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Committee: Economic Matters
Testimony on: HB1543 – “Climate Crisis and Education Act”
Position: Support with Amendments
Hearing Date: March 12, 2020

The Maryland Sierra Club appreciates the opportunity to comment on HB1543. 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.

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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.