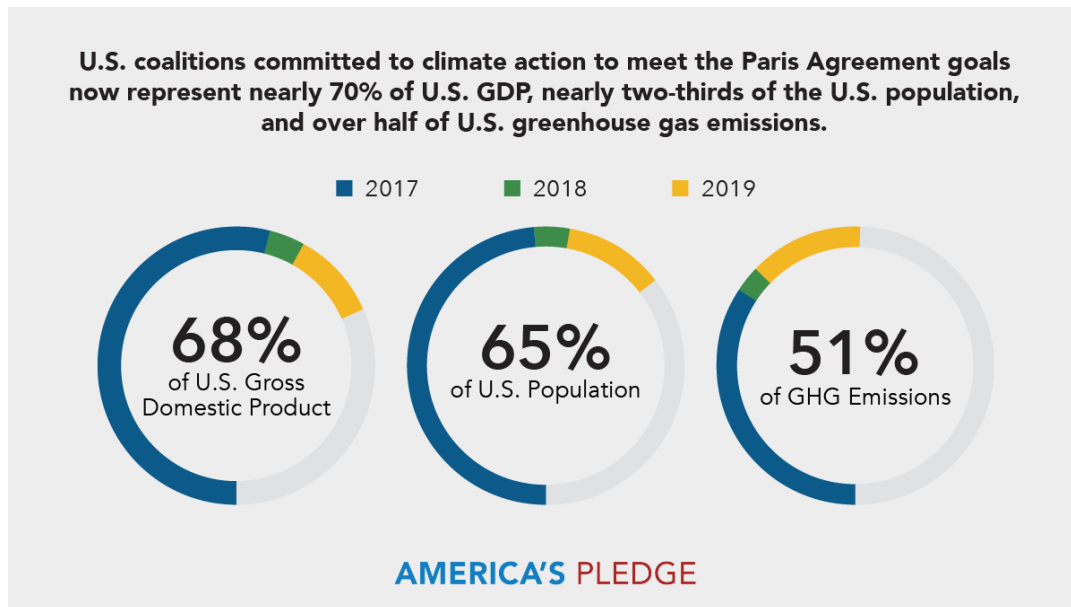


Figure 1. Across the United States, states like Maryland—as well as cities, businesses and other actors—are stepping up to address climate change and build a clean, vibrant economy for the 21st Century. These coalitions are already globally significant. Our role as a state is vitally important to build our economy at home, and in joining with the groundswell of other state actions, can lay the groundwork for a more robust American response. Source: *Accelerating America's Pledge*.

Moreover, because our constitutionally based, Federal political system in the United States devolves numerous, significant policymaking authorities to the states and other actors, the *impact* of such actions is increasingly large. For example, states have considerable scope to reduce emissions through policies such as carbon pricing, renewable energy targets, clean electricity standards, building energy efficiency codes, electric vehicle policies, land use policies, and others; and municipalities also have considerable scope through regional planning and local transportation policies.

And using these opportunities, the surprisingly good news is that our analysis demonstrates unequivocally that existing commitments from subnational actors are already making a significant impact, and laying groundwork for a robust economy-wide, comprehensive American climate policy. We estimate that by using tools and methods that are already proven by leading states, expanding bottom-up action across a broader set of states could alone drive overall U.S. emissions down by up to 37% below 2005 levels by 2030—even without additional Federal action. That means that leading actions by, for example, our State of Maryland, when joined up with similar actions by other leading states, could help the U.S. get on track toward an emissions trajectory that is roughly consistent with keeping global warming to 2 degrees Celsius. In itself, that is an extraordinarily helpful goal to reach.

Yet the science tells us we need to aim higher—to reach a global pathway to 1.5 degrees C. To do so, we will also need ambitious Federal action from Congress and the Executive branch in coming years. We demonstrate that such additional Federal action—when layered on top of ambitious state actions like those in Maryland—could in fact drive emissions down in the U.S. to roughly 49% below 2005 levels by 2030, a level consistent with scientifically based global targets of keeping warming to 1.5 degrees C. For us in Maryland, an essential message of our work is therefore that ambitious leadership by states such as ours can indeed make an ambitious national target more achievable. In other words, our leadership today can make the difference for our country's ability as a whole to effectively

implement climate policies, and that itself makes it more possible for the rest of the world to step up and match this level of ambition.

In short, Maryland's leadership on climate is existentially important—not only is it an essential component for delivering the future economy we want for our state, but can also build the basis for more ambitious U.S. and, by extension, international action to achieve global climate goals. And that is where HB 1543/SB 912 can be a potentially critical component of accelerating our action. Many Marylanders—as well as our state leaders—are aware that our State, with over 3,000 miles of shoreline, is particularly susceptible to climate change. And we have a record of climate leadership; last year, for example, the Maryland General Assembly took the important step of passing legislation to set our state's renewable energy portfolio to include 50% of clean energy sources by 2030, with a goal of 100% clean energy by 2040.

In that light, HB 1543/SB 912 would provide an enhanced structure to comprehensively address the set of linked environmental, economic, and equity complexities embedded in addressing climate change in Maryland by 2040. Helpfully, the Bill establishes a Climate Crisis Council that designates scientific and expert authorities to develop a roadmap for emissions reductions targets. It also can support a rapid and orderly transition toward a clean energy economy by imposing a pollution fee on certain high emitting sources. Such fees are a well-understood, economically sound, and effective strategy for providing the right incentives for the private sector to respond rapidly. Provisions for low-income communities are appropriately embedded to support vulnerable populations in the transition to a 100% clean energy economy.

The message of the science of climate⁴ is clear: We have no more time to wait. Globally, emissions must roughly halve by 2030 and drop by 90-100% by 2050. The upside though is that *this future is also the future we want*. The people of our State are vulnerable to the climate impacts happening already today—and our action can help drive broader actions to reduce those impacts. And we in Maryland are extraordinarily well-positioned to lead the way toward the future we want—a diversified, clean energy economy with better health and vibrant growth. Such pathways will require creativity and innovation to achieve, but our State's capabilities, political support, and existing strengths in diverse economic sectors make it possible for us to forge a new path, one that can serve not only our own residents but also provide a guidepost for building ambitious climate action across the country.

⁴ The best encapsulation of this is the recent (2018) IPCC Special Report on Global Warming of 1.5 Degrees C, available at: <https://www.ipcc.ch/sr15/>

SB 912 Sean Johnson Testimony (MSEA)

Uploaded by: Johnson, Sean

Position: FAV

**Testimony in Support of Senate Bill 912
Environment - Climate Crisis and Education Act**

**Senate Budget and Taxation Committee
March 11, 2020
1:00 PM**

**Sean Johnson
Government Relations**

The Maryland State Education Association supports Senate Bill 912 legislation that establishes the Climate Crisis Initiative and aims to dedicate \$350 million a year to the Blueprint for Maryland's Future Fund to help pay for the once-in-a-generation reforms to move our public schools from great to world-class.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our 896,837 students for careers and jobs of the future. MSEA also represents 39 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3 million-member National Education Association (NEA).

Over the last three years, educators across the state have been fully engaged in the most critical conversation we have had in a generation: how do we fundamentally, equitably, and sustainably improve our schools and prepare our students for the jobs of today and the future. From the beginning, this conversation has appropriately been focused on research-based best practices to develop the policy reforms necessary to make this happen. And from the beginning, it has been clear that supporting these world-class schools and programs would require new investments in state and local funding.

MSEA supports passage of an adequate, sustainable, and predictable revenue stream that will adequately fund both the operating and construction costs of our public schools. A great public school for every child means our students have updated technology, small manageable classes, safe and modern schools, proper healthcare and nutrition, and highly qualified and highly effective educators. The work of the Commission on Innovation and Excellence in Education (Kirwan Commission) further recommends improvements to access to pre-k and career technical education, as well as expansion of the educator workforce and increased salaries to help deliver individualized instruction and recruit and retain the best workforce in the country. Senate Bill 912 can be part of the solution for how we fund and deliver these critical policy reforms for the next generation of Marylanders.

For years now, Maryland has shown environmental leadership. Similar to the principle of charging fines for littering or other forms of pollution, Maryland already puts a price on carbon emissions. The state is part of an interstate cap-and-trade cooperative—the Regional Greenhouse Gas Initiative (RGGI)—that charges fees on power plants for climate pollution. Since it was created, the RGGI has generated \$648 million to help low-income households with energy



assistance, energy efficiency, and clean energy programs. That fee is now gradually increasing over the next ten years as a result of regulations put in place by the Hogan Administration.

The Climate Crisis and Education Act takes this successful, bipartisan, and market-based practice and expands the fee on all fossil fuels coming into the state. It's one of several methods before the legislature for modernizing our tax code to fully account for curtailing negative externalities, like climate change, and finding sources of revenue to fund critical programs in the state, including the Blueprint for Maryland's Future.

While pricing carbon as a revenue source is inherently temporary if we are to truly address the climate crisis, it is still estimated that this legislation would generate billions of dollars annually long after the Blueprint is fully implemented.

This committee has wrestled with innovative tax proposals and some other measures that have varying degrees of popularity or revenue yield. This proposal is both popular and generates meaningful revenue. MSEA's survey research indicated that two-thirds of Marylanders would support a carbon price on fossil fuels to pay for improving our public schools.

The Climate Crisis and Education Act is all about creating a better future for our kids and helping to make the Blueprint a reality. That is why MSEA urges actions to fully fund the new formulas associated with the Blueprint for Maryland's Future and supports a favorable report on Senate Bill 912

MSEA_FAV_SB 912

Uploaded by: JOHNSON, SEAN

Position: FAV

**Testimony in Support of Senate Bill 912
Environment - Climate Crisis and Education Act**

**Senate Budget and Taxation Committee
March 11, 2020
1:00 PM**

**Sean Johnson
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SB 912 testimony for Jessica Langerman

Uploaded by: Langerman, Jessica

Position: FAV



Jessica Langerman
Climate XChange
jlangerman@climate-xchange.org
Cell: 301.275.8118

Senator Guy Guzzone, Chairman

Committee: Budget and Taxation

Testimony on: SB0912

Position: Favorable

Hearing Date: March 11, 2020

A century and a half ago, England had a problem. Steam engines were roaring through the countryside, emitting blazing chunks of coal from their smokestacks. Those pieces of coal set fire to the adjacent farmers' crops. The farmers wasted untold time and energy beating the fires out. They complained to the railroad companies, who ignored them. Finally, the farmers went to the government and asked for help.

Parliament decided to hire a brilliant economist named Arthur Pigou, who quantified the damage being done to the farmers. He then suggested that the government fine the railroads that amount, but, instead of keeping the money, **divide it equally among the farmers.** And that is just what they did.

The result was that almost instantaneously, the railroads decided they would install metal grills over their trains' smokestacks. Problem solved.

Today, economists see a similar situation with fossil fuels, only, in this analogy, all of us are the railroads, and all of us are the farmers. They propose levying a gradually-increasing (that point is key) "polluters' fee" *upfront*, at the point of sale. That slowly, ever-rising polluters' fee would not be kept by the government, but rather returned to all citizens.



On the face of it, this would seem crazy. You charge people increasingly more for fossil fuels, and then return it to them? How is that supposed to change things?

Well, because 48 national and sub-national jurisdictions around the world are already doing this, we know how. We know that when people receive a check in the mail from the government (one way to return the revenue), they want to keep it. Knowing the price of fossil fuels will continue to rise, they look for ways to avoid that cost. They weatherize their homes. They carpool. And, they spend the money locally, which has a stimulative effect. Slowly, emissions fall, and fossil fuels become “right-priced.” Their cost finally reflects the damage they do to the environment, all of us are compensated, and fossil fuels are eventually priced out of the economy.

SB0912, however, has language preventing fossil fuel companies from passing the polluters’ fee on to consumers. If that holds, the only entities that will feel the pressure of the increasing polluters’ fee would be the fossil fuel companies themselves, which finally would have the incentivization they need to get into a more lucrative business - the business of clean energy. Meantime, **billions of dollars will flow into the Maryland treasury.** That money can be used to compensate citizens directly with cash refunds, protect fossil fuel industry employees as they switch industries, and direct money into shoring up towns like Annapolis and Ellicott City against the ravages of climate change. And, we can use part of it to fund our schools.

Why *wouldn’t* we do this?

We can’t go on ignoring this problem. We can’t get to *April* without making this change. No more mouthing platitudes about how “we need transformative solutions” and then refusing to enact them. This *is* a transformative solution. Please, as a mother, I implore you to ACT. Take advantage of this opportunity to fund our schools and provide money to communities who need it by correcting the market failure that lies at the heart of climate change.

Thank you.

SB 912 Sarah Lesher testimony

Uploaded by: lesher, sarah

Position: FAV

SB0912
Budget and Taxation
Sen. Ben Kramer sponsor
03/11/2020

Mr. Chairman and Members of the Committee:

I urge you to support SB0912, the Climate Crisis and Education Act. It is a market-based solution to reducing carbon emissions, which is essential if our current climate crisis with extreme and atypical weather events is to be ameliorated as much as possible before a tipping point is reached and global heating is runaway unstoppable.

The bill requires fossil fuel producers to pay for greenhouse gas emissions. The fees so collected can be used to compensate for economic displacements as fossil fuel jobs are reduced and replaced by jobs in renewable energies.

In addition fees would be collected on high-greenhouse-gas-emission vehicles.

A substantial portion of these fees would be go to the Kirwin Initiative Fund, essential for reviving Maryland's educational system.

Another large portion of the fees would go to the Household and Employer Benefit Fund. This money would be distributed to households and businesses to provide protection for low- and moderate- income households and energy-intensive businesses that suffer losses from the change to renewable energy sources.

The remainder of the funds raised from these fees would go to a Climate Crisis Infrastructure Fund. The purpose of this fund is to invest in initiatives for improving health and welfare around clean energy and resiliency especially for low- and middle-income communities historically burdened by pollution and underserved by economic development.

Funds raised from fees on energy inefficient vehicles would be used to support expanded electric vehicle rebates, public electric vehicles, expanded electric vehicle charging infrastructure.

A carbon fee on emissions is a much more flexible, market based approach than traditional regulations including cap-and-trade approaches. To quote from "The Conservative Case for Carbon Dividends," Climate Leadership Council, February 2017:

"We the People deserve to be compensated when others impose climate risks and emit heat-trapping gases into our shared atmosphere. The new ground rules make intuitive sense: the more one pollutes, the more one pays; the less one pollutes, the more one comes out ahead. This, for once, would tip the economic scales towards the interest of the little guy."

I urge you to support and move forward with SB 0912.

Sarah Leshner
9728 Hedin Dr., Silver Spring, MD 20903
sarah.lesher@gmail.com 301-526-4148

SB0912_FAV_SarahLesh

Uploaded by: lesher, sarah

Position: FAV

SB0912_FAV_ClimateXChange
Budget and Taxation
03/11/2020

Mr. Chairman and Members of the Committee:

I urge you to support SB0912, the Environment—Climate Crisis and Education Act.

It is a market-based solution to reducing carbon emissions, which is essential if our current climate crisis with extreme and atypical weather events is to be ameliorated as much as possible before a tipping point is reached and global heating is runaway unstoppable.

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I urge you to support and move forward with SB 0912.

Sarah Leshner
9728 Hedin Dr., Silver Spring, MD 20903
sarah.lesher@gmail.com 301-526-4148

SB 912 Testimony for Lawrence Liebesman Esq

Uploaded by: Liebesman, Larry

Position: FAV

TESTIMONY OF LAWRENCE R. LIEBESMAN, ESQ
SUPPORT SB 912, CLIMATE CRISIS AND EDUCATION ACT
Sen. Ben Kramer Sponsor
BUDGET & TAXATION COMMITTEE

March 11, 2020

Good afternoon. My name is Larry Liebesman. Thank you for the opportunity to speak today in favor of SB 912

I have practiced environmental law for over 40 years having worked at EPA and as a Sr. Trial Attorney at the Department of Justice. I have been an adjunct professor of environmental law at GW Law School where I taught wildlife law focusing on the serious impact of Climate Change on species habitat. I have also been monitoring the meetings of the Maryland Climate Change Commission charged with developing a plan to meet the mandate of the GHG Reduction Act, signed into law by Governor Hogan, to achieve a 40% reduction in GHG emissions by 2030 from a 2006 baseline. **MARYLAND FACES SEVERE RISKS FROM THE CLIMATE CRISIS REQUIRING URGENT ACTION NOW.** In my view there are two strong reasons that justify this important legislation.

FIRST, THE BILL WILL SET MARYLAND ON PATH TO ACHIEVING NET ZERO EMISSIONS BY 2040

The bill will set statewide GHG reduction goals of 70% by 2030 and 100% by 2040 consistent with the recommendation of the IPCC. **Economists agree that carbon pricing is the most efficient and cost-effective way to reduce GHG emissions while incentivizing green energy.** By putting an increasing fee on fossil fuels at point of entry in Md, the Bill's market-based approach, incentivizes the reduction in fossil fuel CO2 emissions. It would put Maryland on a commonsense pathway to a sustainable vibrant economy. The Bill also provides a way to meet & exceed the current 40% CHG reduction goal in the GGRA by 2030 and will complement programs such as Regional Greenhouse Gas Initiative (RGGI) and the Transportation Climate Initiative (TCI). in fact, it is **highly uncertain whether the 2030 goal can be achieved under current and existing programs and the cut back on federal programs.**

SECOND, THE BILL'S MARKET BASED SOLUTION WILL GENERATE BILLIONS OF DOLLARS TO HELP FUND CRITICAL PROGRAMS SUCH AS THE KIRWIN EDUCATION INITIATIVE AND PROVIDE AN EQUITABLE TRANSITION TO A CLEAN ENERGY ECONOMY

The bill establishes separate funds for education, green infrastructure and household and employee benefits. The fees on fossil fuels and on high polluting vehicles generated under the bill will deliver:

- \$350 M /yr. to help fund the Kirwin Initiative
- \$180 M in year one and more than \$500 M in year ten to fund infrastructure needs
- \$490 M in yr. one and more than \$850M in year ten to provide benefits to protect low -income households and energy intensive trade exposed business from financial harm.

These funds will help communities' transition in a fair and equitable manner to a clean energy economy. We also believe that , based on a recent AG's opinion , there appears to be no legal impediment in enacting a bar to prohibiting companies from passing through such fees to customers. The bill will create an expert based Climate Crisis Council that will develop policy recommendations to achieve the pollution reduction goals of the Act, to fund education through the Kirwan Initiative and to ensure that low and moderate-income households and impacted employers are protected from financial harm.

I urge the Committee to favorably report this important legislation

Respectfully,

Lawrence R. Liebesman, Esq.
5682 Vantage Pt. Rd.
Columbia, md, 21044
(410) 707- 0413
larry.liebesman@gmail.com

SB 912 Katherine Lord Testimony

Uploaded by: Lord, Katherine

Position: FAV

March 10, 2020

BILL:	SB 912
TITLE:	Climate Crisis and Education Act
POSITION:	SUPPORT
HEARING DATE:	3/11/2020
COMMITTEE:	Budget and Taxation
SPONSOR:	Senator Benjamin Kramer

I am writing in strong support of the Climate Crisis and Education Act and urge you to vote for this bill. My mother is a public-school teacher in Baltimore County and my father works for the University of Maryland system. My parents have instilled in me the value of education, and I truly believe that education empowers people to change the world. However, I've seen the shortfalls of Maryland's public-school system- the budget cuts, lack of support for teachers, obstacles for students to go to school. To invest in the future, we must invest in our children. However, with current greenhouse gas emissions from land use and burning fossil fuels, the future is bleak. Thousands of families in Maryland will be displaced due to sea level rise. Changes in precipitation will threaten food and water security. Children and the elderly will be more vulnerable to asthma, heat stroke, and other fatal health conditions because of poor air quality and global warming. I ask you to not just think about how this affects you, but to think of the millions of people that this legislation will impact. Think of your kids. Think of your grandkids. Think of the elderly and the most vulnerable population. Think of the legacy you want to leave. Do you want to improve education and inspire other states to reduce carbon emissions? This Bill offers the opportunity to make a true difference in the future of Maryland, and the world. I hope you'll vote for education and a greener future.

For these reasons and more, I urge a FAVORABLE REPORT on SB 912.

Respectfully submitted,

Katherine Lord
Student, Environmental Science and Policy, UMD College Park

Cc: Members of the Budget and Finance Committee

McKenna Geller_FAV_SB912

Uploaded by: McKenna, Melissa

Position: FAV

IN FAVOR OF SENATE BILL 912
Testimony to the Senate Budget and Taxation Committee
Environment – Climate Crisis and Education Act
Testimony of Melissa McKenna and Paul Geller, Community Advocates
Wednesday, March 11, 2020

Chair Guzzone, Vice Chair Rosapepe, and distinguished Senators,

We are here to urge your favorable report on Senate Bill 912 Environment – Climate Crisis and Education Act. Thank you Senator Kramer for re-introducing this important legislation.

There are three reasons why we support this legislation:

- 1) As advocates for our public school students statewide, this bill addresses an issue of major benefit to our kids – curbing the production of green house gas emissions.
- 2) This bill will create significant funding for the Kirwan Initiative Fund, while protecting low- and moderate-income households and small businesses from adverse increases in energy costs.
- 3) We greatly appreciate the fact that, “funds received from the fees on high-emissions vehicles must be used to (1) provide rebates on the sale of electric vehicles; (2) purchase electric transit and school buses; and (3) expand electric vehicle infrastructure.”

We’re here today for our children. SB912, the Climate Crisis and Education Act, or the very aptly named “Our Children’s Future Act,” is a win/win for everyone.

One of the most important things we can do for future generations is leave the planet in better shape than we inherited it. We must ramp up our efforts and do our part. We’re here today for our children. SB912, the Climate Crisis and Education Act, or the very aptly named “Our Children’s Future Act,” is a win/win for everyone. Fees collected from those contributing to polluting the air with carbon dioxide go towards providing incentives for the purchase of cleaner electric vehicles and the infrastructure needed to support them; protections are put in place for low- and moderate-income residents; a Climate Crisis Council will be created to help further save the Chesapeake Bay, our “3,100 miles of tidally influenced shoreline” which is highly susceptible to sea level change, and our lungs; AND a guaranteed \$350M per year will be invested in the Kirwan Initiative Fund. By supporting this bill you will be taking a bold step toward improving the environment and helping fund the greatest education transformation in a generation in one fell swoop.

Thank you. We ask you for a favorable report on Senate Bill 912.

Melissa McKenna, Community Advocate
melmckenna@utexas.edu

Paul Geller, Community Advocate
ppgusa@hotmail.com

IN FAVOR OF SENATE BILL 912
Testimony to the Senate Education, Health, and Environmental Affairs Committee
Environment – Climate Crisis and Education Act
Testimony of Melissa McKenna and Paul Geller, Community Advocates
Wednesday, March 11, 2020

Chair Pinsky, Vice Chair Kagan, and distinguished Senators,

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Thank you. We ask you for a favorable report on Senate Bill 912.

Melissa McKenna, Community Advocate
melmckenna@utexas.edu

Paul Geller, Community Advocate
ppgusa@hotmail.com

SB 912 testimony for Morici

Uploaded by: Morici, Kathryn

Position: FAV

3/10/2020

BILL: SB 912
TITLE: Climate Crisis and Education Act
POSITION: SUPPORT
HEARING DATE: 3/11/2020
COMMITTEE: Budget and Taxation
SPONSOR: Senator Benjamin Kramer

NOW is the time to act; actually is it far past time to act. We must conclude from the widely available and irrefutable science that the earth is warming and we are facing drastic changes that will have far-reaching and devastating effects that we simply cannot ignore, thinking they are far off and not our problem. We absolutely know that reliance on fossil fuels propels disastrous global climate change. You have a superb way to definitively act in the bill putting a price on pollution, The Climate Crisis and Education Act.

The fee on fossil fuels is fair, sparing vulnerable businesses and ultimately costing the consumer far less than letting the issue smolder into the future. The fee on fossil fuels will also drive critical clean energy innovation.

For these reasons and more, I (Kathryn L. Morici) urge a FAVORABLE REPORT on SB 912.

Respectfully submitted,

Kathryn L. Morici, MD MPH
301-465-3139

Cc: Members of the Budget and Finance Committee

SB 912 testimony for ann nielsen

Uploaded by: Nielsen, Anne

Position: FAV

March 10, 2020

BILL: SB 912
TITLE: Climate Crisis and Education Act
POSITION: SUPPORT
HEARING DATE: 3/12/2020
COMMITTEE: Budget and Taxation
SPONSOR: Sen. Ben Kramer

Dear Chairman and members of the committee:

I am writing as a member of Citizens Climate Lobby and as a longtime resident of Queen Anne's County.

Our 250 year old farm is already threatened by climate change and particularly by rising sea level in low lying fields as well as the violent storms that damage our crops. Our family members do most of the farming. They are deeply discouraged by the changes they have noticed.

For these reasons and more, I Anne Nielsen, Citizens Climate Lobby urge a FAVORABLE REPORT

On SB 912.

Respectably submitted,

Anne Nielsen

Member Citizens Climate Lobby
410 490-8439

Cc: Members of Budget and Taxation Committee

SB 912 testimony for Jimmy Nolan

Uploaded by: Nolan, Jimmy

Position: FAV

(Date)

BILL: SB 912
TITLE: Climate Crisis and Education Act
POSITION: SUPPORT
HEARING DATE: 3/11/2020
COMMITTEE: Budget and Taxation
SPONSOR: Senator Benjamin Kramer

We are currently facing more and more of the effects of climate change where we must act now. I'm from Ellicott City and we saw 2 100 year flooding events in 2 years. The frequency and severity of these events will grow as time goes on if we don't act. I live walking around old Ellicott City and I want people to be able to keep enjoying it for years to come. I also love going to the beach in the summer. My whole extended family gets together and goes for 1 week every summer. Rising sea levels from climate change will make it more difficult or impossible to go to the beach in the future. Events such as the Ellicott City flooding are costing millions of dollars to recover from. This is why the CCEA is needed. It helps put a price on carbon emissions and will help Maryland reach its carbon neutral goals. Money raised by the CCEA will help low income populations with their energy bills through rebates, secure funding for infrastructure, and fund the Kirwan Commission. It is time to start acting to prevent climate change and help secure a better future for Maryland.

For these reasons and more, I Jimmy Nolan urge a FAVORABLE REPORT on HB 1543.

Respectfully submitted,

Jimmy Nolan
410-660-9609

Cc: Members of the Economic Matters Committee

SB 912 testimony for Madison Plunkert

Uploaded by: Plunkert, Madison

Position: FAV

BILL: SB 912
TITLE: Climate Crisis and Education Act
POSITION: SUPPORT
HEARING DATE: 3/11/2020
COMMITTEE: Budget and Taxation
SPONSOR: Senator Benjamin Kramer

As a constituent and voter in District 42B and student at the University of Maryland, I strongly support the Climate Crisis and Education Act. As a biology student and plant science researcher, I am acutely aware of the threats to human and environmental health posed by climate change and believe that equitable carbon pricing measures passed by progressive states will initiate change for the better.

The health and safety of Maryland's parks is threatened by climate change. Extreme weather events due to climate change are already causing mature oaks to die of root damage and infectious fungal disease in Maryland and the DC area, as reported by the Takoma Park Service in Maryland in 2019. These damaging effects are destroying the historic willow oaks that line University of Maryland's campus. I also fear for the trees of Gunpowder Falls State Park, where I grew up canoeing on the Gunpowder River and hiking through the forests. These forests shield the river from water pollutants, provide outdoor recreation for Marylanders, and need our protection.

With warmer temperatures, insects whose populations are ordinarily reduced during winter freezes experience population booms. This increases the survival rates of many insect species, including agricultural pests and disease-transmitting mosquitoes. We are encountering mosquito-borne illnesses that threaten Marylanders who work outdoors or enjoy outdoor recreation. Conditions in Maryland are becoming hospitable to mosquito vectors of tropical diseases such as Dengue fever, posing a real public health risk to Marylanders.

Climate change has immediate and detrimental implications for Marylanders today. We need to take action, by using market forces to drive down fossil fuel usage and encourage renewable alternatives. The Climate Crisis and Education Act will let Maryland lead the way for climate action in other states and at the federal level. Our efforts to stop climate change will protect our natural spaces and public health.

For these reasons and more, I, Madison Plunkert, urge a FAVORABLE REPORT on SB 912.

Respectfully submitted,
Madison Plunkert
acClimateMD
410-493-5778

SB 912 MDPHA Testimony

Uploaded by: Public Health Association, Maryland

Position: FAV



Mission: To improve public health in Maryland through education and advocacy

Vision: Healthy Marylanders living in Healthy Communities

SB912 – Climate Crisis and Education Act

Hearing Date: 3/11/20

Committee: Budget & Taxation

Position: SUPPORT

Thank you Chairman Guzzone and members of the Budget & Taxation Committee. We submit this testimony on behalf of the Maryland Public Health Association to express our support for SB912 – Climate Crisis and Education Act. We appreciate the bill's directive to establish a Climate Crisis Initiative in the Department of the Environment, with a Climate Crisis Council and Infrastructure Fund, and a stream of a funding for the Kirwan Initiative, by establishing emission limits, fees and dividends.

For decades, scientists have shown that carbon emissions and other toxic outdoor air pollutants (such as ozone, sulfur dioxides, and nitrous oxides) directly lead to negative health affects ranging from headaches, dizziness and heat stress, to reduced lung function, asthma and lung disease, to heart disease, stroke and death.¹ Further, our reliance on fossil fuels for energy and resulting emissions has trapped heat in our atmosphere and increased temperatures across the globe. Maryland is on target to have more days over 104° F, which cause organs to swell, cells to break down, and over time is intense enough to kill outdoor workers. Impacts from climate change also have been found to elevate levels of anxiety, depression and post-traumatic stress disorders.² Moreover, as the world gets warmer, ticks, mosquitoes, and other vectors expand their habitats and spread disease for longer periods of time. Vector-borne diseases are expected to intensify if CO₂ levels aren't controlled. More intense storms with more rainfall also leads to the unavoidable spread of water-borne disease. With all of this, the costs from the impact of climate change on health are projected to cost Maryland hundreds of millions of dollars in health costs alone.³ Climate change is a public health emergency and we need solutions that meet the severity of the challenge.

The International Monetary Fund, among other reputable institutions, have reported that of the many mitigation strategies to reduce fossil fuel CO₂ emissions, carbon taxes are the most powerful and efficient.⁴ The carbon fee and dividend approach in SB912 presents an important step to protect the public health and the economic well-being of Marylanders. We especially appreciate the focus to alleviate the burden on low and middle-income households, who will not only be impacted more severely by the bill, but are also suffering disproportionately from the impacts of climate change. Children are another particularly vulnerable population to the impacts of climate change. To directly link the bill's benefits to future generations and future environmental stewards, we strongly recommend that efforts will be made to enhance climate, health, and circular economy curriculum for students and teachers benefiting from the Kirwin Initiative, in the same way that tobacco tax dollars supported smoking cessation efforts and helped to dramatically reduced smoking rates. Thank you again for your attention to this matter, and for your support of climate solutions that improve health.

¹ World Health Organization. (Accessed 2020) "How air pollution is destroying our health." <https://www.who.int/airpollution/news-and-events/how-air-pollution-is-destroying-our-health>

² American Psychiatric Association. (Accessed 2020) "How extreme weather events affect mental health." <https://www.psychiatry.org/patients-families/climate-change-and-mental-health-connections/affects-on-mental-health>

³ Sgabjar D., Ahsanuddin S., (Oct. 2019) "It's time for the health care system to reckon with the human costs of climate change." Health Affairs blog. <https://www.healthaffairs.org/doi/10.1377/hblog20191011.432819/full/>

⁴ International Monetary Fund (Accessed 2020) "Fiscal Monitor: How to Mitigate Climate Change." <https://www.imf.org/en/Publications/FM/Issues/2019/09/12/fiscal-monitor-october-2019>

Maryland Public Health Association (MdPHA)

PO Box 7045 • 6801 Oak Hall Ln • Columbia, MD 21045-9998

GetInfo@MdPHA.org www.mdpha.org 443.475.0242

The Maryland Public Health Association (MdPHA) is a nonprofit, statewide organization of public health professionals dedicated to improving the lives of all Marylanders through education efforts and advocacy of public policies consistent with our vision of healthy Marylanders living in healthy communities. MdPHA is the state affiliate of the American Public Health Association, a nearly 145-year-old professional organization dedicated to improving population health and reducing the health disparities that plague our state and our nation.

SB 912 testimony for Episcopal Archdiocese

Uploaded by: Shahinian, Kathy

Position: FAV



THE EPISCOPAL DIOCESE OF MARYLAND

SUPPORT
SB 912/HB 1543
Environment - Climate Crisis and Education Act
Testimony presented by The Rev. Kathy Shahinian

Dear Chair and members of the committee,

For our children's education and our children's future, the Episcopal Diocese of Maryland urges you to give a favorable report to (SB 0912/HB 1543). This bill will fund a world class education for our children today and give them a livable future tomorrow.

Greta Thunburg and millions of children around the world have been asking "What is the point of going to school if there isn't going to be a livable planet for us to inherit and use our education." This legislation will help fulfill our obligation to the next generation.

Crucially, the legislation also includes a provision prohibiting the fossil fuel industry from passing these costs onto consumers. This means end use consumers like me and you will not pay a dime for any of this, and the funding will come directly from the fossil fuel industry, an industry that nets more than \$300 million in profits every day.

As we are called by God to care for creation, we support policies that protect the natural resources that sustain all life on Earth. The Church calls for policies that mitigate greenhouse gas emissions, promote sustainable energy, the safe and just use of natural resources, and support communities impacted by a lack of environmental stewardship.

This bill is a rare opportunity to fund our schools, reduce our pollution, and protect consumers. We urge the committee to give a favorable report.

SB 912 testimony for Pete Smith

Uploaded by: Smith, Pete

Position: FAV



Pete Smith
Climate Xchange
psmith@climate-xchange.org
Cell: 202-247-6613

Senator Guy Guzzone, Chairman

Committee: Budget and Taxation

Testimony on: SB0912

Position: Favorable

Hearing Date: March 11, 2020

The highest percentage of greenhouse gas emissions in Maryland is the transportation sector. Convincing new car buyers to choose less polluting vehicles will significantly decrease transportation pollution. The Climate Crisis and Education Act imposes a fee on the sale or registration of new high polluting vehicles in Maryland starting in year 2022. The policy is set up so that most new car buyers have options to buy lower polluting vehicles and thus avoid paying a pollution fee.

Commercial, agricultural, public transport and MD government vehicles not used as passenger vehicles are exempted from the fee.

In SB 912 the pollution fee requirement begins in 2022. Only vehicles with an EPA rating of 400 grams/mile of CO₂ or higher would meet the high pollution vehicle rating and pay a fee.¹ The bill language dictates that the pollution rating decreases each year by 10 g/mile. Thus, the number of vehicles classified as high polluters increases each year. Moreover, the fee charged increases by \$0.25 annually.²

¹ At this rating a vehicle will produce 40 metric tons of CO₂ when driven 10,000 per year for 10 years.

² The fee is calculated by multiplying the pollution rating by the charge factor which is 1.25 in year 2022.

Each vehicle manufacturer produces several models and each model often has several variations. For example, Ford has 11 models and 60 variations of these models. **A central objective of this policy is to educate new vehicle buyers that lower polluting model variations exist for every model vehicle sold in Maryland and very often a non-high polluting vehicle with no fee is available.**

Personal Story

My wife currently drives a 2011 Hyundai Santa Fe and would like to buy a new Hyundai Santa Fe. The EPA 2020 data base provides data for four variations of the Santa Fe. Only one is a high polluter: A turbo charged, All-Wheel Drive, 2.0 Liter, 4 cycle engine. The pollution fee would be \$514. However, the same car with a 2.4 Liter engine without turbo charge is available and would not be charged a fee. The moral to this story is that for thousands of vehicle models, a choice exists between nearly identical vehicles, some of which are high polluters and some of which are not high polluters. Buyers have a choice.

The table below based on 2020 EPA data provides the number of models, the number of variations of each model and the number of high polluters. Note that BMW produces 78 model variations of which only 17 are high polluters. Note also that even for the manufacturers with the highest percentage of high polluters, many low pollution cars are available.

Make	No. of Models	No. of Model Variations	High polluters (No. & percentage)
Ford	11	60	24 40%
Toyota	17	63	16 25%
Chevrolet	17	79	41 55%
Honda	11	41	7 17%
Nissan	15	37	10 27%
Jeep	6	36	19 53%
BMW	16	78	17 22%

The tables below provide details by model for Honda and Jeep.

HONDA

Model	Model Variations	Pollution Ratings grams/mile	No. of high polluters
Accord	7	185 – 345	0
Civic	10	248 – 280	0
Clarity	1	57	0
CR-V	3	234 – 305	0
Fit	3	246 – 286	0
HR-V	4	292 – 314	0
Insight	2	170 – 184	0
Odyssey	1	394	0
Passport	2	402 – 427	2
Pilot	4	388 – 421	3
Ridgeline	2	407 – 433	2
Total	11		7

JEEP

Model	Model Variations	Pollution Ratings grams/mile	No. of high polluters
Cherokee	10	345 – 432	2
Compass	4	339 – 358	0
Gladiator Pickup	2	466 – 476	2
Grand Cherokee	5	414 – 664	5
Renegade	5	328 – 379	0
Wrangler	10	411 – 459	10
Total	36		19



Revenues from the high pollution vehicle fee, estimated at \$40 million in year 2022, would be deposited in the Infrastructure Fund. High priority for use of the funds is given to rebates for electric vehicles, expansion of electric vehicle infrastructure and procurement of electric transit and school buses.

Donald_Goldberg_FWA_SB912

Uploaded by: Goldberg, Donald

Position: FWA

Testimony Concerning Climate Crisis and Education Act (SB0912)

Position: Support with Amendment

Submitted by Donald M. Goldberg, Executive Director

donald@clpproject.org

Since October 2017, Climate Law & Policy Project has worked with ClimateXChange to develop and advance a carbon fee, rebate & invest bill in Maryland, culminating this year in the Climate Crisis and Education Act (CCEA). We strongly support carbon fee, rebate & investment strategies, and we support the Climate Crisis and Education Act. However, we recommend deleting § 2–1219(D)(4). If this provision is not deleted, we recommend amending § 2–1220(C) and § 2–1223(B)(2) of the act, as explained below.

§ 2–1219(D)(4)

This provision prohibits fees collected from being passed through to end users of fossil fuels or customers of electric or gas companies, with the exception of electricity or gas fees approved by the Public Service Commission as prudently incurred costs of distribution. Thus, suppliers of transportation fuels and some heating fuels are completely barred from passing the fee along to their customers. We think this will diminish the effectiveness of the fee, as it eliminates the incentive for customers to reduce their emissions, for example, by purchasing low- or zero-emission vehicles.

Furthermore, it appears the fee could make the sale of the fuels in Maryland unprofitable for these companies, which could give rise to a “taking” lawsuit. While we cannot predict the outcome of such a suit, it is possible that, were a court to find that the fee is a taking, it could strike down the entire law.

For these reasons, we recommend § 2–1219(D)(4) be deleted.

§ 2–1220(C)

If § 2–1219(D)(4) is not deleted, we recommend § 2–1220(C) be amended as follows:

2-1220(C). THE AMOUNT DISTRIBUTED EACH YEAR TO THE BENEFIT FUND SHALL BE THE LESSER OF:

(1) 50% OF THE REVENUES GENERATED BY FEES PASSED THROUGH TO ELECTRICITY CUSTOMERS OR END USERS OF FOSSIL FUELS, AS DETERMINED BY THE SECRETARY; OR

(2) ALL THE REVENUES REMAINING AFTER THE DISTRIBUTION TO THE KIRWAN FUND UNDER SUBSECTION (B) OF THIS SECTION.

If § 2–1219(D)(4) is not deleted from the bill, more robust investment in mitigation measures will be needed to compensate for the diminished effectiveness of the fee due to its not being fully passed through to consumers. If the fraction of revenue distributed to the Benefits Fund exceeds the fraction of fees passed through to consumers, there will be insufficient money in the Infrastructure Fund to provide adequate investment in clean energy and transportation, resilient infrastructure, soil, forest and wetland sequestration, and just transition, as called for in § 2–1223(B). We estimate that without this amendment the amount of money that will go to the Infrastructure Fund from 2021 to 2030 could be as low as 6% of total revenue. The low amount of available investment revenue is due to two factors: (1) excessive benefits, and (2) carveouts for RGGI and TCI.

Excessive Benefits

CLPP believes it is crucial to protect low- and middle-income households and energy-intensive, trade-exposed businesses from economic harm caused by carbon fees. However, § 2–1219(D)(4) prevents some or all fees from being passed through as a direct cost to end users of fossil fuels and customers of electricity and gas companies. Thus, it is not certain that these entities would suffer any economic harm from fees, and if they do, that the extent of harm would be proportional to the benefits they receive. In other words, § 2–1220(C) as currently written goes beyond its protective aim, providing full benefits to households and employers regardless of the amount they actually paid in fees. The amendment we propose would distribute 50% of revenue generated only by fees *passed through to electricity customers or end users of fossil fuels*, making benefits proportional to fees paid. This would more than protect the lowest-income quintile from any adverse impact; they either would pay no fees or would come out ahead, receiving more benefits than they paid in fees, preserving the original intent of the benefits provision.

Carveouts for RGGI and TCI

To prevent fossil fuel and electricity suppliers from being charged twice for the same emissions, CCEA provides “carveouts” for the Regional Greenhouse Gas Initiative (RGGI) and the Transportation and Climate Initiative (TCI). Fees charged under CCEA are reduced by any amounts paid for allowances under these two programs. It is difficult to estimate how much this will reduce CCEA revenue, but Maryland Department of the Environment projects that Maryland will collect \$446 million more in RGGI revenue in the next decade than it collected in the prior one. That would suggest average Maryland RGGI revenue of around \$100 million per year through 2030. TCI revenue is more difficult to predict, as the program is not yet operating, and significant parameters, including stringency of targets, have not yet been agreed on. If the most stringent target under consideration — 25% reduction in transportation emissions by 2030 — is adopted, virtually all revenue from the transportation fuels component of CCEA will be eliminated. We estimate, based on the 70% by 2030 reduction target in the CCEA, these two carveouts could reduce average revenue to the Infrastructure Fund by more than \$300 million per year.

Importance of Investment.

Investment of carbon price revenues is very important for a range of reasons. For example, there are some needed emission reductions that a carbon price signal will be unable to reach (e.g., some energy efficiency measures), and there are sectors where a carbon price alone is expected to be inadequate to spur change (e.g., transportation). Carbon price revenues could help fund other types of solutions, as well as ‘just transition’ and resilience measures. In addition, numerous polls show public support for carbon pricing is highest when the revenues are used to further the core purpose of the carbon price, such as by investing the revenue in clean energy technologies.

There are many examples of carbon pricing programs that allocate a substantial amount of revenue to investment, mainly in additional GHG emission abatement. RGGI is an obvious example, with most proceeds invested in energy efficiency, renewable energy, and other greenhouse gas abatement, and it looks like TCI will adopt a similar approach. Proceeds from California’s cap-and-trade auctions likewise go into a Greenhouse Gas Reduction Fund that invests in transportation and sustainable communities, clean energy and energy efficiency, and natural resources and waste diversion. Similarly, revenues from Quebec’s cap-and-trade program go into a Green Fund for climate mitigation and adaptation projects. Carbon price revenues in Japan, Switzerland, and elsewhere are invested in a similar fashion. Analysis of these investment measures has shown that in many cases they have had more impact on emissions than the price itself.

Benefits to Low- and Moderate-Income Residents Provided by the Infrastructure Fund

§ 2–1223(B)(2) provides: “Of the money in the infrastructure fund, 30% shall be used to benefit low- and moderate-income residents, with priority given to historically pollution-burdened and underserved communities, including by providing access to affordable renewable energy, energy efficiency, public transportation, and assistance with adapting to impacts of severe weather and climate change.”

This provision could offer substantial economic benefits to low- and moderate-income households while simultaneously reducing statewide emissions. Examples of such benefits include low-cost or free solar roofs, energy efficiency upgrades, access to community-based solar, public transit passes, etc. We are not suggesting that rebates should be entirely replaced by Infrastructure Fund benefits. We are simply making the point that the Infrastructure Fund can provide financial benefits as well, while also achieving reductions in emissions. Ideally, low- and moderate-income households could be held harmless from fees by the Benefits Fund *and* be provided with low- or zero-cost access to clean energy and transportation opportunities of which they have long been deprived.

The Infrastructure Fund can also benefit historically pollution-burdened and underserved communities by investing in actions that directly reduce co-pollutants, including volatile organic compounds, particulates, and heavy metals. Such actions could include replacing diesel buses with electric ones and accelerating the closure of coal-fired power plants by, for example, funding ‘just transition’ for fossil-fuel dependent workers and communities. Maryland communities experience some of the highest rates of asthma and pollution-induced mortality in the country.

Low- and moderate-income communities in Maryland are also among the most vulnerable to impacts of climate change, whereas wealthier communities are more likely to have the means to protect themselves. A good example of the plight Maryland’s low- and moderate-income neighborhoods will face can be found in Boston, as reported in the Washington Post (Feb. 19) article, *“Retreat or adapt: A city that flourished by the ocean is now preparing for rising seas.”* According to this article, new buildings in Boston are being built higher than state code requires, while older residential buildings occupied by lower-income people lack the money to alter their topography. These are precisely the types of problems the Infrastructure Fund could help address.

§ 2–1223(B)(2)

To compensate for any reduction in benefits to low- and moderate-income households that might occur if our recommendation to amend § 2–1220(C) is adopted, we recommend amending § 2–1223(B)(2) to increase the amount of money in the Infrastructure Fund used to benefit low- and moderate-income residents from 30% to 50%.

MDSierraClub_JoshTulkin_FWA_SB912

Uploaded by: Tulkin, Josh

Position: FWA



7338 Baltimore Ave
Suite 102
College Park, MD 20740

Committee: Budget and Taxation
Testimony on: SB912 – “Climate Crisis and Education Act”
Position: Support with Amendments
Hearing Date: March 11, 2020

The Maryland Sierra Club appreciates the opportunity to comment on SB912. The Sierra Club supports efforts to avoid the worst impacts of climate disruption for Maryland communities, reduce pollution to protect families, and invest in clean energy, particularly for those constituencies that have been overburdened and underserved by our current system. When done properly, pricing carbon pollution has been, and can be, an effective way to achieve these goals. We believe this proposal shows promise, but that improvements are needed as well.

For more than ten years, the Sierra Club has supported policies that use market-based mechanisms to limit, price, and reduce climate-disrupting pollution. We have extensive experience working on such policies, including the popular, successful, and effective Regional Greenhouse Gas Initiative, and have learned a number of lessons in that process. Two of those lessons stand out as particularly important when it comes to this legislation:

- Climate policies must be carefully designed to ensure they will help achieve the greenhouse gas reductions science says are necessary to effectively minimize the impacts of climate disruption.
- Policies should ensure that those who are most overburdened by pollution and underserved by our current energy and economic systems are better off as a result of actions taken to stabilize the climate. This includes communities that are most at risk from rising seas, higher temperatures, and/or more extreme weather events as a result of climate disruption. It includes communities that have large sources of pollution, or poor air and water quality, and whose economic prosperity may currently be disproportionately dependent on facilities that produce greenhouse gases. It includes the workers whose livelihoods and families have been dependent on jobs and money from dirty energy companies. It includes those who struggle every day to provide for their families and loved ones, who do not have good access to credit, transportation, or even housing. Ensuring this environmentally just outcome requires using revenues from a market-based climate policy for a number of purposes, including community resiliency for affected communities, and a fund for just transition to help affected workers.

Application of these lessons has led to the popularity, success, and effectiveness of programs like the Regional Greenhouse Gas Initiative. Climate-disrupting pollution from power plants has dropped in the region, in part thanks to the pollution limits and investment of revenue in energy efficiency and clean energy. Communities are breathing easier, families and businesses are saving money, and the economy has grown.

In 2018, the Maryland Department of the Environment conducted a robust analysis of a Maryland-based, economy-wide price on carbon with 50 percent of the generated revenue dedicated to investment in additional pollution-reduction and economic equity programs. The analysis evaluated greenhouse gas reduction potential as it relates to meeting our Greenhouse Gas Reduction Act (GGRA) goals as well as the economic impact of such a policy. The study concluded that:

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has approximately 800,000 members.

- The policy scenario will result in Maryland exceeding our GGRA goals by 2030.ⁱ
- The policy scenario will result in economic growth for the state year-by-year.ⁱⁱ

We have much more work to do to meet our greenhouse gas goals, and to stabilize and protect the climate, continuing the progress legislated last year with the passage of the Clean Energy Jobs Act. We know that we have to increase our energy efficiency performance and the amount of clean, renewable energy generated in, and consumed in, Maryland. We know that more Marylanders need access to affordable, rapid, frequent, and clean transportation options like electric vehicles, public rail transit, and electric buses, and need safer and more welcoming areas for walking and biking. We know that we have to deploy electric heat pumps to lower costs and pollution from heating and cooling our buildings. And we know that all of these things take investment and support, particularly to ensure that overburdened and underserved constituencies can and do benefit.

In weighing the state's overall funding goals, it is the Sierra Club's position that funds raised by a greenhouse gas emissions fee should be prioritized for programs that promote climate change mitigation and adaption efforts, including promoting energy efficiency, development of clean renewable energy, mitigation of electricity ratepayer impacts, needed infrastructure in impacted communities, and job training opportunities in clean energy generation for individuals working in the fossil-fuel energy generation industry. This bill takes a different approach, and in that respect we believe that the bill should be amended.

In conclusion, we agree that carbon cost collection is a viable, proven path for addressing and limiting climate change, and hope that our testimony on this legislation will be productive in continuing the conversation regarding the distribution of funds from carbon cost collection.

Darian Unger, Ph.D.
Energy Committee Chair
DWUnger@Howard.edu

Josh Tulkin
Chapter Director
Josh.Tulkin@MDSierra.org

ⁱ https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/E3_PathwaysPolicyScenario3.pdf.

ⁱⁱ https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/RESI_EconomicImpactsPolicyScenario3.pdf.

MMTA_UNF_SB912

Uploaded by: CAMPION, LOUIS

Position: UNF



Maryland Motor Truck Association

9256 Bendix Road, Suite 203, Columbia, MD 21045

Phone: 410-644-4600 Fax: 410-644-2537



HEARING DATE: March 11, 2020
BILL NO/TITLE: **SB912: Environment – Climate Crisis and Education Act**
COMMITTEE: Senate Budget & Taxation Committee
POSITION: **Oppose**

Over the last 15 years the U.S. Environmental Protection Agency adopted several rules to reduce emissions from heavy-duty trucks. As a result, since 2010, emissions from heavy-duty diesel trucks have been reduced by:

- 99% for NOx - an ozone precursor
- 98% for particulate emissions
- 20% for greenhouse gases

Going forward, three additional rounds of increasingly stringent federal engine and vehicle greenhouse gas emissions standards are slated for new commercial trucks sold nationwide. By 2027, commercial trucks will further reduce fuel consumption and greenhouse gas emissions by an additional 25%. Improvements to the trailers pulled by these trucks will provide another 9% reduction.

The combined effect of these efforts is expected to save approximately 2.5 billion barrels of oil and reduce emissions of carbon dioxide by nearly 1.4 million metric tons. Recent strides have been even greater in Maryland, where our industry is recognized as one of the top 10 states in the country in the adoption of more modern, environmentally friendly trucks.

MMTA is concerned the passage of this legislation will have a crippling effect on the state's economy, with a huge financial impact on all businesses. There is clearly no silver bullet that will achieve the state's GHG reduction goals. To that end, MMTA encourages a multi-faceted strategy that includes:

- A continued focus on voluntary measures backed by financial incentives to assist companies with adoption of cleaner technologies, such as the Port of Baltimore Dray Truck Replacement Program.
- An approach that considers all fuel options – including some continuation of fossil fuel use, such as clean diesel, natural gas, and biofuels as bridge fuels while other technologies are enhanced to meet the needs of the trucking industry. Both biodiesel and renewable diesel fuel are capable of significantly reducing GHG emissions without the major infrastructure investments required for other fuel sources.
- Bid preferences on state contracts for motor carriers that are partners in the Environmental Protection Agency's SmartWay program and have taken steps to reduce their greenhouse gas emissions voluntarily.

Carbon taxation poses significant challenges for the trucking industry. Our industry is **fuel neutral**; however, we must have access to a readily available, affordable and reliable fuel supply. This means:

- There must be no negative operational impacts on our equipment.
- The fuel supply must be reasonable in cost and marketplace ready.
- There must be no disruption in availability of supply that prevent us from delivering the goods people need.

While new fuel options that meet these criteria may become viable in the future, today the industry relies on ultra-low sulfur diesel. Trucking is a non-discretionary user of the highways, delivering the food, clothing, medical supplies and other goods citizens need. MMTA believes SB912 overlooks the meaningful reductions that have occurred in the trucking industry and those that are already slated to continue. For these reasons, we ask for an unfavorable report. Should the Committee see fit to move forward with this legislation, MMTA feels that, given the tremendous strides that have been made, coupled with the lack of viable fuel alternatives in the heavy duty trucking industry sector, any GHG pollution charge should exclude on-road diesel fuel until viable alternative fuel options exist.

About Maryland Motor Truck Association: Maryland Motor Truck Association is a not-for-profit trade association representing the trucking industry since 1935. In service to its 1,000+ members, MMTA is committed to supporting and advocating for a safe, efficient and profitable trucking industry across all sectors and industry types, regardless of size, domicile or type of operation.

For further information, contact: Louis Campion, (c) 443-623-4223

Collins_ColumbiaGas_UNF_SB912

Uploaded by: Collins, Carville

Position: UNF

OPPOSE Senate Bill 912
Senate Bill 912 – Environment – Climate Crisis and Education Act
Senate Budget and Taxation Committee

Columbia Gas of Maryland, Inc. opposes Senate Bill 912. Senate Bill 912 is not an efficient policy to reduce greenhouse gas emissions in Maryland. The proposed tax would significantly increase the cost of heating, cooking, and clothes drying for the average natural gas customer without providing a clear, defined, and cost-effective greenhouse gas reduction benefit. The proposal would increase the average residential customer bill by an estimated 9% in 2022 and 28% by 2030. Furthermore, the costs for any education or infrastructure fund should be shared by all Marylanders and not paid for disproportionately by natural gas customers. These customer costs are all based on the presumption of recovery through distribution rates, as laid out in the bill. This recovery is far from assured as there is no guarantee that the PSC would approve what essentially is a tax on supply as appropriate distribution costs. It is therefore worth noting that the millions of dollars of owed taxes would likely exceed Columbia's net income in short order.

Natural gas is helping Maryland achieve the goals of the Greenhouse Gas Emissions Reductions Act (GGRA). Columbia Gas of Maryland, specifically, has reduced emissions from its main and service lines by more than 50% since 2005 through the replacement of priority pipe and the Strategic Infrastructure Development and Enhancement (STRIDE) program. Columbia Gas of Maryland has invested approximately \$86 million in STRIDE projects since 2014 to provide safe and reliable service and environmental benefits. Many jobs have also been added through the STRIDE program, and the company projects to invest approximately \$69 million more by 2023.

Columbia Gas of Maryland was a founding member of the Environmental Protection Agency's Methane Challenge, a voluntary program to recognize companies that make specific and transparent commitments to reduce methane emissions. Columbia also continues to discuss regulatory options with the Department of the Environment to reduce emissions from the natural gas supply chain, and is committed to offering energy efficiency programs to lower energy bills for customers and avoid future emissions.

Approximately 179 million Americans and more than four out of every ten Maryland households¹ rely on natural gas as an affordable, reliable, safe, efficient, and environmentally responsible energy source. Nationally, residential natural gas accounts for only 4% of total U.S. greenhouse gas emissions,² and American Gas Association utilities including Columbia are committed to reducing emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers.³

For the reasons set forth above, Columbia Gas opposes Senate Bill 912 and requests an unfavorable report.

March 11, 2020

Contact:
Carville Collins
(410) 580-4125
carville.collins@dlapiper.com

Contact:
Pete Trufahnestock
(717) 903-8674
ptrufahnestock@nisource.com

¹ <https://www.eia.gov/state/analysis.php?sid=MD#47>

² <http://playbook.aga.org/>

³ https://www.aga.org/globalassets/aga_climate-change-document_final.pdf

MFB_OPP_SB912

Uploaded by: Ferguson, Colby

Position: UNF



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

March 11, 2020

To: Senate Budget & Taxation Committee

From: Maryland Farm Bureau, Inc.

Re: **Opposition of SB912 - Environment - Climate Crisis and Education Act**

On behalf of our member families, I submit this written testimony opposing SB 912. This bill establishes a Climate Crisis Initiative in the Department of the Environment. The initiative provides for: the establishment of greenhouse gas reduction goals; the establishment of a climate crisis council; the assessment of greenhouse gas pollution fees; funding for education under the recommendations of the Commission on Innovation and Excellence in Education, commonly known as the "Kirwan Initiative"; the assessment of a fee on the sale or registration of new high-emission vehicles; benefits to households and employers in the state to mitigate the impact of fees under the initiative; and the funding of activities for greenhouse gas reduction and sequestration, improvements in resiliency, and the promotion of a just economic transition in the state.

In this bill, a greenhouse gas pollution fee shall be collected on all fossil fuels brought into the state for combustion in the state and electricity used in the state that is generated by fossil fuels. There are no exemptions for fuels used in agriculture. Farmers don't have the ability to increase their commodity prices to compensate for the increased cost of production a bill like this would create.

Maryland Farm Bureau Policy:

- We oppose the creation of a state carbon and/or greenhouse gas reduction tax/fee.

MARYLAND FARM BUREAU RESPECTFULLY OPPOSES SB 912

A handwritten signature in black ink, appearing to read "Colby Ferguson". The signature is written in a cursive, flowing style.

Colby Ferguson

Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396

SB912_UFV_FirstEnergy

Uploaded by: Greal, Anne

Position: UNF



Anne M. Grealy
Senior Advisor, Government &
Regulatory Affairs
68 State Circle
Annapolis, MD 21401
410.310.2544
agrealy@firstenergycorp.com

SB 912 – Climate Crisis and Education Act

Unfavorable

Potomac Edison, a subsidiary of FirstEnergy Corp., serves about 270,000 customers in all or parts of seven Maryland counties (Allegany, Carroll, Frederick, Garrett, Howard, Montgomery and Washington Counties). FirstEnergy is dedicated to safety, reliability and operational excellence. Its ten electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland and New York.

Potomac Edison requests an Unfavorable report on SB 912 for the following reasons.

Senate Bill (SB) 912 creates the Climate Crisis Initiative and the accompanying Climate Crisis Council aimed at reducing greenhouse gases (GHGs) throughout the state and creating an education fund. More specifically, the bill calls for the state to reduce GHGs 70% from 2006 levels by 2030, and 100% from 2006 levels by 2040. Beyond 2040, the state shall be net negative. It calls on the above Council to create a plan to meet the reduction goals while being equitable.

The bill also imposes a GHG fee on all fossil fuels brought into the state for combustion in the state and electricity used in the state that is generated by fossil fuels. The fee escalates each year. The fee for fossil fuels combusted in the state is collected “at the fossil fuels’ first point of sale in the state.”

SB 912 requires that each electric supplier and electric distribution company to pay the fee on behalf of all their customers on the basis of each kilowatt hour (kWh) used by each customer, based on the carbon intensity of the fuel mix that generated those kWhs, whether from in-state or out-of-state resources. The bill also states that a fee collected under the bill “may not be passed through as a direct cost to an end user of fossil fuel or a customer of an electric company or a gas company.”

Potomac Edison opposes SB 912 because the legislation will result in extremely high cost on those living, working and operating in Maryland. The provision barring Potomac Edison from collecting these resulting costs from our customers would be a taking in violation of the United States Constitution. As drafted, the bill forces utilities to embed the fee in its distribution rates so that the cost impact is muted, and recovery would then be subject to PSC approval. The form of that approval is unclear thus timely and appropriate recovery is a significant concern.

SB 912 is not viable. It does not present a reasonable, programmatic set of expectations and goals that would serve as an outline for a set of reasonable, implementable regulations that could help achieve meaningful and useful statutory expectations and goals. Depending upon the magnitude of fees, there would likely be a mass exodus of retail generation suppliers. SB 912 would seem to effectively end generation shopping in Maryland.

In order to avoid these negatives, Potomac Edison respectfully requests an **unfavorable report** on SB 912.

SB 912_ODEC_UNF

Uploaded by: Johnson, Kirk

Position: UNF



Comments of Old Dominion Electric Cooperative on Senate Bill 912 March 11, 2020

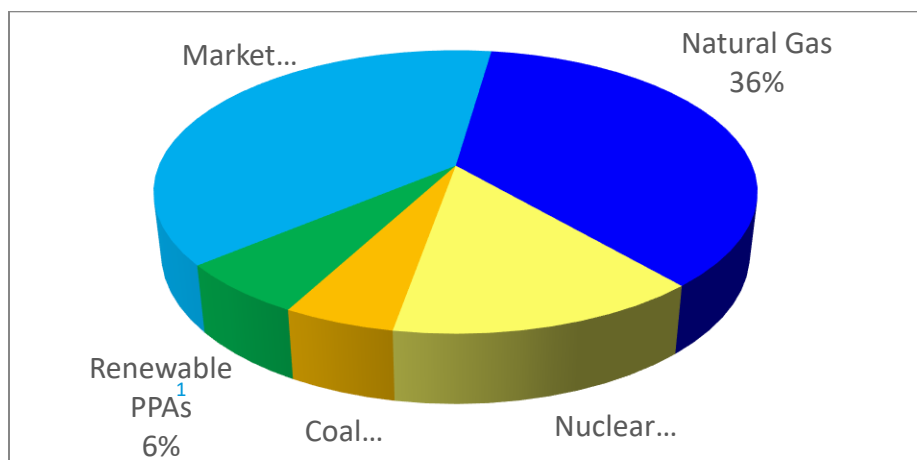
Old Dominion Electric Cooperative (ODEC) is pleased to provide written testimony to the Senate Budget and Taxation Committee and the House Economic Matters Committee regarding Senate Bill 912.

Overview

ODEC is a not-for-profit generation and transmission electric cooperative that is owned by 11 retail distribution electric cooperatives in Maryland, Delaware, and Virginia. Like ODEC, each of those electric cooperatives is a not-for-profit entity owned by the retail consumers they serve. As not-for-profit entities, we make no profits sent to distant shareholders. Our sole motivation is to serve the individuals and communities that rely on the affordable, reliable, sustainable and safe electric power we provide. In total, those 11 distribution cooperatives serve approximately 1.5 million people in the three states, which includes more than 100,000 people on Maryland's Eastern Shore served by Choptank Electric Cooperative.

ODEC owns and operates a diverse set of power generation facilities, and is co-owner of other facilities with Dominion Energy. The chart below summarizes the sources of ODEC's energy by fuel type:

Figure 1: ODEC 2019 Energy Sources



¹ We sell renewable energy credits related to these purchases to our members and non-members.

Wildcat Point Generating Facility in Cecil County, Maryland

As part of our generation fleet, ODEC owns and operates the Wildcat Point Generation Facility in Maryland. Wildcat Point is a 1,000 MW combined cycle natural gas plant capable of powering nearly 400,000 homes.

This more than \$800 million investment in Cecil County, Maryland provided more than 600 jobs during construction and now has more than 30 permanent jobs associated with the plant. We also have a payment in lieu of taxes agreement with Cecil County that provides nearly \$2 million per year to the county through the year 2051.

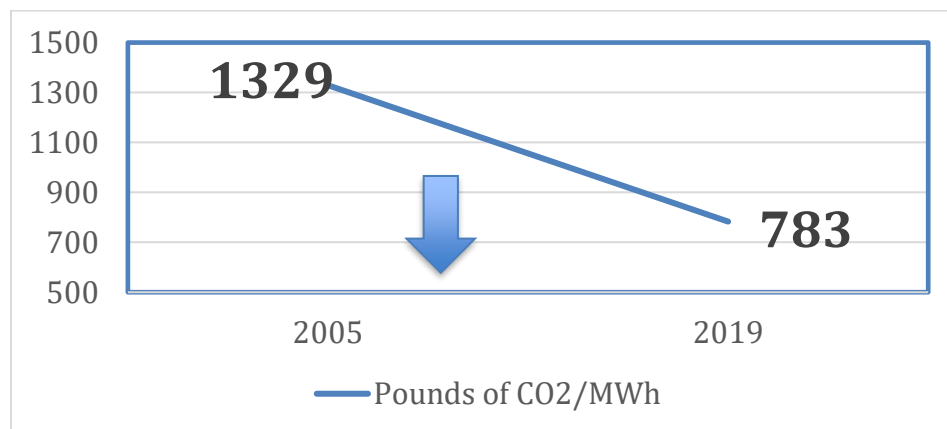
We announced the Wildcat Point project in April of 2013, and broke ground on the plant in October of 2014 after receiving approval from the Maryland Public Service Commission to build it. The plant began commercial operation in April of 2018 and has provided ODEC member cooperatives with affordable, reliable, and environmentally-responsible power ever since.

Unfortunately, Senate Bill 912 would have a significant negative impact on the operations of the plant. Because of our participation in the PJM wholesale power market, adding significant additional costs to Wildcat Point would very likely make the plant uneconomic to run in many hours. As a result, power would simply be imported from other similar generation plants in other states.

ODEC CO₂ Reductions

ODEC is proud of our environmental record, and committed to further measures to protect the environment and the health of the people and communities we serve. Since 2005, ODEC has reduced its carbon dioxide intensity significantly. The CO₂ intensity of power generated by our plants and from purchased power is down 41 percent compared to 2005 levels. In fact, ODEC's carbon intensity is below the regional and national averages, and has been for some time.

Figure 2: ODEC CO₂ Intensity is down 41%, 2005-2019



ODEC Solar Generation Development

As the chart on page 1 shows, ODEC has a diverse mix of energy resources. And given changes in various technologies over the past several years, ODEC has been working to continue to evolve our generation mix to meet today's needs while planning for the future.

ODEC is in the process of building more than 100 MW of solar-powered generation, and we expect to request proposals from solar developers to build another 50-100 MW. ODEC is developing those solar resources in each state we serve, including Maryland. The cooperative is also exploring the use of battery storage technology in conjunction with some of these solar projects.

Conclusion

Again, ODEC is committed to being good stewards of the environment, but Senate Bill 912 would cause significant negative impacts on our members and to the Wildcat Point Generation Facility in Maryland without commensurate benefits, and we must therefore express our opposition to the bill before the Committee.

Respectfully Submitted,

Kirk Johnson
Senior Vice President, Member Engagement

WMDA_UNF_SB912

Uploaded by: McCauley, Kirk

Position: UNF



WMDA/CAR Service Station
and Automotive Repair Association

Chairman: Guy Guzzone
Members of the Budget and Taxation Committee

RE: SB 912 Environment – Climate Crisis and Education Act

Position: Oppose

Maryland gas tax + SUTE + CPI keeps Maryland at a competitive disadvantage since 2013. June 30, 2013 state Gas tax was .2350 cents per gallon. Today it stands at .3670. The average increase is around 2 cents a year even with low inflation and gas prices steady. SB 912 would add 9-10 cents the first year and keep going up. Diesel fuel will raise even more.

Virginia gas tax is .162 and scheduled be .212 by July. Virginia also has Northern VA, Hampton road, and the 81corridor transportation tax of 2.1% which will add .045 for a total of .257 in those locations. The Delaware gas tax .230

Maryland retailers will have no choice but put the price on the street and in their stores. Gas sellers within a reasonable driving distance of Virginia and Delaware will lose customers for sure and possibly their business

I can't speak of the cost of heating oil, propane, natural gas, and electricity but I can say this, SB912 is a business killer. This is would be another layer of cost on businesses on top of sick leave and minimum wage in recent years.

To residents that live week to week, paycheck to paycheck and retirees on a set budget this bill will be devastating. End of the year reimbursement from the State fund won't do any good when you must decide between gas for your car & work, heat for your house or food on the table.

Please give SB912 an unfavorable report

WMDA/CAR is a trade association that has represented service stations, convenience stores and independent repair shops since 1937. Any questions can be addressed to Kirk McCauley, 301-775-0221 or kmccauley@wmda.net

Exelon_UNF_SB912

Uploaded by: Slocum, John

Position: UNF



March 11, 2020

112 West Street
Annapolis, MD 21401

WRITTEN TESTIMONY OF EXELON COMPANY – SB 912
Opposed - Before the Maryland Senate Budget and Taxation Committee

Exelon Corporation (Exelon) appreciates the opportunity to provide written comments in response to Senate Bill 912. Exelon supports the concept of carbon pricing as an efficient means to achieve greenhouse gas reductions and has long supported many approaches to carbon pricing, including economy-wide fees. Carbon pricing, whether through a fee or a market-based cap, offers an opportunity to leverage the power of markets to begin reducing emissions quickly and affordably. Exelon has supported the Regional Greenhouse Gas Initiative (RGGI), of which Maryland is a member, since its inception and remains a key stakeholder. Exelon is also involved in RGGI's nascent companion, the Transportation & Climate Initiative (TCI), which the company supported just last week here in Annapolis. At the national level, we have supported a variety of sector-specific and economy-wide approaches. Exelon is founding members of both the Climate Leadership Council and the CEO Climate Dialogue. Both seek national, economy-wide GHG mitigation approaches.

While Senate Bill 912 includes meaningful economy-wide reduction targets and mechanisms, and promotion of electric transit and school buses and electric vehicle infrastructure, the proposal must be improved with regard to how the fee is assessed on generation and distribution of electricity and the distribution of natural gas. Our concerns include, but are not limited, to the following:

- the potential for customers to be double charged;
- the lack of differentiation on fee level if customers have already chosen to procure clean electricity, presumably at an elevated cost;
- the lack of clarity with respect to Maryland Public Service Commission (PSC) oversight authority; and
- the distinction between electric suppliers and generation in Maryland.

First, in order to avoid double-charging Maryland's customers, electric and natural gas suppliers should not be responsible for collecting the fee. If electric and gas suppliers are responsible for collecting the fee, Maryland customer's will be charged twice for generation from in-state fossil-fired generation – which would be assessed a fee both when that generation is consumed as well as when it is combusted for electricity. In Maryland – an electricity supplier is not a generator and vice versa. Accordingly, the bill must properly assign responsibilities regarding generation versus distribution of electricity in a restructured state like Maryland where electric suppliers do not generate electricity, and therefore do not have direct control over emissions or RGGI responsibility. Similarly, for gas customers, the bill must ensure fees are not charged both at import as well as distribution for the same unit of gas; Exelon recommends the fee be charged at the point of import to capture more emissions for less administrative burden.

Second, Exelon recommends that the bill offer a path for electric suppliers to avoid charging consumers an emissions fee when that supplier can procure emissions-free electricity less expensively. As we read the current draft, electric suppliers calculate the fee based upon the regional electric grid mix, rather than in a

manner that would incentivize procuring cleaner electricity when it can be done at a lower financial cost. Thus, the fee as written appears to function more as a consumption tax rather than as a driver of emissions reductions.

Lastly, the electric and gas distribution companies should have express authority to recover fees properly collected on behalf of customers. The PSC is the appropriate party to oversee and support electric utilities' choice to pay the fee or procure additional emissions-free electricity.

CONTACT INFO:

John P. Slocum
Senior Manager – Governmental & Regulatory Affairs
202.637.0345
John.Slocum@exeloncorp.com

SB912_Washington Gas_OPPOSE

Uploaded by: Smith, Brian

Position: UNF

Senate Budget and Taxation Committee
03/11/2020

Senate Bill 912 – Environment – Climate Crisis and Education Act
POSITION: OPPOSE

Thank you, Chairman Guzzone and members of the Senate Budget and Taxation Committee, for the opportunity to comment on SB912.

There are plenty of bills looking for ways to fund the Kirwan Commission's recommendations. SB912 would implement an escalating carbon price to raise the funds. We have a few concerns to share with the Committee.

First off, SB912 would forbid companies from recovering the fees imposed by the bill. It is very problematic when government targets one specific industry, and this provision could potentially raise Constitutional takings concerns. Without a recovery mechanism, the implementation would face major hurdles.

On page 12 of the bill, there is language that suggests the PSC could allow companies to recover the cost of the tax on a commodity if you can show that the cost was prudently incurred as a distribution cost, which of course is impossible, thus the tax is non-recoverable.

If companies could recover the fees, the cost to customers would be huge. We asked ICF to run the numbers on how this would impact Maryland's natural gas customers.

The impact of the proposed carbon tax on Maryland natural gas consumers was estimated using the average annual natural gas used from October 2018 through September 2019 by Washington Gas customers. We used this figure to calculate the associated carbon emissions (in metric tons). From there, we multiplied the various proposals for a carbon tax to determine the impact on residential, commercial and interruptible rate customers.

	\$15/metric ton carbon tax			\$60/metric ton carbon tax impacts	
Residential	\$62	7.4%		\$250	29.9%
Commercial	\$1,446	8.8%		\$5,786	35.1%
Interruptible	\$51,719	12.7%		\$206,875	50.9%

Without a costly carbon tax, Washington Gas has drastically reduced emissions and is focused on sustainability.

As this Committee likely knows, in 2014, the PSC approved Washington Gas' Strategic Infrastructure Development and Enhancement Plan (STRIDE). Through STRIDE, we are authorized to accelerate replacement of targeted pipes for safety and environmental reasons reducing emissions throughout Maryland.

As of 2018, Washington Gas has replaced 21,657 miles of mains and services and will have reduced state GHG emissions by 32,000 metric tons as a result of these infrastructure enhancements.

That is equivalent to:

- 3,579,000 gallons of less gasoline used
- 6,752 fewer passenger vehicles on the road
- 3,810 homes' energy use avoided per year
- 73,640 barrels of oil avoided

With almost half a million customers in Maryland, we take pride in our company's ability to provide energy to families and businesses in six counties throughout the state. On behalf of our 400+ employees across Maryland, we ask for an unfavorable report on SB912.

.....
Brian Smith, State Government Relations and Public Policy Manager
M 202.945.7140 | bsmith@washgas.com

MAPDA_UNF_SB912

Uploaded by: Valentino, Ellen

Position: UNF



Mid-Atlantic Petroleum Distributors Association
P.O. Box 711 ★ Annapolis, MD 21404
410-693-2226 ★ www.mapda.com

To: Senate Budget and Taxation Committee
From: Ellen Valentino
Date: March 11, 2020
Re: SB 912 Environment – Climate Crisis and Education Act

MAPDA opposes SB 912. The legislation is beyond complicated by establishing a huge new tax, special funds and converting the Department of Environment into a “state version” of the IRS.

Passage of the bill will have an immediate negative impact to Maryland’s economy.

1. This is a huge tax proposal that will impact every homeowner, hospital, college, and business from the time the morning light switch is turned on; room temperature adjusted; to the preparation of a BBQ dinner on the grill. The calculations are enormous.
2. The impact on seniors and fixed-income residents is overpowering. Waiting for refunds, rebates or tax returns will not work for them.
3. Additionally, the bill contains a provision that seeks to prohibit the “passing along” of the carbon tax. The effect of such a prohibition would mean a short order bankruptcy of many independent business owners across Maryland.

We request and unfavorable report.

Feeding and fueling the economy through gas, coffee, food, heating oil and propane.

MAPDA is an association of convenience stores and energy distributors in Maryland, Delaware & the District of Columbia.

MDE_Info_SB0912

Uploaded by: abbott, tyler

Position: INFO



Maryland

Department of the Environment

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary
Horacio Tablada, Deputy Secretary

March 11, 2020

The Honorable Guy Guzzone, Chair
Budget and Taxation Committee
Miller Senate Office Building, Suite 3W
Annapolis, Maryland 21401

Re: Senate Bill 912 - Environment - Climate Crisis and Education Act

Dear Chairman Guzzone and Members of the Committee:

The Maryland Department of the Environment (MDE or the Department) has reviewed *Senate Bill 912 - Environment - Climate Crisis and Education Act* and would like to provide some information on the bill.

This bill has a very significant fiscal and operational impact on the Department. For example, the Department would have the following new responsibilities under the bill: administering the schedule of greenhouse gas (GHG) fees on all fossil fuels brought into the State for combustion and electricity; solely administering the Benefit Fund and the Infrastructure Fund; and administering the Kirwan Fund in consultation with the Department of Education.

In regard to GHG fees, the Department would like to note some likely issues. Fees collected may not be passed as a direct cost to an end user of fossil fuels or a customer of an electric or gas company. It is not clear how this provision would be enforced in a market economy, how one would know that the cost is being passed on (prices change on a day-to-day basis for many different reasons), or who would enforce the requirement upon the thousands of businesses that sell relevant products to end users.

The electricity suppliers, which includes each electric distribution company operating in Maryland and each competitive supplier of electricity to end users, would pay the fee on behalf of all their electricity customers based on each kilowatt-hour of electricity used per customer. The per-kilowatt hour fee to be paid by an electricity supplier shall be based on the carbon intensity of the fuel mix that generated those kilowatt hours of energy whether the generation sources are located within or outside the State. The Department notes that in a deregulated electricity market, like Maryland's, the electric utilities do not own or operate the power plants that are emitting fossil fuels, so they have limited influence on how electricity is generated, and generally cannot pass the emissions cost on to the power plants who are both emitting the greenhouse gases and are the entities who would respond to the economic incentive of a carbon price to reduce emissions. The bill allows suppliers to deduct payments made to purchase emission allowances under the Regional Greenhouse Gas Initiative (RGGI), but that regulation applies to power plants, which again are distinct entities in a deregulated electricity market, so the utilities and other suppliers subject to the requirements in the bill would not have any RGGI expenditures to claim. Additionally, since the bill requires the Department to assess the fee to all fossil fuels at point of entry into the State, any fossil fuel power plants operating in Maryland would presumably pay the fee for any fuel they burn, making subsequent payments by the distribution companies (the power plants' customers) to cover those electricity emissions duplicative.

Chairman Guy Guzzone

Page 2

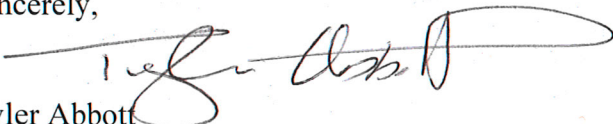
As part of managing the GHG fees and three funds noted above, MDE would be required to (1) ensure that if an exemption is taken for the sequestration of carbon dioxide equivalent emissions, those emissions are permanently sequestered, (2) determine the fuel used to generate electricity at each generating plant in the State and the fuel used to generate electricity that is imported into the State based on information from PJM interconnection and other sources, (3) adopt regulations for the calculation, assessment, and collection of the charges, (4) report to the General Assembly, (5) identify other GHGs as a "greenhouse gas-emitting priority" for purposes of assessing a charge, (6) study and report on the feasibility of imposing and collecting additional GHG emission charges on emissions, such as fugitive emissions from methane, (7) in connection with rebates from the Employer Benefit Account and giving special attention to manufacturing, agriculture, small nonprofit organizations, and governmental units, (i) consult with other State agencies, such as Commerce, Labor, and Housing and Community Development to identify economic sectors or subsectors at risk of serious negative impacts because of the charge, (ii) calculate, as mitigation, the total proceeds collected from the above-mentioned sectors and may apportion part or all of the proceeds to the affected sector, and (iii) demonstrate, for manufacturers, agriculture and for-profit employers, that negative impacts from the charge are likely to occur due to competition from employers outside the State and demonstrate for nonprofit and governmental employers that these entities would face undue burdens without the mitigation, and (8) approve disbursements to be awarded from the Infrastructure Fund.

All of these provisions would have a significant fiscal and operational impact on the Department. Taking into account the requirement for the Department to delegate the collection of charges to the Comptroller, the Department estimates that this bill would require the development of a new program in the Department with roughly seventy employees and three new accounting systems/databases. The development of this program and systems would occur prior to seeing any influx of revenue generated from the required charges in the bill. Given that there are many unknowns about the full scope of the work to manage the three new and very complex funding programs, and the fact that managing education initiatives (the Kirwan Fund) is outside the scope of the Department's expertise, there is always the potential for needing more staff than envisioned at this time.

Additionally, under this bill, the statewide GHG reduction goals would be changed to "reduce statewide GHG emissions by 70% from 2006 levels by 2030, and 100% from 2006 levels by 2040. After 2040, statewide GHG emissions shall be net negative. The bill creates the Climate Crisis Council (the Council), which is primarily responsible for writing the plan to meet the new GHG reduction goals. However, the bill does not note who would be staffing the Council. If MDE staffs the Council and is primarily responsible for helping the Council write the new plan, there would be an additional fiscal and operational impact on the Department. The revised goals would require that MDE repeat the comprehensive emissions and economic impact analysis included in the current GGRA plan process using extended contracts with emissions and economic impact modelers. Because of the significant number of emissions reduction measures that Maryland has implemented, this would require a large number of additional scenarios and substantial contract costs.

Thank you for your consideration. We will continue to monitor *Senate Bill 912- Environment - Climate Crisis and Education Act* during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at tyler.abbott@maryland.gov.

Sincerely,



Tyler Abbott

cc: The Honorable Benjamin F. Kramer
George "Tad" Aburn, Director, Air and Radiation Administration

MACo_INFO_SB912

Uploaded by: Butler, Alex

Position: INFO



Senate Bill 912

Environment – Climate Crisis and Education Act

MACo POLICY STATEMENT
(Letter of Information)

To: Budget and Taxation; Education, Health, and
Environmental Affairs Committees

Date: March 11, 2020

From: Alex Butler

Equity with New Revenue Sources

The State's commitment to substantial new education investments has inspired legislation to authorize new activities that carry substantial new revenue potential. The costs of these ambitious school initiatives, as proposed, will also carry a major cost to county governments, many of whom are already straining their current revenue structures.

Only with sufficient funding will county governments be able to work in partnership with the State to advance our schools' competitiveness and outcomes. **As such, any new funding source identified and approved by the State to support new education initiatives should have a commensurate authority or equitable distribution to support county governments statewide as true partners in education investments.**

MACo advocates for adequate, fair, and reasonable funding for all of Maryland's students, and urges State policymakers to sustain a robust level of public education funding without unduly burdening county budgets or slighting other essential local services.

MACo and county governments stand ready to work with State policymakers toward a productive funding partnership to ensure a world-class education system for all Maryland students.

MDOT_INFO_SB912

Uploaded by: Tosi, Jeff

Position: INFO

March 11, 2020

The Honorable Guy Guzzone
Chairman, Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis MD 21401

Re: Letter of Information – Senate Bill 912 – Environment – Climate Crisis and Education Act

Dear Chairman Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 912 but offers the following information for the Committee's consideration.

Senate Bill 912 establishes a Climate Crisis Initiative within the Maryland Department of the Environment, which provides for the establishment of Greenhouse Gas reduction goals, a Climate Crisis Council, certain pollution fees, funding for the Kirwan Initiative, the assessment of fees on new high-emission vehicles, and resiliency improvements

Climate change is an urgent threat, and all levels of government and nongovernment organizations must take increasingly aggressive and balanced actions to reduce emissions and increase community resiliency. MDOT supports the State's goals to reduce greenhouse gas emissions and ensure climate resiliency. Maryland is a national leader in this area and has realized substantial reductions in emissions since the first Greenhouse Gas Reduction Act was passed in 2009. The Hogan Administration is consistently taking bold action to achieve significant progress.

MDOT develops an annual statewide capital program based on criteria to preserve investments, enhance transportation services, and improve accessibility and mobility throughout the State. This is achieved through extensive consideration of all statewide needs and priorities, and by considering a multitude of criteria, including federal and law, statewide goals, federal funding match requirements, State plans and objectives, existing project commitments and agreements, and local and regional priorities and plans.

MDOT is concerned that the fees proposed on the sale or registration of new, high-emissions vehicles may slow the rate of fleet turnover in Maryland and put our businesses at an economic disadvantage. Additional fees on electricity used to charge electric vehicles may also slow the adoption of zero emission vehicles.

The Honorable Guy Guzzone
Page Two

The process to develop a regional program to establish a cap on carbon dioxide emissions from transportation fuels, commonly referred to as the Transportation and Climate Initiative (TCI) is not yet complete. Significant debate, analysis, and public and stakeholder outreach must be completed before Maryland or our partner states officially agree to participate in the region-wide TCI program. Maryland is working collaboratively with East Coast states to achieve consensus. Senate Bill 912 is premature in both presuming the program's final design and that Maryland will sign-on to the program. Furthermore, if Maryland were to sign on to a program like TCI, it would be unlikely that Senate Bill 912 would generate any significant revenue from the fees proposed on motor fuels.

While Maryland has demonstrated success in reducing total GHG emissions, MDOT acknowledges more must be done to continue reducing emissions and to prepare for the impacts of climate change. MDOT has been working closely with local, state, regional, national, and international partners on advancing our understanding of transportation-related emissions reductions and conducting research, analyses, and implementation that will ensure our ability to meet our goals without putting Maryland's citizens, businesses, and communities at an economic disadvantage.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 912.

Respectfully submitted,

Heather Murphy
Director of Planning and Capital Programming
Maryland Department of Transportation
410-865-1275

Jeff Tosi
Director of Government Affairs
Maryland Department of Transportation
410-841-2850