

**Testimony in Support of House Bill 1543
House Economic Matters Committee | March 12, 2020**

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The Chesapeake Climate Action Network (CCAN) Action Fund supports House Bill 1543, legislation to expand Maryland's carbon pricing policies. We thank Del David Frasier Hildago 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 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.

HB 1543 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 charging a 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 set aside annually 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 HB 1543 a favorable report.