2024 HB0516 Testimony Anjali.docx.pdf Uploaded by: Anjali Gulati

Position: FAV

| HEARING DATE: | February 29, 2024 |
|---------------|---|
| BILL & TITLE: | HB0516 - Climate Crisis and Environmental Justice Act |
| POSITION: | SUPPORT |
| COMMITTEES: | Economic Matters & Environment and Transportation |
| SPONSOR: | Delegate Diana Fennell |

Dear Chairman Wilson, Vice Chair Crosby, and Members of the Committee,

My name is Anjali Gulati, I live in district 7A, and I work as a Climate Equity Associate with Interfaith Power & Light DMV.

I have been a long-time supporter of this bill, since I testified the first time in 2020 during undergrad at Morgan State University. With a masters in political economy from Georgetown and background in environmental economics, I strongly advocate for carbon pricing as a solution of just means in Maryland's approach in fighting for climate justice.

The Climate Crisis and Environmental Justice Act (CCEJ) will help meet Maryland's greenhouse gas (GHG) reduction target of net-zero emissions by 2045, in a just and equitable way by enhancing resilience to climate impacts; demanding accountability from fossil fuel companies by charging them a fee for the damages they are causing; directing half of the revenue from the fee to a benefits fund to help protect low- and moderate-income (LMI) households many of which are headed by women; invest in projects that are directly located within and provide meaningful benefits to disproportionately affected communities; and aid county and municipal governments in funding projects to mitigate GHG and build resilience.

Climate change is an urgent women's health concern as well as a major public health challenge. Continuous exposure to fossil fuels often leads to adverse health effects for women, such as infant mortality, chronic bronchitis, and worsening of cardiac disease. During pregnancy, if a woman has higher exposure to these elements, they have a higher risk of preterm birth, low birthweight, and stillbirth.

These adverse health effects are most consequential to at-risk populations, overburdened and underserved communities, which include a high number of pregnant women and developing fetuses.

Children and teenagers face greater risk of infection, coughing and bronchitis from air pollution.

The <u>Maryland Department of Health reports</u> that asthma is the most common chronic condition in Maryland school children, affecting more than 60,000 students statewide. African American children in Maryland have almost five times the rate of asthma-related emergency department visits as White children.

Setting new statewide, greenhouse gas emission reduction goals to reach net-zero emissions by 2045, will reduce the negative impacts on the public health, economic well-being, and natural

treasures of the State. This reduction will greatly reduce the negative health effects of women and children.

HB 516 will make polluters pay for the damage they cause by charging a fee that will increase annually until the target reduction is met. Taxpayers will not have to pay. The fossil fuel companies will pay the fee at the point of entry into the state.

The revenue from the fee is currently projected to be at least \$1.7 billion annually. Two funds will be established with the revenue from the fee – the Benefits Fund and the Infrastructure Fund. These funds will be directed to the same vulnerable households and communities including women.

The Benefits Fund will go directly to the pocketbooks of low- and moderate-income households and the African American community that is most affected. They will receive regular rebates to pay their utility bills, put gas in their car, pay for public transportation, pay for their prescription drugs, or spend however they choose.

The other half of the revenue will go to the Infrastructure Fund that will be directed to the same community to help them move into this green environment we are creating. Some people can afford to put solar panels on their roofs, purchase electric cars, protect their homes from flooding, or move to a less polluted community. Some of our citizens cannot. The Infrastructure Fund provides funding to those communities to ensure everyone has a just transition. Women and children living in those communities will qualify for those funds.

Here is some Maryland specific data. The *Maryland Commission for Women's* 2021 Maryland Women – A Status Report indicates that:

- Women and girls represent more than 51% of the population in Maryland (3.1 million women)

- 49% of Marylander's workforce are female
- 60% of minimum wage workers are women

- Women's average earnings are less than men's at every education level (\$58,245 male vs

\$44,988 female overall earnings) and (\$106,133 male vs \$75,625 female with graduate degree)

- 23% of single female-headed households with children under 18 live in poverty

For these reasons and more, I urge a FAVORABLE report on HB 516.

Respectfully submitted,

Anjali Gulati 410-322-6018 ag2104@georgetown.edu

Cc: Members of the Economic Matters Committee Members of the Environment and Transportation Committee

2024 Testimony - HB 516 - Climate Crisis - Favorab Uploaded by: Ashley Egan

Position: FAV



Testimony in Support HB 515 - Climate Crisis and Environmental Justice Act of 2024

 To: Chair Wilson and the Members of the Economic Matters Committee and Chair Korman and Members of the Environment and Transportation Committee
 From: Phil Webster, PhD Lead Advocate on Climate Change Unitarian Universalist Legislative Ministry of Maryland.
 Date: February 29, 2024

The Unitarian Universalist Legislative Ministry of Maryland (UULM-MD) strongly supports **HB 515 - Climate Crisis and Environmental Justice Act of 2024** and urges a FAVORABLE report by the committee.

The UULM-MD is a statewide faith-based advocacy organization, with over 1,200 members, based on the Principles of Unitarian Universalism. Unitarian Universalists believe in *"justice and equity in human relations"* and *"respect for the interconnected web of all existence of which we are a part."*

The Climate Crisis and Environmental Justice Act (CCEJ) of 2024 meets several very important goals to protect Maryland from the ravages of climate change. Governor Moore has stated that Maryland needs \$1 BILLION per year for mitigation, adaptation and resilience programs.

The Climate Crisis and Environmental Justice Act would raise substantial funds from Carbon Polluters and direct the funds to addressing the Environmental Justice impacts that have already arisen in Maryland.

This bill establishes fees on fossil fuels at the point of entry into Maryland, and very importantly, the fees cannot be passed on to consumers. In effect, huge corporations that are responsible for carbon pollution would be required to pay for the climate impacts in Maryland.

The carbon fees are levied on Transportation and Non-Transportation uses, and each has a different starting rate, escalation rate and cap. The total raised is approximately \$18 BILLION over the life of this bill.

The CCEJ shall include policies to mitigate inequities that could arise from the implementation of the fee.

Two funds will be created with the revenue generated from the greenhouse gas pollution fees collected:

- Household and Employer Benefit Fund—Which will direct 50% of the revenue to protect low- and moderate-income households (LMI) and energy-intensive trade-exposed employers in the State from financial harm because of this policy;
- Climate Crisis Infrastructure Fund—Which will invest 50% of the funds in projects that are directly located within—and provide meaningful benefits to—environmental justice communities. This fund will also provide technical assistance, capacity, and planning tools to county and municipal governments to develop local Climate Action Plans and investment proposals. Due consideration would be given to counties and municipalities containing environmental justice populations.

We support this bill and urge a FAVORABLE report in committee.

Phil Webster, PhD

Lead Advocate, Climate Change UULM-MD

HB0516_Climate_Crisis_and_Environmental_Justice_Ac Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB0516 CLIMATE CRISIS AND ENVIRONMENTAL JUSTICE ACT OF 2024

Bill Sponsor: Delegate Fennell
Committee: Economic Matters
Organization Submitting: Maryland Legislative Coalition
Person Submitting: Cecilia Plante, co-chair
Position: FAVORABLE

I am submitting this testimony in favor of HB0516 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members. We represent the voices of constituents who share our concern over the harm that reliance on fossil fuels has wreaked in Maryland.

Our Coalition members strongly approve of measures to reduce Maryland's greenhouse gas emissions to zero as quickly as possible. We believe that the state should take an aggressive stance in moving in this direction.

This bill strikes a very good balance between aggressive climate policy that will help us achieve our statutory greenhouse gas emission reduction goals, and supporting those communities that have been most impacted by the dirty energy policies that we are trying to leave behind. It also takes a somewhat poetic approach in making the very entities who have become rich by flooding our state with fossil fuels to fund our transition to clean energy.

We believe that the fossil fuel companies who have for decades knowingly caused the climate crisis that we are currently experiencing, should be the ones to help reverse it. They have all touted the fact that they are spending billions to reverse the effects of climate change, but it seems that their efforts are not really effective and are designed to actually make our reliance on fossil fuels even greater. We think the state of Maryland would do a much better job of investing in reducing greenhouse gases than the fossil fuel industry.

The bill places a fee on fossil fuel products coming into the state and cleverly prohibits the entities who must pay the fee to then turn around and pass the fee on to consumers. The fee will escalate over time to drive home the point that fossil fuels are not our future and that companies supporting that industry should abandon it as soon as possible.

The monies that are collected from the carbon fee will then be used to fund green infrastructure projects and provide support to low-income households and energy intensive trade exposed businesses

affected by the change to cleaner energy sources. The funds will also be directed towards municipalities with environmental justice populations, which we enthusiastically support.

This will have the effect of changing our course to a cleaner future while having the polluters pay for it. They have made their fortunes on the backs of Marylanders for decades. We believe it is time they gave back.

We support this bill and recommend a **FAVORABLE** report in committee.

HB 516 Testimony 1.pdf Uploaded by: Claudia Barber Position: FAV

We, the Caucus of African American Leaders and Claudia Barber, Esquire are reaching out on behalf of the Rebuild Maryland Coalition. We are advocating for a favorable vote from the Economic Matters Committee on HB 516, the Climate Crisis and Environmental Justice Act of 2024 (CCEJ).

I am particularly impressed by the CCEJ's emphasis on highlighting the root cause of climate change - the influx of harmful air pollutants, primarily from fossil fuels used in transit and heating industries. Maryland voters, special interest groups, and elected officials overwhelmingly agreed to focus on practical solutions like reducing greenhouse gas emissions when we passed the Climate Solutions Now Act of 2022.

Now, we must agree on the mechanisms we'll use to fund the programming necessary to sustain the physical infrastructure and livelihood of Marylanders.

Equally important is the priority on disproportionately affected communities, ensuring that the benefits of climate action are accessible to those most in need. The innovative approach of creating two funds from the revenue generated from the transit and heating fee is a further testament to our commitment. The Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund were created to address both economic and environmental aspects of climate change while keeping aligned with the Justice40 Initiative. These funds not only protect disproportionately affected households and energy-intensive, trade-exposed employers but also invest in the improvement of the health and welfare of our citizens. The inclusion of a "polluter pays" provision without passing fees to end-users, is a crucial step towards environmental justice and protects our most vulnerable citizens.

The CCEJ would put Maryland on a commonsense, practical pathway toward a sustainable, vibrant economy. It will generate nearly \$18 billion by 2034 for investment in clean energy infrastructure while providing protective benefits to Maryland's trade-exposed small businesses and its most vulnerable populations: low- and moderate-income and overburdened and underserved households.

I(We) respectfully urge a favorable committee report on HB 615 By supporting this legislation, you will contribute to Maryland's greenhouse gas reduction goals, promote environmental justice, and fortify our state against the impacts of climate change.

DaJuan Gay Testimony.docx.pdf Uploaded by: DaJuan Gay Position: FAV



Tuesday, February 27, 2024

BILL: HB 0516 TITLE: Climate Crisis and Environmental Justice Act of 2024 POSITION: SUPPORT HEARING DATE: 2/29/2024 COMMITTEE: Economic Matters SPONSOR: Delegate Diana Fannell

Dear Chairman Wilson, Vice Chairman Crosby, and members of the Economic Matters Committee

Thank you for this opportunity to testify in support of HB 516, the Climate Crisis and Environmental Justice Act of 2024 (CCEJ). The undersigned organizations urge you to vote favorably on HB 516.

The CCEJ provides a unique opportunity for our state to continue to lead and stay committed to the goals passed in the Climate Solutions Now Act, requiring a 60% reduction of fossil fuel emissions by 2031, 100% clean energy by 2035, and "net zero" by 2045 while also providing the \$1 billion necessary to support the Moore Administrations MDE Climate Pollution Reduction Plan.

HB 516 proposes two funds from the revenue generated from the transit and heating fee, the Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund. It will generate nearly \$18 billion by 2034 for investment in clean energy infrastructure while providing protective benefits to Maryland's trade-exposed small businesses and its most vulnerable populations: low- and moderate-income and overburdened and underserved households.

I've lived in Annapolis for the last 14 years and have seen firsthand the impacts climate change can have on constituents. Municipalities like Annapolis are counting on the state to chip in on the funding necessary to protect our city's history, economic viability, and communities of all socioeconomic backgrounds.

HB 516, will provide the funding MDE and the Moore Administration have made clear we need while uplifting our most vulnerable communities in the fight against climate change.

Respectfully submitted,



DaJuan Gay Maryland Organizer Rebuild Maryland Coalition

Cc: Members of the Economic Matters Committee

HB 516 Sign on.docx.pdf Uploaded by: DaJuan Gay Position: FAV



February 27, 2024

| BILL: | HB0516 |
|---------------|--|
| TITLE: | Climate Crisis and Environmental Justice Act of 2024 |
| POSITION: | SUPPORT |
| HEARING DATE: | 2/29/2024 |
| COMMITTEE: | Economic Matters |
| SPONSOR: | Delegate Diana Fannell |

Dear Chairman Wilson, Vice Chairman Crosby, and members of the Economic Matters Committee

Thank you for this opportunity to testify in support of HB 516, the Climate Crisis and Environmental Justice Act of 2024 (CCEJ). The undersigned organizations urge you to vote favorably on HB 516.

The CCEJ provides a unique opportunity for our state to continue to lead and stay committed to the goals passed in the Climate Solutions Now Act, requiring a 60% reduction of fossil fuel emissions by 2031, 100% clean energy by 2035, and "net zero" by 2045 while also providing the \$1 billion necessary to support the Moore Administrations MDE Climate Pollution Reduction Plan.

The CCEJ will establish two separate fossil fuel fees charged directly to the companies responsible for CO_2 emissions. The Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund. The CCEJ will strike a balance between environmental responsibility and economic prosperity. It will generate nearly \$18 billion by 2034, and that revenue will be allocated to support local climate resilience plans and investment proposals, along with technical assistance and capacity building for county and municipal governments, built to ensure a collaborative and inclusive approach to climate resilience.

HB 516 does not simply provide the funding necessary for infrastructure projects but emphasizes the need to eradicate decades of harm done to low- and moderate-income overburdened and underserved communities. Dedicating funding to invest in infrastructure projects that have a meaningful and direct impact on those underserved communities. The inclusion of a "polluter pays" provision without passing fees to end-users, is a crucial step towards environmental justice and protects our most vulnerable citizens.

We respectfully urge a favorable committee report on HB 516. By supporting this legislation, you will contribute to Maryland's greenhouse gas reduction goals, promote environmental justice, and protect our states against the impacts of climate change.

RebuildMDCoalition.org



Respectfully submitted,

Climate XChange Maryland

Citizens Climate Lobby (CCL)

Citizens Climate Lobby Maryland State Action Team

Climate Reality Greater Maryland

Climate Parents of Prince George's

Cedar Lane Unitarian Universalist Environmental Justice Ministry

DoTheMostGood

Elders Climate Action Maryland

Greenbelt Climate Action Network (GCAN)

Maryland Legislative Coalition - Climate Justice Wing

SEIU Local 500

Montgomery County Faith Alliance for Climate Solutions (MC FACS)

Maryland League of Conservation Voters

Maryland National Organization for Women

Policy Foundation of Maryland

Indivisible Environmental Action

350 Montgomery

Cc: Members of the Economic Matters Committee Members of the Environment and Transportation Committee

RebuildMDCoalition.org

Carrington 2024 HB516 Climate Change and Environme Uploaded by: Darrell Carrington

Position: FAV



HB516 - Climate Crisis and Environmental Justice Act of 2024

SUPPORT

Carrington & Associates, LLC is writing to express unequivocally endorse and support House Bill 516, the Climate Crisis and Environmental Justice Act of 2024, introduced by Delegates Fennell, Charkoudian, Harris, Martinez, Patterson, and Turner. This groundbreaking legislation is a crucial step forward in addressing the pressing issues of climate change, greenhouse gas emissions, and environmental justice in the state of Maryland.

Overview of Key Provisions:

The bill establishes the Climate Crisis Initiative within the Department of the Environment, focusing on assessing greenhouse gas pollution fees, providing benefits to households and employers, and funding climate-related activities. By adding a new part to the Article on Environment and amending relevant sections of the State Finance and Procurement Article, the bill sets the stage for comprehensive action on climate mitigation and adaptation.

Rationale for Support:

- 1. **Recognition of Urgent Threats:** House Bill 516 rightly recognizes the urgent threats posed by greenhouse gases to public health, welfare, and the environment in Maryland. With its extensive tidally influenced shoreline, the state is particularly vulnerable to rising sea levels and flooding.
- 2. **Commitment to Reduction Goals:** The bill demonstrates a commitment to addressing climate change by setting ambitious reduction targets, aiming for a 25% reduction in greenhouse gas emissions from 2006 levels by 2020 and a long-term goal of achieving net-zero statewide emissions by 2045.
- 3. Economic Benefits: Acknowledging the economic benefits of energy efficiency programs and technological initiatives aligned with greenhouse gas reduction goals, the legislation promotes a sustainable approach that can result in a net economic benefit for the state.
- 4. **Focus on Clean Energies:** The bill rightly emphasizes the importance of developing and utilizing clean energies such as wind, solar, geothermal, and bioenergy sources, steering Maryland towards a more sustainable and resilient energy future.
- 5. Equitable Distribution of Benefits: House Bill 516 prioritizes environmental justice by establishing the Household and Employer Benefit Fund. The distribution mechanism, particularly for low and moderate-income households, reflects a commitment to ensuring that the benefits of the initiative reach those who need them most.

- 6. **Incentives for Cleaner Practices:** The inclusion of greenhouse gas pollution fees on fossil fuels, with specific schedules and considerations for different sectors, provides a practical and effective mechanism to incentivize cleaner practices.
- 7. Allocation to Infrastructure Fund: The establishment of the Climate Crisis Infrastructure Fund ensures that the collected fees contribute to essential initiatives, including clean energy adoption, transportation sector improvements, resiliency measures, and a just transition to clean energy.

In conclusion, House Bill 516 is a well-crafted and comprehensive legislative response to the climate crisis. Its provisions not only demonstrate a commitment to environmental sustainability and resilience but also address the socio-economic aspects of climate change, ensuring a fair and just transition for all Maryland residents. We urge all members of the General Assembly to wholeheartedly support and pass this critical legislation for the benefit of current and future generations.

CLPP testimony CCEJA.pdf Uploaded by: Donald M. Goldberg Position: FAV



3405 Shepherd St. Chevy Chase, MD 20815 202-390-3050 www.clpproject.org Contact: donald@clpproject.org

Committees: Economic Matters Testimony on: HB0516 Climate Crisis and Environmental Justice Act Organization: Climate Law & Policy Project Submitted by: Donald M. Goldberg, Executive Director Position: Favorable Hearing Date: February 29, 2024

Dear Chairman and Members of the Committee:

Climate Law & Policy Project supports HB0516, the Climate Crisis and Environmental Justice Act (CCEJA), and urges this Committee to issue a favorable report.

CCEJA would place a fee on fossil fuel combusted in the State to incentivize the reduction of fossil fuel CO_2 emissions. The fee would escalate gradually, providing business and regulatory certainty to companies for future planning and making non-emitting sources of energy even more economical.

If adopted, CCEJA will generate billions of dollars for investment in clean energy infrastructure, while providing benefits (rebates) to protect Maryland's low- and moderate-income households and energy-intensive trade-exposed businesses.

While CLPP believes CCEJA would significantly advance efforts to meet the State's greenhouse gas reduction goals, CLPP would suggest two core modifications that would make the bill even stronger:

- (1) Eliminate the restriction on passing the fee to end-use consumers. CLPP understands that the nopass-through provision is popular but believes this provision has at least two very important negative consequences: (1) it reduces or eliminates the price signal to incentivize end users to reduce consumption, and (2) it appears to have serious financial consequences for small, local fuel distributors, who often operate on tight margins. Having a prohibition on passing costs through to end-use consumers does not place those costs on huge, massively profitable multinational companies; it puts the cost on whichever local company is at the end of the chain right before the end consumer. Putting these companies in financial jeopardy could make the bill vulnerable to a takings challenge.
- (2) Apply the fee to electricity. CCEJA does not assess a fee on emitting fuels that will be used to generate electricity. Electricity is covered by a regional, multi-state cap-and-invest program known as the Regional Greenhouse Gas Initiative (RGGI), but RGGI allowance prices have generally been much lower than the fee that CCEJA would create. CCEJA already has a provision reducing the total fees due for petroleum products by the amount paid for them under regional initiatives such as the Transportation and Climate Initiative, and a similar reduction could be added for RGGI fees paid. Assessing the fee on fuels used to generate electricity would make the fee much more of an economy-wide policy and would substantially increase revenues that can be invested to advance decarbonization and environmental justice goals.

HB 516 Testimony EED.pdf Uploaded by: Elizabeth Dahl Position: FAV

Dear members of the Economic Matters Committee;

I am reaching out on behalf of the Rebuild Maryland Coalition to advocate for a favorable vote from the Economic Matters Committee on HB 516, the Climate Crisis and Environmental Justice Act of 2024 (CCEJ).

The CCEJ will put Maryland on a commonsense, practical pathway toward a sustainable, vibrant economy. It will generate nearly \$18 billion by 2034 for investment in clean energy infrastructure while providing protective benefits to Maryland's trade-exposed small businesses and its most vulnerable populations: low- and moderate-income and overburdened and underserved households.

CCEJ highlights the root cause of climate change - the influx of harmful air pollutants, primarily from fossil fuels used in transit and heating industries. Maryland voters, special interest groups, and elected officials overwhelmingly agreed to focus on practical solutions like reducing greenhouse gas emissions when we passed the Climate Solutions Now Act of 2022.

Equally important is the priority on disproportionately affected communities, ensuring that the benefits of climate action are accessible to those most in need. The innovative approach of creating two funds from the revenue generated from the transit and heating fee is a further testament to our commitment. The Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund were created to address both economic and environmental aspects of climate change while keeping aligned with the Justice40 Initiative. These funds not only protect disproportionately affected households and energy-intensive, trade-exposed employers like the people who live in my district, but also invest in the improvement of the health and welfare of our citizens. The inclusion of a "polluter pays" provision without passing fees to end-users, is a crucial step towards environmental justice and protects our most vulnerable citizens.

<u>I respectfully urge a favorable committee report on HB 615</u> By supporting this legislation, you will contribute to Maryland's greenhouse gas reduction goals, promote environmental justice, and fortify our state against the impacts of climate change.

Sincerely,

Elizabeth Dahl Parkville MD, 21234 District 8

Climate Crisis and Environmental Justice Act_HB 51

Uploaded by: Ernesto Villasenor Position: FAV



| Committee: | Economic Matters |
|---------------|---|
| Testimony: | Climate Crisis and Environmental Justice (CCEJ) Act of 2024 |
| Position: | Favorable |
| Hearing Date: | February 29, 2024 |

Ernesto Villasenor, Jr., J.D Chesapeake Climate Action Network Action Fund

On behalf of the Chesapeake Climate Action Network Action Fund, we strongly support the Climate Crisis and Environmental Justice Act of 2024 (HB 516). This transformative legislation is a significant step towards addressing the urgent climate crisis and advancing environmental justice in our state.

The establishment of the Climate Crisis Initiative within the Department of the Environment is a crucial component of this bill. By assessing greenhouse gas pollution fees and allocating resources towards climate-related activities, this initiative will play a pivotal role in reducing our carbon footprint and mitigating the impacts of climate change.

Furthermore, the creation of the Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund as special, non-lapsing funds demonstrates a commitment to providing tangible benefits to households and employers while investing in vital climate resilience infrastructure. These funds will not only support essential programs for low-income energy assistance but also facilitate improvements in energy efficiency, particularly in renter-occupied dwellings.

The bill will also require the Secretary of the Environment to collaborate with relevant state agencies to identify measures and programs aimed at enhancing low-income energy assistance and promoting energy efficiency in rental properties. These initiatives will not only contribute to reducing energy costs for vulnerable communities but also enhance the overall sustainability of our housing stock.

In summary, the Climate Crisis and Environmental Justice Act of 2024 (HB 516) represents a significant milestone in our state's commitment to combating climate change and advancing environmental justice. We urge a favorable finding of this critical legislation, which will pave the way for a cleaner, more sustainable future for Maryland and its residents.

CONTACT

Ernesto Villaseñor, Jr., JD | Policy Manager Chesapeake Climate Action Network Action Fund <u>ernesto@chesapeakeclimate.org</u> |310-465-6943



CCEJ testimony CR 2-29-2024.pdf Uploaded by: Frances Stewart Position: FAV



| Committees: | Economic Matters and Environment and Transportation |
|--------------------|--|
| Testimony on | HB 516, The Climate Crisis and Environmental Justice Act |
| Organization: | Climate Reality Greater Maryland |
| Submitting: | Frances Stewart, MD, Chapter Chair |
| Position: | Favorable |
| Hearing Date: | February 29, 2024 |

Dear Chairs and Committee Members:

Thank you for allowing our testimony today in support of HB 516. Climate Reality Greater Maryland is the Maryland chapter of the <u>Climate Reality Project</u>, a global network of 3.5 million people working to build a net zero future in which all of us can thrive. We urge you to vote favorably on HB 516.

Climate change is one of the greatest threats to our public health. The health effects include more vector-borne diseases, more heat-related illnesses such as heat stroke, injuries from wildfires and extreme weather events such as hurricanes and floods, and mental health problems. These issues threaten the lives and health of all Maryland residents, particularly children and older adults.

One thing that is less often recognized is the close tie between air pollution and greenhouse gas emissions. 88% of Maryland residents live in areas that do not meet EPA air quality standards. Air pollution is a major contributor to absences from work and school, increased healthcare costs, and premature deaths.

This can be seen clearly in the high rates of hospitalization for asthma in Maryland, especially in Baltimore. Research shows that decreases in air pollution lead to significant and rapid decreases in asthma hospitalizations. Improvements in health, especially in children and people living in overburdened communities, will be the first benefit we see from decreasing the use of fossil fuels.

The CCEJ focuses on reducing these threats by reducing the emissions of greenhouse gases, primarily carbon dioxide and methane, from fossil fuels used in transportation and buildings.

In 2022, the Climate Solutions Now Act set ambitious and essential greenhouse gas reduction goals. In 2023, Maryland's Climate Pollution Reduction Plan gave us a pathway to accomplish those vital goals.

In 2024, we must find the money to make the changes called for in the plan a reality. The CCEJ provides a reliable mechanism to generate the funding Maryland must have to meet those goals.

Beyond finding funds, we must ensure that disproportionately affected communities receive the money they need to solve serious and longstanding problems resulting from fossil fuel use and lack of investment in infrastructure. Those problems include dangerous levels of air pollution, excessive heat amplified by the heat island effect, and inadequate transit.

To meet these needs, the CCEJ takes the innovative approach of creating two funds from the revenue. The Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund were created to address both economic and environmental aspects of climate change while creating alignment with the Justice40 Initiative. These funds not only protect disproportionately affected households and energy-intensive, trade-exposed employers but also invest in the improvement of the health and welfare of our citizens. Including a "polluter pays" provision without passing fees to end-users is crucial to environmental justice and protects our most vulnerable citizens.

The CCEJ would put Maryland on a commonsense, practical pathway toward a sustainable, vibrant economy. It would generate nearly \$18 billion by 2034 for investment in clean energy infrastructure while providing protective benefits to Maryland's trade-exposed small businesses and its most vulnerable populations: low- and moderate-income residents and overburdened and underserved communities.

We recommend a FAVORABLE report for HB516 in committee.

2024 CCEJ Testimony.pdf Uploaded by: Jonah Kurman-Faber Position: FAV



February 27, 2024

| BILL: | HB0516 |
|------------------|--|
| TITLE: | Climate Crisis and Environmental Justice Act |
| POSITION: | SUPPORT |
| HEARING DATE: | February 29, 2024 |
| COMMITTEE: | House Economic Matters Committee |
| SPONSOR: | Delegate Diana M. Fennell |

Dear House Committee on Economic Matters,

My name is Jonah Kurman-Faber and I serve as Policy and Research Director for Climate XChange, a national nonprofit organization that provides research and technical assistance on state climate policy. I am submitting testimony in favor of passing House Bill 516, the Climate Crisis and Environmental Justice Act.

HB 516 provides substantial, new vital revenue that the state of Maryland needs in order to meet legally binding greenhouse gas reduction goals, create new business and workforce opportunities, and improve the health and safety of all communities. If passed, we project that HB 516 will generate an average of \$1.7 billion per year, amounting to \$17.7 billion between 2025 and 2034, for the purposes of transportation infrastructure, grid modernization, energy efficiency, workforce development, and other vital measures of the clean energy transition, as well as vital direct rebates to consumers and businesses.

Many existing climate efforts in Maryland rely on existing budgets and appropriations, and new capital resources are required to hit the state's legally binding greenhouse gas reduction targets. HB 516 is a progressive, rather than regressive, funding source, and dedicates substantial new investment to environmental justice communities in Maryland. The bill also is compatible with other legislative efforts in the state around climate justice, environmental justice, and public infrastructure.

For example, the Climate Solutions Now Act of 2022 establishes new capital funds and grant fund programs for clean energy development, workforce development, net-zero schools, and other priorities. Additionally, Maryland's climate planning efforts as part of the Climate Solutions Now Act, as well as part of federal funding programs such as the Climate Pollution

Reduction Grant (CPRG) Program, call for substantial new revenue sources to fund the state's short and long term GHG reduction mandates. HB 516 provides such vital revenue, which the state can leverage to further attract federal competitive funding, and without which the state will fall short of its climate mandates.

HB 516's approach is simple and effective, following existing fiscal and bureaucratic pathways in the state. The majority of program administration is handled by the Secretary of the Maryland Department of the Environment (MDE) as well as the state Comptroller. Similar to the RGGI program and other states such as California and Washington state, the program would establish an annual reporting system and fee obligation for companies that distribute fossil fuels into the state of Maryland for in-state consumption. The data required for this program is already tracked by the state for other governmental purposes. This is an approach already well-documented as successfully implemented in RGGI, and has been previously discussed and designed for the transportation sector in Maryland during discussions on the Transportation and Climate Initiative. New York is currently designing a carbon-based price signal in order to achieve their legally mandated climate targets as well.

The majority of this program will be administered upstream, to ease administrative burden. There are 35 bulk stations and bulk terminals in Maryland, which serve to import wholesale petroleum products into the state for local distribution and consumption, and will serve as the reporting and compliance entity under HB 516.¹ Natural gas distribution is further streamlined to a handful of utilities and distributors, who also already have sufficient data and reporting in place to calculate and compensate the state for the emissions associated with end-use of fossil fuels in Maryland.

In either case, HB 516 provides ample and progressive benefits to the public via a suite of: 1) protections to prevent the pass-through of HB 516-associated costs to the end consumer, 2) ample rebates administered by the state to provide 50% of all revenue collected back to households and vulnerable employers, and 3) a robust investment strategy to build infrastructure and climate-friendly projects that benefit the public. As a result, HB 516 will result in hundreds of dollars of annual benefits per household in Maryland.

For the reasons stated above, and for the fiscal health, public health, and environmental goals of Maryland, I urged the passage of House Bill 516. Thank you and please reach out with any further questions.

Regards, Jonah Kurman-Faber

¹<u>https://www.georgetownclimate.org/files/report/GCC_TransportationFuelSystemConsiderations_July2018</u> .pdf

Research Director, Climate XChange jonah@climate-xchange.org

Cc: Members of the Economic Matters Committee Members of the Environment and Transportation Committee

HB0516 - CCEJ - Climate Parents of Prince George's Uploaded by: Joseph Jakuta

Position: FAV

Committee: Economic Matters Testimony on: HB 516 - "Climate Crisis and Environmental Justice Act" Organization: Climate Parents of Prince George's Person Submitting: Joseph Jakuta, Lead Volunteer Position: Favorable Hearing Date: February 29, 2024

Dear Mr. Chairman and Committee Members:



Thank you for considering our testimony to HB 516, "Climate Crisis and Environmental Justice Act" (CCEJA). Climate Parents is a campaign to reduce climate change-causing pollution in our schools, and our group is active in Prince George's County. In particular, we recently worked directly with Prince George's County Public Schools (PGCPS) technical staff and other advocates to develop a first in the national School Climate Change Action Plan.

CCEJA establishes two funds Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund that will be funded through the collection and use of certain greenhouse gas pollution fees. This is a common sense approach to increasing revenues for the state in these challenging times, encouraging the reduction of climate-harming activities, benefiting historically disadvantaged communities, and providing funds to shore up our infrastructure in light of damages already being caused by climate change.

While this an excellent bill overall, we wanted to express particular support for § 2-1221 (G), which would provide up to 50% of the Climate Crisis Infrastructure Fund to county and municipal governments since this would include funding being available to Local Education Agencies (LEA). LEAs face a particular burden in adapting to climate change because schools are often built in floodplains and other less desirable plots and often have not been renovated to keep up with modern, efficient standards. This is particularly acute for schools located in disproportionately affected communities since they are often the ones that receive the least funding when it comes to capital improvements.

We would encourage a minor change to § 2-1221 (B)(5) to include "clean transportation" in addition to clean energy. Many disadvantaged communities are disproportionately affected by the burdens of pollution from transportation, especially carcinogenic diesel pollution. Additionally, due to upfront costs, these same communities will be the last to replace school buses and other polluting diesel vehicles with cleaner electric alternatives.

CCEJA will provide much-needed funds to allow LEAs to ensure our educational assets are resilient in the face of the climate crisis while activating a fee that will work to reduce the greenhouse gases that are exacerbating the problem in the first place. CCEJA is a common sense approach to reducing the harm from a problem that our children's generation needs solving. The Economic Matters Committee has an opportunity to greatly improve the lives of Marylanders, you must act.

We encourage a FAVORABLE report for this important legislation.

Support CCEJ Act 2024.pdf Uploaded by: Judy Allen-Leventhal

Submission date 2/27/2024HEARING DATE: 2/29/2024BILL:HB-516TITLE:Climate Crisis and Environmental Justice Act (CCEJ)POSITION:FavorableCOMMITTEE:Economic Matters Committee

Dear Members of the Committee:

My name is Judith Allen-Leventhal, and I live in Maryland Legislative District 26. I support HB-516, the Climate Crisis and Environmental Justice Act of 2024 (CCEJ).

Maryland voters, special interest groups, and elected officials overwhelmingly agreed to focus on practical solutions like reducing greenhouse gas emissions with the Climate Solutions Now Act of 2022. Now, the focus needs to be on the mechanisms to fund the programming necessary to sustain the physical infrastructure and livelihood of Marylanders. The CCEJ's emphasis on highlighting the root cause of climate change - the influx of harmful air pollutants, primarily from fossil fuels used in transit and heating industries - will do just that.

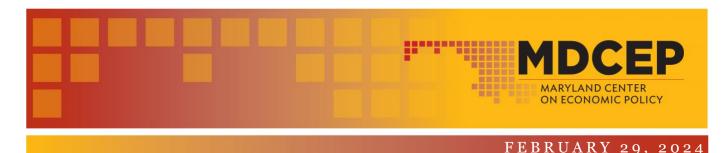
Equally important is recognizing the need to prioritize disproportionately affected communities, ensuring that the benefits of climate action are accessible to those most impacted. The innovative approach of creating two funds from the revenue generated from the transit and heating fee will do that. The Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund were created to address both economic and environmental aspects of climate change while keeping aligned with the Justice40 Initiative. These funds not only protect disproportionately affected households and energy-intensive, trade-exposed employers, they also invest in the improvement of the health and welfare of Maryland taxpayers. The inclusion of a "polluter pays" provision without passing fees to end-users, is a crucial step towards environmental justice and protection of Maryland's most vulnerable citizens.

The CCEJ offers Maryland a commonsense, practical pathway toward a more sustainable economy because it will generate significant income – estimated at \$18 billion -- by 2034 for investment in clean energy infrastructure while providing protective benefits to Maryland's trade-exposed small businesses and the most vulnerable populations: low- and moderate-income and overburdened and underserved households.

I respectfully urge a favorable committee report on HB 615. By supporting this legislation, you will contribute to Maryland's greenhouse gas reduction goals, promote. environmental justice, and fortify our state against the impacts of climate change.

Respectfully submitted, Judith Allen-Leventhal 301-203-2517 j.allenleventhal@gmail.com

HB 516_MD Center on Economic Policy_FAV.pdf Uploaded by: Kali Schumitz



Investments in Clean Energy Support a Strong Economy

Position Statement in Support of House Bill 516

Given before the House Economic Matters Committee and the Environment and Transportation Committee

Climate change continues to pose an urgent threat to Maryland residents and our economy. Rising seas, extreme heat, and severe weather are already causing significant hardship for Marylanders of every background, living in every part of our state. At the same time, this damage is not evenly distributed, with Marylanders of color, families with low incomes, and people with serious health conditions facing an outsized share of these harms. Responding to the climate crisis will require additional public investments at a time when our policy choices are already leaving too many Marylanders' needs unmet. **The Maryland Center on Economic Policy supports House Bill 516 because it would enable the state to invest in clean energy and resilient infrastructure, and counter the disproportionate impacts of the climate crisis on Marylanders who face social and economic roadblocks.**

In 2022, Maryland passed the Climate Solutions Now Act which set forth ambitious goals of establishing net-zero statewide greenhouse gas emissions by 2045, and identifying communities disproportionately affected by climate impacts among other things. While these efforts place Maryland as a leader in climate action in decades to come, it is important that communities directly impacted by the climate crisis see speedy and tangible benefits. Climate change continues to put stress on Maryland's economy and Marylanders' health every year, and those harms will grow. Maryland is the 7th most densely populated state in the nation, and consumes about five times more energy than it produces.ⁱ

Moreover, both present and expected future impacts of climate change are unevenly spread across location, race and ethnicity, age, and other factors.ⁱⁱ For example, the risk of heart attack related to extreme heat is especially high for Black Marylanders, while the risk of severe asthma incidents is especially high for white Marylanders and school-age children.

House Bill 516 would mitigate climate change by reducing greenhouse gas emissions, enable the state to adapt more effectively to climate change impacts, and take important steps to counter the lopsided harms caused by the climate crisis:

- The greenhouse gas pollution fees established by HB 516 would drive down demand for fossil fuel-based energy and likely increase uptake of renewable alternatives.
- The Household and Employer Benefit Fund created under HB 516 would cushion the impact of pollution fees on Maryland families and provide greater protection to families struggling to make ends meet. It would also protect energy-intensive, trade-exposed employers in the state.

• The Infrastructure Fund created under HB 516 would support investments in clean energy and resilient infrastructure against climate change, with a focus on protecting historically pollution-burdened communities while strengthening their economies.

The smart revenue measures, public investments, and household benefits created under HB 516 would strengthen Maryland communities and our economy for decades to come.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the House Economic Matters Committee and the Environment and Transportation Committee make a favorable report on House Bill 516.

Equity and Impact Analysis: House Bill 516

Bill summary

House Bill 516 would levy fees on fossil fuels transported into the state and invest the resulting revenue in communities most affected by climate change, energy-intensive, trade-exposed employers, clean energy, and resilient infrastructure. The bill also requires state agencies to administer these programs, and identify measures and programs to ensure provision of low-income energy assistance and improvements in the energy efficiency of certain renter-occupied dwellings.

Background

In 2022, Maryland passed the Climate Solutions Now Act, which set forth ambitious goals of establishing net-zero statewide greenhouse gas emissions by 2045, and identifying communities disproportionately affected by climate impacts among other things. Climate change has brought extensive harms to communities across Maryland including severe flooding, dangerous summertime temperatures, and extreme weather events. These impacts threaten important industries in Maryland and increase the risk of serious health problems such as asthma and heart attack.

Equity Implications

Communities of color are more likely to be impacted by environmental changes due to existing health disparities,ⁱⁱⁱ in addition to a higher prevalence of living near an environmental hazardous area.^{iv} Research published by the Maryland Department of Health has found that Black Marylanders face a disproportionately high risk of heart attack due to extreme heat and that school-age children face an especially high risk of severe asthma complications due to heat and extreme precipitation.

Impact

House Bill 516 would likely improve racial, environmental, and economic equity in Maryland.

ⁱ Maryland Profile Analysis, U.S. Energy Information Administration, 2023, <u>https://www.eia.gov/state/analysis.php?sid=MD</u> ⁱⁱ Maryland Department of Health and Mental Hygiene. (2016). Maryland climate and health profile report. <u>https://phpa.health.maryland.gov/OEHFP/EH/Climate%20Change%20Binder/a1-CHPR-Full.pdf</u>

iii Berberian, A.G., Gonzalez, D.J.X., & Cushing, L.J. (2022). Racial disparities in climate change-related effects in the U.S. *Current Environmental Health Reports*, *9*(3), 451-464. <u>https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9363288/</u>

iVHananel, J. (2022, January 14). A look at environmental justice issues in Maryland. *Climate Xchange*. <u>https://climate-xchange.org/2022/01/14/a-look-at-environmental-justice-issues-in-maryland/</u>

sb 516 Climate Crisis and environ justice act of Uploaded by: Ken Phelps Jr



TESTIMONY IN SUPPORT OF HB0516 FAVORABLE Climate Crisis and Environmental Justice Act of 2024

TO: Delegate Marc Korman, Chair, Delegate Regina T. Boyce, Vice-Chair, and members of the Environment and Transportation Committee; Delegate C. T. Wilson, Chair, Delegate Brian M. Crosby, Co-Chair, and members of the Economic Matters Committee;

FROM: Rev. Linda K. Boyd, Co-Chair, Maryland Episcopal Public Policy Network, Maryland, Diocese of Maryland

DATE: February 29, 2024:

The Episcopal Church at large and the Diocese of Maryland in particular has embraced the concept of reparations, a concept not limited to financial considerations but to a leveling of the playing field across a broad spectrum of issues, including achieving equity in quality-of-life issues, such as environmental health.

The National Episcopal Church has repeatedly passed resolutions urging us to work on climate change and to repair the unequal effects of climate change, recently stating:

Resolved, That the 79th General Convention **affirm the need for governments**, private industry and all people **to act to protect the health of all persons from unsafe and unhealthy exposures to air and water pollution, toxic substances, or radiation in their food, water supply, living quarters, and workplaces; and be it further**

Resolved, That the Church recommit to the excellent work done by previous General Conventions of The Episcopal Church, specifically resolutions 2000-D005, 2012-B023, 2012-C079, and 2015-C013 and that General Convention **affirm that no community**, especially poor communities, those who live closest to the land in subsistence cultures, and members of marginalized ethnic groups, should **bear a disproportionate risk of environmental pollution or** **degradation; and advocate for and support policies that protect these populations and the sanctity of communities and the livelihood of future generations** from the disparate impact of climate change and environmental degradation.

Similarly, the Episcopal Diocese of Maryland has strongly supported and endorsed those directives. HB 516 will take important steps to rectify well-entrenched environmental policies that have resulted in unfairly and disproportionately affecting communities of color. Rectifying such inequities is long overdue. It is a critical aspect of living in a healthy environment that is essential for all and not just for wealthy people, who are not persons of color, who almost never have to address these issues.

Our mother is dying. There may still be time to save her, but we must act swiftly and definitively to accomplish that goal. Let's work together on this problem now rather than leaving it to our children and grandchildren—when it may be too late for them...

The Diocese of Maryland requests a favorable report on HB 516.

4 E UNIVERSITY PARKWAY, BALTIMORE, MD 21218-2437 Tel: 410-467-1399 / 800-443-1399 Fax: 410-554-6387 www.EpiscopalMaryland.org

Testimony from K Cook for HB516 (1).pdf Uploaded by: Kristin Cook

February 27, 2024

To Whom It May Concern,

I am reaching out on behalf of the Rebuild Maryland Coalition. I ask that you cast a favorable vote on HB 516, the Climate Crisis and Environmental Justice Act of 2024 (CCEJ). I commend the CCEJ's emphasis on highlighting the root cause of climate change - the influx of harmful air pollutants, primarily from fossil fuels used in transit and heating industries. Consensus and logic dictated that we focus on practical solutions like reducing greenhouse gas emissions when we passed the Climate Solutions Now Act of 2022.

But the devil is in the details. We must agree on the mechanisms we'll use to fund the programming necessary to sustain the physical infrastructure and livelihood of Marylanders. Equally important is the priority on disproportionately affected communities, ensuring that the benefits of climate action are accessible to those most in need. The innovative approach of creating two funds from the revenue generated from the transit and heating fee is a further testament to our commitment. The Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund were created to address both economic and environmental aspects of climate change while keeping aligned with the Justice40 Initiative. These funds not only protect disproportionately affected households and energy-intensive, trade-exposed employers but also invest in the improvement of the health and welfare of our citizens. The inclusion of a "polluter pays" provision without passing fees to end-users, is a crucial step towards environmental justice and protects our most vulnerable citizens.

The CCEJ would put Maryland on a commonsense, practical pathway toward a sustainable, vibrant economy. It will generate nearly \$18 billion by 2034 for investment in clean energy infrastructure while providing protective benefits to Maryland's trade-exposed small businesses and its most vulnerable populations: low- and moderate-income and overburdened and underserved households.

I respectfully urge a favorable committee report on HB 615 By supporting this legislation, you will contribute to Maryland's greenhouse gas reduction goals, promote environmental justice, and fortify our state against the impacts of climate change.

With much appreciation,

Kristin Cook 9408 Jongroner Ct. Potomac, MD 20854 240-483-6789

HB0516_Climate Crisis and Environmental Justice Ac

Uploaded by: Laurie McGilvray Position: FAV



| Committees: |
|--------------------|
| Testimony on: |
| Organization: |
| Submitting: |
| Position: |
| Hearing Date: |

Economic Matters and Environment and Transportation HB0516 - The Climate Crisis and Environmental Justice Act Maryland Legislative Coalition Climate Justice Wing Laurie McGilvray, Co-Chair Favorable February 29, 2024

Dear Chairs and Committee Members:

Thank you for allowing our testimony today in support of HB0516. The Maryland Legislative Coalition (MLC) Climate Justice Wing, a statewide coalition of nearly 30 grassroots and professional organizations, urges you to vote favorably on HB0516.

The Climate Crisis and Environmental Justice Act (CCEJA) is a priority bill for the MLC Climate Justice Wing because it focuses on the root cause of climate change – emissions of greenhouse gases (GHG), primarily carbon dioxide and methane from fossil fuels used in transportation and buildings, and it generates much needed funds to address climate change impacts. The Climate Solutions Now Act of 2022 set ambitious and essential GHG reduction goals. Maryland's Climate Pollution Reduction Plan has given us a pathway to accomplish those vital goals.

Now, we must find the money to make the changes called for in the plan a reality. We must ensure that disproportionately affected communities receive the funding they need to solve serious and longstanding problems that have resulted from fossil fuel use and a lack of investment in infrastructure. Those problems include dangerous levels of air pollution, excessive heat amplified by the heat island effect, and inadequate transit.

The CCEJA takes the innovative approach of creating two funds from the revenue. The Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund were created to address both the economic and environmental aspects of climate change while creating alignment with the Justice40 Initiative. These funds not only protect disproportionately affected households and energy-intensive, trade-exposed employers but also invest in the improvement of the health and welfare of our citizens. Including a "polluter pays" provision without passing fees to end-users is crucial to environmental justice and protects our most vulnerable citizens.

The CCEJA would put Maryland on a commonsense, practical pathway toward a sustainable, vibrant economy. It would generate nearly \$18 billion by 2034 for investment in clean energy infrastructure while providing protective benefits to Maryland's trade-exposed small businesses and its most vulnerable populations: low- and moderate-income residents and overburdened and underserved communities.

We recommend a FAVORABLE report for HB0516 in committee.

350MoCo

Adat Shalom Climate Action Cedar Lane Unitarian Universalist Church Environmental Justice Ministry Chesapeake Earth Holders Chesapeake Physicians for Social Responsibility Climate Parents of Prince George's **Climate Reality Project** ClimateXChange - Rebuild Maryland Coalition Coming Clean Network, Union of Concerned Scientists DoTheMostGood Montgomery County Echotopia **Elders Climate Action Fix Maryland Rail** Glen Echo Heights Mobilization Greenbelt Climate Action Network HoCoClimateAction IndivisibleHoCoMD Maryland Legislative Coalition Mobilize Frederick Montgomery County Faith Alliance for Climate Solutions Montgomery Countryside Alliance Mountain Maryland Movement Nuclear Information & Resource Service **Progressive Maryland** Safe & Healthy Playing Fields Takoma Park Mobilization Environment Committee The Climate Mobilization MoCo Chapter Unitarian Universalist Legislative Ministry of Maryland WISE

hb516- climate crisis initiative- EC&ET 2-29-2024

Uploaded by: Lee Hudson Position: FAV Delaware-Maryland Synod Evangelical Lutheran Church in America

God's work. Our hands.

Testimony prepared for the Economic Matters Committee

& Environment and Transportation Committee

on

House Bill 516

February 29, 2024 Position: **Favorable**

Mr. Chairmen and members of these Committees, thank you for the opportunity to testify about environmental justice. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, <u>Evangelical Lutheran Church in America</u>. We are a faith community of congregations in three ELCA synods, located in every part of the State.

Our community named greenhouse gas emissions as pollutants in 1993. Time has, we maintain, validated that classification.

House Bill 516 aims to capture revenue from greenhouse gas emission sources for a fund to address climate catastrophes. The summer of 2023 should be sufficient to illustrate what a "catastrophe" is.

In general, levies on commercial activity currently subsidized by cost-shifting, levels revenue policy. A fee on greenhouse gas emissions based on the price they levy upon the natural- and built-environment is the only accurate way to establish their actual cost, For some time the cost of climate disaster has exceeded the cost of energy regime transition, anyway.

We're taxing society for the benefit of a commercial exercise. That will only make the future worse. We ask a favorable report.

Lee Hudson

CCEJ testimony - ECA.pdf Uploaded by: Leslie Wharton Position: FAV

| Committees: | Economic Matters and Environment and Transportation |
|--------------------|--|
| Testimony on | HB 516, The Climate Crisis and Environmental Justice Act |
| Organization: | Elders Climate Action Maryland |
| Submitting: | Leslie Wharton, Chapter Leader |
| Position: | Favorable |
| Hearing Date: | February 29, 2024 |

Dear Chairs and Committee Members:

Thank you for allowing our testimony today in support of HB 516. Elders Climate Action Maryland is our state chapter of <u>Elders Climate Action</u>, a nationwide movement of elders striving for a future where our children, grandchildren, future generations, and all life can thrive. We urge you to vote favorably on HB 516.

Climate change is one of the greatest threats to our public health. The health effects include more vector-borne diseases, more heat-related illnesses such as heat stroke, injuries from wildfires and extreme weather events such as hurricanes and floods, and mental health problems. These issues threaten the lives and health of all Maryland residents, particularly children and the elderly.

One thing that is less often recognized is the close tie between air pollution and greenhouse gas emissions. 88% of Maryland residents live in areas that do not meet EPA air quality standards. Air pollution is a major contributor to absences from work and school, increased healthcare costs, and premature deaths. This can be seen clearly in the high rates of hospitalization for asthma in Maryland, especially in Baltimore. Research shows that decreases in air pollution lead to significant and rapid decreases in asthma hospitalizations. Improvements in health, especially in children and people living in overburdened communities, will be the first benefit we see from decreasing the use of fossil fuels.

The CCEJ focuses on reducing these threats by reducing the emissions of greenhouse gases, primarily carbon dioxide and methane, from fossil fuels used in transportation and buildings.

In 2022, the Climate Solutions Now Act set ambitious and essential greenhouse gas reduction goals. In 2023, Maryland's Climate Pollution Reduction Plan gave us a pathway to accomplish those vital goals.

In 2024, we must find the money to make the changes called for in the plan a reality. The CCEJ provides a reliable mechanism to generate the funding Maryland must have to meet those goals.

Beyond finding funds, we must ensure that disproportionately affected communities receive the money they need to solve serious and longstanding problems resulting from fossil fuel use and lack of investment in infrastructure. Those problems include dangerous levels of air pollution, excessive heat amplified by the heat island effect, and inadequate transit.

To meet these needs, the CCEJ takes the innovative approach of creating two funds from the revenue. The Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund were created to address both economic and environmental aspects of climate change while creating alignment with the Justice40 Initiative. These funds not only protect disproportionately

affected households and energy-intensive, trade-exposed employers but also invest in the improvement of the health and welfare of our citizens. Including a "polluter pays" provision without passing fees to end-users is crucial to environmental justice and protects our most vulnerable citizens.

The CCEJ would put Maryland on a commonsense, practical pathway toward a sustainable, vibrant economy. It would generate nearly \$18 billion by 2034 for investment in clean energy infrastructure while providing protective benefits to Maryland's trade-exposed small businesses and its most vulnerable populations: low- and moderate-income residents and overburdened and underserved communities.

We recommend a **FAVORABLE** report for HB516 in committee.

HB516_MDSierraClub_Fav 29February 2024.pdf Uploaded by: Mariah Shriner



Committee: Economic Matters Testimony on: HB 516 "Climate Crisis and Environmental Justice Act of 2024" Position: Support Hearing Date: February 29, 2024

The Maryland Chapter of the Sierra Club supports HB 516, the "Climate Crisis and Environmental Justice Act of 2024" (CCEJ). The CCEJ would establish two separate fossil fuel fees charged directly to the companies responsible for CO_2 emissions. These two fees would include a non-transportation fuel fee (focused on building heat) and a transportation fuel fee. Through the assessed fees, the act will generate nearly \$18 billion by 2034, with 50% of the revenue going to the Household and Employer Benefit Fund (Benefit Fund) and 50% to the Climate Crisis Infrastructure Fund (Infrastructure Fund).

The Benefit Fund would be directed to low- and moderate-income households and energy-intensive trade-exposed (EITE) businesses to protect them from financial harm. The Infrastructure Fund would be directed towards projects that mitigate greenhouse gas emissions and build resilience, with at least 50% invested in projects that are directly located within and provide meaningful benefits to environmental justice communities.

Maryland has set ambitious climate goals and achieving those goals will require significant revenue to fund important programs like building electrification, EV charging systems, and public transit. Maryland's climate goals, as established through the Climate Solutions Now Act, call for a 60% reduction in greenhouse gas emissions by 2031 and net zero greenhouse gas emissions by 2045. Maryland's Climate Pollution Reduction Plan, released December 2023, notes that the plan "calls for at least \$1 billion annually in new state spending for investments."¹ To achieve our statutorily-required, ambitious climate goals, Maryland will need to think creatively about new revenue streams. The CCEJ offers a strong model for what this could look like.

The Sierra Club believes that a carbon pricing mechanism can be an effective tool in a state's overarching climate strategy. Maryland has established important aspects of its energy policy, and carbon pricing would support implementation by bringing much needed revenue. Sierra Club policy guidance emphasizes that any carbon pricing mechanism must integrate environmental and economic justice principles and advance tangible outcomes. HB 516 is designed to offset the costs to low- and moderate-income households and EITE businesses in the state, while also investing in programs that will meaningfully lower energy use, promote a just transition, and

¹ MDE, <u>Maryland's Climate Pollution Reduction Plan</u>. 2023, p. 77.

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 over 800,000 members and nearly four million supporters.

increase resilience, especially in disproportionately affected communities. Ongoing engagement of stakeholders before and during implementation would be essential to mitigate unintended consequences, minimize cost impacts on low-income communities, and ensure benefits of the program return to impacted communities.

The Climate Crisis and Environmental Justice Act of 2024 represents an important opportunity for the State to achieve its climate goals, through contributing to greenhouse gas emission reductions, generating needed revenue, righting historical injustices, and investing in resilience. The Maryland Chapter of the Sierra Club urges a favorable report.

Mariah Shriner Climate Campaign Representative Mariah.Shriner@MDSierra.org Josh Tulkin Chapter Director Josh.Tulkin@MDSierra.org

HB 516 - CBF - FAV.pdf Uploaded by: Matt Stegman Position: FAV



Environmental Protection and Restoration Environmental Education

House Bill 516

Climate Crisis and Environmental Justice Act of 2024

| Date: | February 29, 2024 | Position: | Favorable |
|-------|--|-----------|-------------------|
| To: | Economic Matters Committee | From: | Matt Stegman |
| | Environment & Transportation Committee | | MD Staff Attorney |

Chesapeake Bay Foundation (CBF) **SUPPORTS** HB 516, which establishes the Climate Crisis Initiative within the Maryland Department of the Environment (MDE). The Climate Crisis Initiative would study and assess greenhouse gas pollution fees. These fees would be deposited into separate special funds, one to support clean energy infrastructure throughout the state, and one to ensure an equitable allocation of the cost of greenhouse gas pollution fees.

Taxpayers across Maryland are already paying the price for climate change: crucial infrastructure adjustments exacerbate the state's projected budget shortfall, as legislators must address increased temperatures, flooding, and impacts on the state's crops, livestock, and wildlife. 40 years ago, 9 inches of rain was considered a hundred-year rainfall event. Today, that amount is predicted to occur once in a decade. But these are just statistical probabilities: "hundred-year" storms are now commonplace and few storm water management systems across the state have been engineered to handle this increased precipitation. The state is also experiencing record high tides, even on sunny days, along its 3,000+ miles of tidal coastland. These tides meet inadequate stormwater drainage systems and cause persistent and worsening flooding in low-lying residential areas—home to many of the state's underserved and overburdened communities.

Hotter temperatures impact people by way of increased air conditioning bills in homes, schools, and public spaces, not to mention increased instances of heat-induced illnesses and deaths. They also stress sensitive fish and invertebrate species in all of Maryland's waters. These species hold critical roles in Maryland's recreational opportunities, in the seafood industry, and in the heart of the Chesapeake Bay and other natural spaces that make this state special. To protect the people and places that Marylanders hold dear, the state must make necessary infrastructure investments to adapt to these new extremes. These investments will make Maryland a cleaner, safer, and more affordable place to live. They will create jobs and help prevent disasters from ruining homes and workspaces. HB 516 proposes a fair and equitable mechanism to make the crucial investments required to move Maryland to a climate-resilient future.

CBF urges the Committee's FAVORABLE report on HB 516.

For more information, please contact Matt Stegman, Maryland Staff Attorney, at <u>mstegman@cbf.org</u>.

HB516_IndivisibleHoCoMD_FAV_Alexander.pdf Uploaded by: Peter Alexander



HB516

Climate Crisis and Environmental Justice Act Testimony before House Economic Matters Committee February 29, 2024 Position: Favorable

Chair Wilson, Vice Chair Crosby, and members of the committee, my name is Peter Alexander and I represent the 750+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today **in support of HB516**, the Climate Crisis and Environmental Justice Act (CCEJ). We appreciate the leadership of Delegate Fennell and several of her colleagues for sponsoring this important legislation.

The impact of the climate crisis is evident everyday if we watch the nightly news. Destructive flooding, deadly, oppressive heat waves, and unhealthy polluted air are wreaking havoc in our communities. Sadly, the effects of greenhouse gas emissions (GHG) and other toxic pollutants from fossil fuel combustion are disproportionally affecting historically disadvantaged neighborhoods.

The Climate Crisis and Environmental Justice Act will take a huge step forward in addressing the GHG emissions reduction targets set forth in the 2022 Climate Solutions Now Act while **bringing in billions of dollars** to the Maryland state budget. The bill requires that the polluters pay the costs of GHG emissions with a no-passthrough provision by creating fuel fees for both transportation and non-transportation fossil fuels. These "producer responsibility" fees will bring in up to **\$1.7 Billion per year**, totaling more than \$18 Billion by 2034.

HB516 establishes two separate funds for green infrastructure and household benefits. Half of the collected fee will go to the <u>Infrastructure Fund</u>. Of that, at least 50% of the Infrastructure Fund will be dedicated to projects located in and directly benefiting environmental justice communities. The remainder of this fund will be distributed to county and municipal government for planning and implementation of climate mitigation and resilience projects. The <u>Benefits Fund</u> which will comprise the other 50% of the incoming fees will be directed to LMI and <u>overburdened and underserved households</u>, and energy-intensive trade-exposed (EITE) businesses to protect them from financial harm, with 80% going to households and 20% going to EITE business.

The <u>CCEJ is a Win-Win for Maryland residents</u>, helping to repair and prevent further damage to our environment while bringing in billions of producer responsibility dollars to pay for the work.

We respectfully urge a favorable committee report.

Peter Alexander, PhD Woodbine, MD

For HB0516.pdf Uploaded by: Sabrina Fu Position: FAV

For HB0516

I am writing in favor of the Climate Crisis and Environmental Justice Act of 2024. I support this bill because we do need to think "polluters pay" and invest in environmental justice communities. This bill does both.

I realize the border correction issue is complex for a state. However, given that it is 2024, someone needs to lead on climate actions, and it might s well be Maryland!

Sincerely, Sabrina S. Fu 9817 Madelaine Court Ellicott City, MD 21042

443-896-3248

HB 516-Fav Testimony POLICY FOUNDATION OF MARYLAND Uploaded by: Sarahia Benn



Policy Foundation of Maryland

Committee: Judiciary Testimony on: HB0516-Climate Crisis and Environmental Justice Act of 2024 (CCEJ) SPONSOR: Delegate Diana Fennell, Delegate Lorig Charkoudian, Delegate Kevin Harris, Delegate Ashanti Martinez, Delegate Edith Patterson, Delegate Veronica Turner Organization: Policy Foundation of Maryland, Rebuild Maryland Coalition, MD Legislative Coalition, Climate Justice Wing Person Submitting: Sarahia Benn (CEO/Executive Dir.) Position: Favorable Hearing Date: February 29, 2023 1:00PM

Chair and Members of the Committee,

I express gratitude for the opportunity to provide testimony in support of HB0516. As representatives of the Policy Foundation of Maryland, our focus lies on advocating for legislation and policies at both the State and County levels that directly impacts Black, Brown, marginalized, low-income communities, and veterans affairs. Environmental legislation holds immense significance for these communities, given their historical and ongoing vulnerabilities.

Carbon pricing stands as a linchpin in the realm of efficient climate policy, championed by economists worldwide. This approach, deeply rooted in economic principles, strives to mitigate emissions while carefully managing costs. The hallmark of carbon pricing lies in its adaptability, allowing market dynamics to shape emission reduction strategies.

Yet, the allure of carbon pricing extends beyond its environmental benefits. The revenue it generates presents a tantalizing opportunity for governments, offering a financial lifeline that can be reinvested in green initiatives and marginalized communities and businesses.

Here, the Climate Crisis and Environmental Justice Act (CCEJ) steps in, providing immediate revenue streams while prioritizing equity to ensure marginalized communities and small businesses keep pace with the transition. Ultimately, this bolsters our existing Climate Solutions Now policy, fortifying it against future challenges.

<u>Black and Brown and Military/Veteran in Southern Harford and Maryland wide are being exposed</u> to deadly toxins even in a higher percentage than the remainder of the County. In Maryland, Black residents are exposed to 12% higher diesel soot concentrations from on-road transportation than



the average. Latinos experience concentrations 11% higher than the average. At the same time, white residents have an average exposure that is 8% lower than the state average. That's not by accident.

Four reasons the Climate Crisis and Environmental Justice Act of 2024 would positively impact marginalized communities:

- 1. Protective Benefits for Low- and Moderate-Income Households: The CCEJ Act allocates revenue from pollution fees to a Benefits Fund, with 80% directed towards low- and moderate-income household benefits. This provision shields vulnerable communities from financial harm associated with transitioning to cleaner energy practices.
- Support for Environmental Justice Communities: At least 50% of the Climate Crisis Infrastructure Fund, established by the legislation, is designated for projects directly benefiting environmental justice communities. This targeted investment addresses the specific needs and challenges faced by marginalized populations, ensuring equitable access to environmental benefits.
- Reduction of Health Disparities: By incentivizing the reduction of fossil fuel emissions, the CCEJ Act contributes to improved air quality, particularly in communities disproportionately affected by pollution. This reduction in harmful emissions mitigates health disparities, including respiratory illnesses and other health conditions prevalent in marginalized communities.
- 4. Job Creation and Economic Opportunities: The transition to a sustainable, vibrant economy facilitated by the CCEJ Act generates billions of dollars for investment in clean energy infrastructure. This investment not only creates job opportunities in green industries but also provides economic benefits to marginalized communities, including trade-exposed small businesses.

Four financial benefits of the Climate Crisis and Environmental Justice Act of 2024:

- 1. <u>Revenue Generation for Clean Energy Infrastructure:</u> The implementation of pollution fees under the CCEJ Act generates substantial revenue for investment in clean energy infrastructure. These investments drive economic growth and innovation in renewable energy technologies, positioning Maryland as a leader in sustainable development.
- Long-Term Economic Stability: The transition to a sustainable economy, facilitated by the CCEJ Act, promotes long-term economic stability and resilience. By diversifying Maryland's energy portfolio and reducing dependence on fossil fuels, the legislation fosters economic growth while minimizing the risks associated with volatile energy markets and climate-related disruptions.



- Creation of Green Jobs: Investments in clean energy infrastructure under the CCEJ Act create job opportunities in green industries, stimulating economic growth and employment. These green jobs contribute to job creation and workforce development, particularly in marginalized communities, supporting inclusive economic prosperity.
- 4. Financial Incentives for Emissions Reductions: The establishment of greenhouse gas pollution fees incentivizes emissions reductions across industries. By internalizing the costs of carbon pollution, the legislation encourages businesses to adopt cleaner technologies and practices, reducing emissions while generating revenue for environmental initiatives and community benefits.

Five more specific beneficial reasons the Climate Crisis and Environmental Justice Act of 2024 would positively impact marginalized communities and help tourism:

- 1. Green Tourism Initiatives: The legislation allocates funding for eco-friendly tourism initiatives in environmental justice communities. These projects may include nature-based tourism ventures, such as guided tours of restored wetlands or sustainable agriculture experiences, attracting tourists interested in eco-conscious travel.
- 2. Revitalization of Historic Districts: Funding from the Climate Crisis Infrastructure Fund can support the revitalization of historic districts within marginalized communities. Preserving and promoting cultural heritage sites not only enhances the appeal of these areas to tourists but also stimulates economic development through heritage tourism.
- 3. Promotion of Local Artisanal and Culinary Tourism: The legislation encourages investments in local artisanal and culinary businesses within marginalized communities. By supporting small-scale producers and food entrepreneurs, the Act fosters unique tourism experiences centered around regional cuisine and cultural traditions.
- 4. Climate-Resilient Tourism Infrastructure: Investments in climate-resilient infrastructure, such as flood defenses and sustainable coastal development, benefit both residents and tourists. By safeguarding popular tourist destinations from climate-related hazards, the Act ensures the long-term viability of Maryland's tourism industry.
- 5. Community-Led Sustainable Tourism Projects: The Act empowers environmental justice communities to lead sustainable tourism projects tailored to their unique cultural and environmental assets. Community-driven initiatives, such as heritage trails or cultural festivals, not only attract tourists but also promote community pride and economic empowerment.

We must urgently address the disproportionate harm faced by Black, Brown, low-income, and veteran communities in Maryland, recognizing that these challenges affect us all. Currently, our children are unable to play outside due to poor air quality, highlighting the urgency of transitioning



to a cleaner, healthier future. The Climate Crisis and Environmental Justice Act (CCEJ) offers immediate revenue solutions, addressing Maryland's financial struggles while prioritizing environmental justice. This legislation has the potential to be transformative, providing economic opportunities and high-paying jobs for marginalized communities and improving the lives of all Marylanders.

For these reasons, I urge an **FAVORABLE REPORT** on **HB0516**.

Respectfully submitted,

Sarahia Benn (Policy Foundation of Maryland, Rebuild Maryland Coalition)

(Dedicated to Black History month)

""We black folk, our history and our present being, are a mirror of all the manifold experiences of America. What we want, what we represent, what we endure is what America is. If we black folk perish, America will perish.""

-Richard Wright, Legendary African American writer, 1941

CCLMarylandTestimonyHB0516.pdf Uploaded by: Thaddeus Waterman



| February 27, 2024 | HEARING DATE: February 29, 2024 |
|-------------------|---|
| BILL: | HB0516 |
| TITLE: | Climate Crisis and Environmental Justice Act |
| POSITION: | Favorable |
| COMMITTEE: | Economic Matters |
| SPONSORS: | Delegates Fennell, Charkoudian, Harris, Martinez, Patterson, and Turner |

Hello Chairman Wilson, Vice Chairman Crosby, and Members of the Committee,

My name is Thaddeus Waterman. I live in District 22 in Hyattsville Maryland, and I am honored to be representing the Maryland Chapters of Citizens' Climate Lobby. Citizens' Climate Lobby is a national, nonpartisan, volunteer driven climate advocacy organization. In Maryland our Chapters consist of over 3000 residents from across the State.

We urge you to vote favorably on HB0516, the Climate Crisis and Environmental Justice Act.

Our volunteers passionately advocate for solutions to the climate challenges we currently face. Our global dependency on burning fossil fuels is harming, and will continue to harm, not only the climate, but our health, economy, and security. A few local examples are the increased water temperature in the Chesapeake Bay that has deprived fish of vital food, and throughout the state increased flooding has negatively impacted communities. Unless we halt this trajectory and drastically cut our greenhouse gas emissions, the disasters will continue to get more frequent and more severe.

The Climate Crisis and Environmental Justice Act is part of the solutions we need. We specifically support HB0516 for two reasons.

The first reason is that a steadily increasing carbon price, like the one in the Climate Crisis and Environmental Justice Act, is the single most cost-effective way to reduce carbon emissions at the scale and speed that is necessary. Over <u>3500 economists</u> concur. By creating a market signal that can be planned for, a steadily increasing carbon price encourages the entire free-market economy to innovate towards a low-carbon future. The policies embodied in HB0516 encourage all Marylanders to share the task of reducing our emissions.

The second reason is that the Climate Crisis and Environmental Justice Act ensures support for the most vulnerable people and businesses as we make the necessary transition from a fossil fuel economy to a sustainable economy. The direct dividends to low and moderate income households are key to ensuring those who will suffer most if we don't act on climate change, don't unnecessarily suffer from our solutions.

Maryland residents want effective and fair climate policies. With the Climate Crisis and Environmental Justice Act, Maryland can be a leader on climate that the rest of the nation can follow. The Maryland Chapters of Citizens Climate Lobby urge a FAVORABLE REPORT on HB0516.

Respectfully submitted,

Thaddeus Waterman Mid-Atlantic Regional Coordinator, Citizens' Climate Lobby 1-434-806-2798 <u>ThaddeusWWaterman@gmail.com</u> cc: Members of the Economic Matters Committee

HB516_GARDEN_FAV.pdf Uploaded by: Tyahna Arnold Position: FAV



The Garden International LLC 11890 Old Baltimore Pike, Ste G Beltsville, MD 20705 info@thegarden.farm www.thegarden.farm (301) 957-4258

February 29, 2024

House Bill 516- Climate Crisis and Environment Justice Act of 2024 House Economic Matters Committee

Position: Support

Dear Chair, Vice-Chair, and Members of the Committee:

The Garden International is a mushroom farm located in Prince George's County. At The Garden, our mission is to 'plantify' the world. We strive to build restorative, and sustainable systems that work in harmony with nature. We feel strongly that the tides are turning, and it is time to cultivate ecosystems that feed local communities and the economy. The Garden International writes to support House Bill 516-Climate Crisis and Environmental Justice Act of 2024. The groundbreaking legislation aims to establish the Climate Crisis Initiative within the Department of the Environment, tasked with assessing greenhouse gas pollution fees, providing benefits to households and employers, and funding climate-related activities to combat the pressing challenges of climate change and environmental injustice facing our state and its residents.

House Bill 516 represents a comprehensive approach to addressing the climate crisis by imposing a greenhouse gas pollution fee on fossil fuels brought into the state for combustion. This initiative is designed to encourage the reduction of greenhouse gas emissions, promote energy efficiency, and support the transition to clean energy sources, while also ensuring that the economic burden of these changes does not fall disproportionately on low-income households or energy-intensive, trade-exposed employers.

This bill establishes the necessary Household and Employer Benefit Fund and the Climate Crisis Infrastructure Fund as special, nonlapsing funds is a testament to Maryland's commitment to not only address the climate crisis but also to ensure that the transition to a cleaner, more sustainable economy is just and equitable. The bill's focus on providing benefits to mitigate the impact of fees, funding emissions reduction and sequestration activities, and promoting a just economic transition is crucial for Maryland's future.

Overall, the bill's emphasis on environmental justice, particularly through the identification and support of disproportionately affected communities, aligns with our shared values of equity and inclusivity. It ensures that the benefits of our actions today are felt by all Marylanders, especially those who have been historically marginalized and bear the brunt of environmental degradation and climate change. Therefore, we respectfully request a favorable report on Senate Bill 516. Thank you.

For more information, please contact: Therese Hessler, Ashlar Government Relations 301-503-2576 | therese@ashlargr.com

SWASC Testimony Supporting HB 516.pdf Uploaded by: UM SWASC

Position: FAV



TESTIMONY IN SUPPORT OF HB 516 Climate Crisis and Environmental Justice Act of 2024 Economic Matters & Environment and Transportation Committees February 29, 2024

Social Work Advocates for Social Change strongly supports the Climate Crisis and Environmental Justice Act of 2024 (CCEJ), which will protect public health and generate an average of \$1.7 billion annually, totaling over \$18 billion by 2034. We support this bill as social work students because it will reduce carbon emissions that further climate change while ensuring that funds are directed to communities more vulnerable to the effects of climate change in Maryland.

By increasing carbon pollution fees, HB 516 is a crucial step towards disincentizing the fossil fuel use that leads to climate change – use that we have long subsidized.¹ Scientists continuously emphasize that we need to stop burning coal and fossil fuels to avoid the most catastrophic effects of climate change.² Burning fossil fuels keeps heat in the atmosphere, which causes more extreme storms, heat waves, and other severe weather events. Reducing extraction of coal reserves by 90% and oil reserves by 60% will still only give the earth a 50% chance of warming less than 2.7 degrees Fahrenheit.³ The consequences could be devastating if the earth warms more than that amount.

HB 516 establishes pollution fees, and the funds that are collected from these fees will generate about \$1.7 billion annually for the state of Maryland. HB 516 will ensure that 50% of the revenue is allocated to the Climate Crisis Infrastructure fund, which will go towards eligible county governments and be used to fund projects in vulnerable communities. The other 50% of the revenue will go to the Climate Crisis Benefits Fund directed to low-and moderate-income households and energy-intensive trade-exposed (EITE) businesses to protect them from environmental harm.⁴

Climate change affects all of us, but it has and will continue to especially impact lowincome communities and communities of color. According to a recent EPA report,

https://www.imf.org/en/Publications/WP/Issues/2019/05/02/Global-Fossil-Fuel-Subsidies-Remain-Large-An-Update-Based-on-Country-Level-Estimates-46509

https://www.nature.com/articles/s41586-021-03821-8

¹ Coady, D., et al. (May 2, 2019). Global fossil fuel subsidies remain large: an update based on countrylevel estimates. International Monetary Fund.

² Unextractable fossil fuels in a 1.5 °C world (September 2021). Nature.

³ To Avoid Extreme Disasters, Most Fossil Fuels Should Stay Underground, Scientists Say (September 2021). NPR.

https://www.npr.org/2021/09/09/1035250142/to-avoid-extreme-disasters-most-fossil-fuels-should-stay-underground-scientists-

⁴ the Člimate Crisis and Environmental Justice Act HB0516 (2024). Rebuild Maryland Coalition.

https://rebuildmdcoalition.org/wp-content/uploads/2024/02/RMC-02.2024-CCEJ-Act-Handout_digital.pdf



Black and African-American individuals are 34% more likely to currently live in areas with the highest projected increases in childhood asthma diagnoses.⁵ Those statistics are alarmingly clear throughout the state of Maryland – a study found that the highest rates of asthma in Baltimore are in majority Black and majority low-income zipcodes with some zipcodes having an asthma rate that is three times higher than the state's average.⁶ Asthma is one of many chronic health conditions linked to climate change⁷ and will worsen among communities unless addressed with solutions like those proposed in HB 516.

As a member of the Environmental Justice student group at the University of Maryland Baltimore, I know that climate change anxiety runs deep among students at the University. HB 516 would provide concrete solutions to the climate crisis by keeping Maryland on track to deliver the promises passed in the Climate Solutions Now Act of 2022 to reduce the state's greenhouse gas emissions by 100% by 2045.

Social Work Advocates for Social Change urges a favorable report on HB 516.

Social Work Advocates for Social Change is a coalition of MSW students at the University of Maryland School of Social Work that seeks to promote equity and justice through public policy, and to engage the communities impacted by public policy in the policymaking process.

⁵ EPA Report Shows Disproportionate Impacts of Climate Change on Socially Vulnerable Populations in the United States (September 2021). EPA. https://www.epa.gov/newsreleases/epa-report-shows-disproportionate-impacts-climate-change-socially-vulnerable

⁶ Baltimore's asthma hot spots are poor, African-American neighborhoods with lots of empty houses (2017). Capital News Service. https://cnsmaryland.org/2017/12/04/baltimores-asthma-hot-spot-is-poor-african-american-neighborhood-with-lots-of-empty-houses/

⁷ D'Amato G. et al. The effects of climate change on respiratory allergy and asthma induced by pollen and mold allergens (Aug 5, 2020). NIH. https://pubmed.ncbi.nlm.nih.gov/32589303/

HB 516 WLA Testimony 2.27.2024.pdf Uploaded by: Wandra Ashley-Williams

Position: FAV



Date 2/27/24 BILL: POSITION: COMMITTEE: SPONSOR: Hearing date 2/29/2024 HB0516 - Climate Crisis and Environmental Justice Act of 2024 SUPPORT Economic Matters Delegate Diana M. Fennell

Chairman Wilson, Vice Chair Crosby, and Distinguished Members of the Committee,

My name is Wandra Ashley-Williams and I serve as the Regional Director for Climate XChange Maryland. I am submitting testimony in support of **House Bill 516 - the Climate Crisis and Environmental Justice Act (CCEJ)** which would incentivize the reduction in fossil fuel CO2 emissions by putting a gradually increasing fee on fossil fuels at the point of entry in Maryland. In addition to its positive impact on climate and health, the fee will also generate billions of dollars to reinvest in Maryland's economy.

HB 516 supports the statewide greenhouse gas-emission reduction goal set by the Climate Solution Now Act of 2022 (CSNA) of 60% (over the 2006 level) by 2031, achieve 100 percent clean energy by 2035, and reach net zero emissions by 2045. While the CSNA is a great start, it is not enough. Revenue generating policies to fund projects such as those established by the CSNA need to be enacted. Accordingly, the Moore Administration plan lists a carbon fee as a funding mechanism that should be considered to help provide "at least \$1 billion annually to achieve the state's climate pollution reduction goals" and "support a rapid and equitable transition to a clean energy economy." HB 516 is the best funding solution to ensure that the state achieves its climate pollution reduction targets.

The annual average revenue generated from the CCEJ pollution fee is estimated to be an average of \$1.7 billion per year, amounting to \$17.7 billion between 2025–2034, for investment in clean energy infrastructure while providing protective benefits to Maryland's most vulnerable populations and trade-exposed small businesses. Main provisions and benefits of the HB 516 include:

- Establishing two separate funds for investing in green infrastructure and providing protective benefits to disproportionately affected households and employers.
- Gradually increasing the price of carbon pollution, which offers energy companies certainty for future planning, while including a no-pass through provision that protects consumers.
- Incentivizing locally produced renewable energy, which in turn creates jobs, economic vitality, and investments in public goods.

HB 516 retains two provisions for benefits to low-to moderate income households. One is a Rebate Fund that directs 50% of the revenue collected from the fossil fuel fee to protect low- to moderate-income and overburdened and underserved households. In alignment with the *Justice40 Initiative*, the other half of the revenue is directed to the Infrastructure Fund, which allocates 50% of the funds to communities historically pollution-burdened and underserved. In addition, as related to cost benefit, HB 516 allocates 5% of the revenue collected each year (estimated to be an average of \$75 million annually) to cover administrative costs including

properly staffing agencies responsible for implementing the policy such as the Maryland Department of the Environment and the Comptroller's Office.

Climate change is one of the greatest threats to our public health. 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 and co-pollutants 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. 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, mostly due to emissions from generating electricity, vehicular exhaust, etc. Another study projected that fossil fuels burned for home heating (in 2005) contributed to around 10,000 excess deaths each year in the U.S. Vulnerable populations like the elderly and infants are also intensely at risk for heat-related illnesses during heat waves.

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 and moderate-income communities, and communities of color are disproportionately harmed by air pollutants. To be clear, the fossil fuel companies will pay the fee, not Marylanders. <u>Big oil companies</u> have known about the negative effects of climate change from carbon dioxide emissions and co-pollutants since the 1970's. It's past time that they be held responsible for mitigating the destructive impacts to Maryland's lands, history, and economy, as well as to the health, traditions, and prospects of Maryland's people.

For these reasons and more, I urge a FAVORABLE REPORT on HB 516.

Respectfully submitted,

Wandra Ashley-Williams Regional Director Climate XChange Maryland 410-206-2740

Cc: Members of the Economic Matters Committee Members of the Environment and Transportation Committee

2024-HB516-PHI- Oppose.pdf Uploaded by: Anne Klase Position: UNF





February 29, 2024

112 West Street Annapolis, MD 21401

Oppose - House Bill 516: Climate Crisis and Environmental Justice Act of 2024

Potomac Electric Power Company (Pepco) and Delmarva Power & Light Company (Delmarva Power) oppose **House Bill 516 Climate Crisis and Environmental Justice Act of 2024**. House Bill 516 focuses on the concept of carbon pricing and fees as an efficient means to achieve greenhouse gas (GHG) reductions. However, it is well understood that carbon pricing methodology serves to decrease emissions most effectively if it is part of a multi-state structure. Single jurisdiction carbon pricing can be expected to lead to emissions leakage, significantly reducing the effectiveness of the methodology and unnecessarily increasing costs to customers.

As a company with significant assets and critical energy infrastructure in Maryland, and as a major employer, Pepco and Delmarva Power have a responsibility to address our own greenhouse gas footprint while working to provide customers with safe, reliable, affordable and sustainable energy through innovative and inclusive solutions. Pepco and Delmarva Power support efforts to decarbonize in a meaningful and affordable manner.

A carbon tax is typically applied at the point of generation so that energy producers have an incentive to use less carbon-intensive goals. House Bill 516 imposes the GHG fee on all fossil fuels brought into the state for combustion and electricity used in the state that is generated by fossil fuels. In addition, House Bill 516 requires a gas distribution company to pay the fee on behalf of all customers and prohibits the fee from being passed through as a direct cost to an end user of a fossil fuel or a customer of a distribution company, effectively imposing a penalty to gas distribution companies that is not applied at the point of generation. Because it is important that distribution companies have express authority to recover fees collected on behalf of customers, Pepco and Delmarva Power oppose House Bill 516 and respectfully request an unfavorable committee report.

<u>Contact:</u> Anne Klase Senior Manager, State Affairs 240-472-6641 <u>Anne.klase@exeloncorp.com</u>

Katie Lanzarotto Manager, State Affairs 410-935-3790 Kathryn.lanzarotto@exeloncorp.com





Robertson Testimony 2020

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 is 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.



AN EXELON COMPANY Lastly, the electric and gas distribution

companies should have express authority to recover fees properly collected on AN EXELON COMPANY 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.

delmarva

power

HB0516 -- Climate Crisis and Environmental Justice

Uploaded by: Brian Levine Position: UNF



House Bill 516 -- Climate Crisis and Environmental Justice Act of 2024 House Economic Matters Committee and House Environment and Transportation Committee February 29, 2024 Oppose

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, opposes House Bill 516 -- *Climate Crisis and Environmental Justice Act of 2024.*

House Bill 516 establishes the Climate Crisis Initiative in the Maryland Department of the Environment to assess greenhouse gas pollution fees to fund activities for greenhouse gas emissions reduction and sequestration, improvements in resiliency, and the promotion of just economic transition in Maryland.

MCCC applauds efforts to reduce greenhouse gases and their impact on the environment. However, House Bill 516 is concerning due to the uncompetitive cost burdens levied on Maryland's employers and businesses. This bill would also harm Maryland's consumers by creating the likelihood of growing energy costs at a time when many cannot afford an increase. While it is important that policymakers find solutions to reduce greenhouse gas emissions, a tax on businesses and consumers would harm economic activity and growth in Maryland.

For these reasons, the Montgomery County Chamber of Commerce opposes House Bill 516 and respectfully requests an unfavorable report.

The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.

Brian Levine | Vice President of Government Affairs Montgomery County Chamber of Commerce 51 Monroe Street | Suite 1800 Rockville, Maryland 20850 301-738-0015 | www.mcccmd.com

MD 2024 HB 516 Columbia Gas Testimony Final.pdf Uploaded by: Carville Collins

Position: UNF



A NiSource Company

OPPOSE – House Bill 516 Establishing the Climate Crisis Initiative in the Department of the Environment to provide for the assessment of greenhouse gas fees House Economic Matters Committee

Columbia Gas of Maryland, Inc., serving more than 34,000 customers in western Maryland, opposes House Bill 516, which creates and implements a new greenhouse gas (GHG) pollution fee collected on all fossil fuels brought into the state for combustion. This legislation places a <u>new significant tax burden</u> on Marylanders who use natural gas to heat their homes, cook their food, bathe and shower, clean their clothes and homes, and energize their businesses.

The proposed tax on homes and businesses using natural gas will place additional financial burdens on more than 1.2 million Maryland natural gas customers. The legislation penalizes the role natural gas can continue to play in achieving GHG emissions reductions and energy reliability in Maryland.

HB 516 explicitly exempts from the new tax natural gas electric generators emitting GHG in the generation of electricity and places the burden of paying the fee on a local distribution company (gas utility) for all the natural gas the company distributes for combustion in the state regardless of whether the company is the actual natural gas supplier to the customer. The potential cost increase on our customers is enormous.

Columbia has estimated the possible financial impact to our residential, commercial and industrial customers per year, and the new tax has a staggering negative impact to Marylanders.

| | Cost to each residential Columbia Gas customer per year | Cost to each commercial Columbia Gas customer per year | Cost to each industrial Columbia Gas customer per year |
|------|---|--|--|
| 2025 | \$ 118 | \$992 | \$80,501 |
| 2026 | \$142 | \$1,190 | \$96,601 |
| 2027 | \$166 | \$1,388 | \$112,701 |
| 2028 | \$189 | \$1,586 | \$128,801 |
| 2029 | \$213 | \$1,785 | \$144,901 |
| 2030 | \$237 | \$1,983 | \$161,001 |
| 2031 | \$260 | \$2,181 | \$177,101 |
| 2032 | \$284 | \$2,380 | \$193,201 |
| 2033 | \$308 | \$2,578 | \$209,302 |

As the chart above outlines, the impact to Columbia's residential customers – prior to any proposed household benefit payment for low to moderate income households – rises to more than \$300 per year. Based on

Columbia's reading of the legislation, there is no guarantee that a low to moderate income household will receive a household benefit payment.

The financial impact to western Maryland businesses is even more significant. The cost to our commercial customers rises to more than \$2,500 per year and industrial customers will be taxed more than \$200,000 per year by 2033.

Columbia believes that we will and must be part of a clean energy future that benefits all of Maryland and its residents. Diversity ensures the strength and resilience of any system. That is why it is essential for Maryland's energy industry to leverage a diverse array of energy sources to ensure an equitable energy future for all. Columbia's infrastructure positions us to deliver those diverse energy sources, including low-carbon alternative fuels, to our customers safely and economically. We can also be a strong partner to deliver emissions reductions and utility bill savings through enhanced energy efficiency programs. However, punitive new taxes on our energy product chosen and used by more than 34,000 customers in our western Maryland service territory and more than a million Maryland customers throughout the state reduces its affordability and is not reasonable public policy.

Columbia Gas wishes to make clear that its company leadership believes climate change is real, and we are committed to reduce the greenhouse gas emissions of our operations and pursue opportunities to reduce customer emissions. However, that change must happen within the confines of the reality with which our energy is produced, delivered and consumed.

The requirements of HB 516 are not in line with affordability and an equitable energy future for all Marylanders, and consequently Columbia Gas cannot support HB 516 as appropriately crafted policy on greenhouse gas emission reductions, and therefore urges an unfavorable report.

February 29, 2024

<u>Contact:</u> Carville Collins (410) 580-4125 <u>carville.collins@dlapiper.com</u> <u>Contact:</u> Pete Trufahnestock (717) 903-8674 ptrufahnestock@nisource.com

BGE_ECM _ET__OPP_House Bill 516 -Climate Crisis an Uploaded by: Dytonia Reed

Position: UNF



Position Statement

Oppose Economic Matters Environment and Transportation 2/29/2024

House Bill 516 Climate Crisis and Environmental Justice Act of 2024

Baltimore Gas and Electric Company (BGE) opposes *House Bill 516 - Climate Crisis and Environmental Justice Act. House Bill 516* establishes the phase in of greenhouse gas pollution fees ranging from \$25 to \$52/ton on transportation fossil fuels and \$25 to \$75/ton on nontransportation fossil fuels, collected at the fuels first point of sale by the entity transporting the fossil fuel into the state as well as by a gas utility for all-natural gas that the utility distributes for combustion in the state. The fees will fund a new "Benefit Fund" which will be used to protect low-income households and energy intensive, trade exposed employers.

Baltimore Gas and Electric Company (BGE) is a supplier of natural gas to nearly 700,000 customers and electricity to 1.3 million customers in Central Maryland. BGE is aggressively addressing our internal greenhouse gas operational emissions and is supportive of policy efforts to address climate change, where we see ourselves as a critical partner. However, the goals and mechanisms as currently outlined in *House Bill 516* are likely to disadvantage Maryland economically while potentially not achieving the avoidance of climate change impacts that it seeks. Most specifically, the fee elements contained in the bill will not provide the needed incentives to broadly shift energy users permanently to lower emissions solutions and could drive residents and businesses to leave Maryland boundaries, in lieu of making energy use choice changes that reduce emissions.

BGE strongly opposes this legislation for multiple reasons. To start, the fees could ultimately be paid twice on the same molecules of natural gas. Under this legislation, the fee is paid on natural gas when it is transported into the State as well as on the natural gas delivered to our customers. Further, the legislation prohibits on passing the pollution fee to end-users of fossil fuels and customers of gas companies. The fee is intended to provide a price signal to reduce consumption, but without providing a clear price signal to consumers, the result is unlikely to be realized. Even though the bill provides that BGE 'may' be able to pass it along if the Public Service Commission approves the fee as a prudently incurred cost of distribution, we object to any restriction. A state-imposed fee over which a utility has no choice to pay – similar to a tax – is, by definition, a prudently incurred cost, and recovery should not be subject to the discretion of any particular interpretation of "prudently incurred' taken by the Commission.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

While BGE appreciates and shares concerns about the cost of the energy transition on the most vulnerable in Maryland, BGE is equally concerned about affordability for all of our customers. There are various sources of energy assistance funding for low-income utility customers and the Commission is also currently examining different options for new rate mechanisms to further support these customers in Public Conference 59 (PC 59). Navigating the challenges of affordability for those most in need requires creative thinking and given the current PC 59 proceeding, it is best to allow the Commission to determine limited income rate mechanisms more broadly before the General Assembly takes further action which would impact affordability for all customers.

For these reasons, BGE requests an unfavorable report on House Bill 516.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.3 million electric customers and more than 700,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's largest energy delivery company.

Charles Washington | Brittany Jones | Guy Andes | Dytonia Reed | 410.269.5281

HB0516 OPPOSE.pdf Uploaded by: George Gallagher Position: UNF

HB0516 OPPOSE/WITHDRAW

Climate Crisis and Environmental Justice Act of 2024

Dear Committee Members:

This bill is a direct assault on scientific reality.

I am voicing strong opposition to this ideological attack on the "People" of Maryland with these expensive and unnecessary anti CO2 goals. These UN Agenda 2030/World Economic Forum (WEF) objectives being forced down our throats is unacceptable.

This tyrannical agenda attacks inexpensive sources of energy. It is nothing more than a regressive tax on the poor, middle class and small businesses in support of the collectivists/socialist fraud of man-made climate change.

CO2 is NOT a pollutant.

CO2 is a trace gas (~0.04%) in our atmosphere that is essential to life on Earth.

No CO2, NO plants, No animals, No Humans!

All human activity on Earth produces 3% of the 0.04 % CO2 in our atmosphere. That is ONLY 12/1,000,000 = 12 ppm.

Plants require a minimum of 150 ppm of CO2 to survive (not die).

What is the minimum level of CO2 for plant growth?

Average outdoor CO2 levels are normally around 400 ppm, which achieves normal outdoor plant growth. Greenhouse and indoor plants grow better with CO2 concentration of at least two to three times that of outdoor levels (800 to 1200 ppm).

What is the best CO2 level for flowering plants?

Flowering stage: During the flowering stage, when the plants are producing buds, the recommended CO2 level is between 1200 and 1500 ppm. Higher CO2 levels at this stage can help increase yields and improve the quality of the buds.

Making plans to reduce CO2 in the atmosphere is an anti-life non-science fraud that will facilitate the increase in poverty and starvation!

Man-made CO2 does not change climate.

A quote from Professor John Raymond Christy

"Suppose the United States closed everything and ceased to exist. No people, no cars, no industry, and no utilities. Current climate models tell us that as the result of this scenario in 50 years' time might be a few hundredths of one degree! An amount well within the amount that the global temperature bounces around from one month to the next. The effect would be so small as to be unattributable to regulation."

Professor Christy is a climate scientist involved in satellite remote sensing of global climate and global climate change. He is best known, jointly with meteorologist and Senior Scientist for Climate Studies at NASA's Marshall Space Flight Center Dr. Roy Spencer, for the first successful development of a satellite temperature record.

Dr. John R. Christy is the Distinguished Professor of Atmospheric Science and Director of the Earth System Science Center at the University of Alabama in Huntsville where he began studying global climate issues in 1987.

The bottom line is solar activity and planetary motion changes climate. That is why the Earth experiences cyclical ice ages and warming periods. CO2 levels are a lagging indicator of solar activity.

This tyrannical approach to governance is straight out of Klaus Schwab's World Economic Forum.

Legislative attempts to penalize the use of energy for the average Marylander are nothing more than an attempt to create a Neo-Feudal state by limiting our access to life giving energy. Homeowners and taxpayers DO NOT want to be turned into serfs by bureaucratic tyrants.

Withdraw this bill!

Best regards,

2/27/2024 George Gallagher

1212 Barbud Lane Annapolis MD 21403 410-868-0005

HB 516_MDCC_Climate Crisis and Environmental Justi Uploaded by: Hannah Allen

Position: UNF



LEGISLATIVE POSITION: Unfavorable House Bill 516 Climate Crisis and Environmental Justice Act of 2024 House Economic Matters Committee Thursday, February 29, 2024

Dear Chairman Wilson and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 6,800 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and prosperity for Maryland businesses, employees, and families.

HB 516 establishes the Climate Crisis Initiative in the Maryland Department of the Environment, which would be tasked with assessing greenhouse gas pollution fees. These fees would be assessed on all fossil fuels brought into Maryland for combustion. It also permits the Secretary to add an additional fee on any escaped emissions during the extracting, processing, transport or distribution process.

HB 516 would impose a significant tax burden on Marylanders and businesses relying on natural gas and other fuels for essential daily activities, including cooking, heating, and powering businesses. This legislation also penalizes the role of natural gas in reducing greenhouse gas emissions and ensuring energy reliability in Maryland. The imposition of greenhouse gas pollution fees on fossil fuels directly translates into increased operating costs for businesses, making it challenging for businesses to compete effectively in the market. This legislation would also deter investment in Maryland's economy, particularly in industries that rely on fossil fuels or natural gas. Investors and businesses may opt to allocate resources to regions with more favorable regulatory environments.

The Chamber and its members express great concern over this proposed legislation as such changes will create an immense cost burden on Maryland employers and businesses. Additionally, among the many provisions contained in HB 516, there are direct increases to the cost of energy. HB 516 has the potential to stifle economic activity, hinder business growth, and impede Maryland's competitiveness in the broader marketplace. We urge the committee to carefully consider the implications of this legislation and ensure measures to address climate change are balanced while maintaining a conducive environment for business and economic prosperity.

MDCHAMBER.ORG 60 West Street, Suite 100, Annapolis 21401 | 410-269-0642

For these reasons, the Chamber respectfully requests an <u>unfavorable report</u> on House Bill 516.

24 MGPA_HB516_FuelTax_UNF.pdf Uploaded by: Lindsay Thompson

Position: UNF



Date: February 28, 2024

House Bill 516 - Climate Crisis and Environmental Justice Act of 2024

Committee: Economic Matters

MGPA Position: Opposed

The Maryland Grain Producers Association (MGPA) serves as the voice of grain farmers growing corn, wheat, barley and sorghum across the state. MGPA opposes House Bill 516 which would levy a fee of \$75 per ton of carbon dioxide equivalent for non-transportation fossil fuels and \$52 per ton for transportation fuels.

Technology has not advanced to the point where electric tractors, trucks and heavy equipment are available as alternatives to the fossil fuel powered equipment. This equipment is used to prepare the fields, plant, fertilize, treat and harvest the crops. Then, trucks are used to haul the grain for delivery to the grain elevators or to ports for export. Additionally, buildings and bins for grain storage, drying and handling are still often powered with fossil fuel generators as the electricity requirements are immense.

While the bill states that the fee cannot be passed through to the end user, we are concerned that fuel costs will increase as a result of this legislation impacting supply and availability in Maryland.

MGPA urges and unfavorable report on HB516.

Thank you,

Lindsay Thompson

Executive Director

Washington Gas - HB 516 Oppose - FINAL.pdf Uploaded by: Manuel Geraldo

Position: UNF



1000 Maine Avenue, SW| Suite 700 | Washington, DC 20024 | www.washingtongas.com

COMMITTEE: ECONOMIC MATTERS

TESTIMONY ON: HB516 – CLIMATE CRISIS AND ENVIRONMENTAL JUSTICE ACT OF 2024

POSITION: OPPOSE

HEARING DATE: FEBRUARY 29, 2024

Washington Gas respectfully submits this statement in **OPPOSITION** to **House Bill 516** – **Climate Crisis and Environmental Justice Act of 2024**

Washington Gas ("the Company") was founded in 1848 by Congressional Charter and is marking its 175th year of providing affordable, safe, and reliable natural gas service and currently serves more than 500,000 Maryland customers in Montgomery, Prince George's, Charles, St. Mary's, Frederick, and Calvert Counties and 1.2 million customers across its entire service area. The Company employs over 400 people within Maryland, including contractors, plumbers, union workers, and other skilled tradespeople. The Company strives to improve the quality of life in our communities by maintaining a diverse workforce, working with suppliers that represent and reflect the communities. The Company, together with other natural gas distribution utilities, are responsible for delivering the primary source of heat to Maryland residential energy consumers, serving approximately one half of all Maryland households while providing critical energy services to residential, commercial, and industrial customers at one-third the cost of electricity on a per unit basis.¹

The Company supports Maryland's climate goals and believes that Maryland's gas infrastructure can help the State meet those goals while providing a wide range of benefits to Maryland customers. House Bill 516 ("HB 516") aims to implement a greenhouse gas ("GHG") pollution fee, which would place an unnecessary tax on Marylanders that rely on natural gas to meet their energy needs. The fee is not in the best interest of Maryland customers and ignores the role natural gas can continue to play in achieving GHG emissions reductions. HB 516 fails to consider emissions from electricity generation by explicitly exempting electric generators from paying fees for emitting GHGs, representing a clear bias towards electrification without consideration for the emissions associated with electricity generation. The State should consider technology-agnostic

¹ DOE. <u>Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy</u> (Aug. 28, 2023).

policies that can help achieve its GHG emissions reduction goals while maintaining affordable, reliable, safe, and secure energy for Marylanders.

Affordability

Placing a fee on natural gas usage in homes and buildings disregards the ability of the State's natural gas distribution infrastructure to be leveraged to help meet Maryland's climate goals in a more affordable manner than widespread electrification. Expensive energy solutions, such as full electrification, are impractical given the State's projected budget deficit² and will hamper its progress in meaningfully reducing GHG emissions. In several studies and plans, utilities across the country have examined the costs of full electrification and found that alternative solutions to high electrification should be considered. In Colorado, Xcel Energy was mandated to file a Clean Heat Plan with their Public Utilities Commission, which they submitted in November 2023. The plan outlines multiple scenarios for providing ratepayers with lower carbon heat and includes a benefit cost analysis that considers a wide range of applicable costs as well as the GHG reduction benefits of each scenario. Xcel found that achieving Colorado's specific GHG reduction goals for utilities under an 'Electrification Only' scenario would result in a net cost to customers of \$3.5-\$5.6 billion, while an 'Amended Preferred Portfolio' scenario, that includes a mix of gas and electric solutions and attempts to balance GHG emissions reductions and cost, would provide a net benefit to customers of \$302-\$355 million.³

Increasing the price of natural gas via a GHG pollution fee will increase the energy burden for Maryland households. It will directly and unjustly harm gas customers. And, a policy-driven electrification approach that shifts thermal gas users to electricity will cost even more. Studies have shown there are large costs associated with electrifying homes and buildings. For example, Home Innovation Research Labs found that electrifying an average efficiency gas house in the Baltimore climate zone provides minimal annual benefit and incurs a 48-60 year payback period, far above the 15-20 year useful life of many home appliances, such as heat pumps.⁴ In contrast, upgrading to a high-efficiency gas house from an average efficiency gas house can yield annual savings between \$176 and \$196, with a payback period of only 5-7 years.⁵ Under HB 516, Marylanders would be forced to either pay the high upfront and operating costs⁶ needed to electrify their homes and buildings, or pay higher fuel costs caused by the fee.

Not only does HB 516 encourage higher fuel costs, but the fee it creates will be passed on to customers, further undermining affordability of energy for Maryland households. Maryland law

 ² Maryland Matters. <u>Five-year budget picture has legislators weighing cuts, taxes other options</u> (Nov. 8, 2023).
 ³ Colorado Public Utilities Commission. <u>ADDITIONAL SUPPLEMENTAL DIRECT TESTIMONY AND</u>

<u>ATTACHMENTS OF JACK W. IHLE</u> (Nov. 6, 2023). Xcel performed this analysis for two Scenarios – one assuming 'Rapid Heat Pump Performance Improvements and Lower-Bound Generation Capacity Costs' and one assuming 'Moderate Heat Pump Performance Improvements and Higher-Bound Generation Capacity Costs'.

⁴ Home Innovation Research Labs. <u>Cost and Other Implications of Electrification Policies on Residential</u> <u>Construction</u> Page 15, Table 13 (Feb. 2021).

⁵ Home Innovation Research Labs. <u>Cost and Other Implications of Electrification Policies on Residential</u> <u>Construction</u> Page 14, Table 12 (Feb. 2021).

⁶ DOE. <u>Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy</u> (Aug. 28, 2023).

requires the Public Service Commission to authorize increases in a utility's rates when that rate is "just and reasonable," including setting rates that cover "necessary and proper expenses" and a reasonable rate of return for the services provided⁷. HB 516 would establish a mandatory fee on gas customer usage under Maryland law—payments required by law would be a necessary and proper expense, and therefore necessarily a prudently incurred cost⁸. As such, requiring separate determinations or rulemaking from the Commission regarding when mandatory fees are "prudently incurred" is unnecessary.

Additional concerns remain around how this fee will be implemented alongside other initiatives suggested by the State and its agencies intended to penalize the use of natural gas by residential and commercial customers. This includes measures that were suggested in the Maryland Department of the Environment's recent Climate Pollution Reduction Plan ("CPRP") such as a Clean Heat Standard, a Zero-Emission Heating Equipment Standard, and an economy-wide Capand-Invest program. It is unclear how the State will manage these different mechanisms and if customers will face multiple, stacked fines for using natural gas – amounting to a potentially massive increase in household energy costs. Customers that use natural gas to meet a higher proportion of their overall energy needs, or need natural gas for critical infrastructure purposes, will be unduly burdened by all of these penalties.

Feasibility of Electrification

HB 516 is another attempt to 'electrify everything' in the State without accounting for the practicality of that goal. Such efforts do not consider the feasibility of updating and expanding Maryland's power system to accommodate the increased load associated with widespread electrification. The State, through the Climate Solutions Now Act, ordered the Public Service Commission to convene an Electrification Study Workgroup to examine a potential transition to highly electrified building and transportation sectors. The study was completed at the end of 2023 and claimed that because projected electric load growth through 2031 is comparable or less than historical growth rates, the Maryland electric system can handle widespread electrification of both the transportation and building sectors. This rationale is a false equivalency because a 2% compound annual growth in peak load in the 1980s is not the same, in terms of incremental peak demand (in MW), as 2% peak load growth in the 2020s. As peak load increases, it gets harder for the electric grid to accommodate the increase. The Company was a participant in the Electrification Study Working Group for approximately one (1) year and submitted extensive comments on the fundamental flaws present in the study process and associated final report.

⁷ PUA § 4-101 (defining "just and reasonable" and requiring that a rate "result in an operating income to the public service company that yields, after reasonable deduction for depreciation and other necessary and proper expenses and reserves, a reasonable return on the fair value of the public service company's property used and useful in providing service to the public"); PUA § 4-203 (requiring Commission authorization for rate changes); PUA § 4-201 ("a public service company shall charge just and reasonable rates for the regulated services that it renders").

⁸ Courts have long held that taxes, like other necessary operating expenses, are proper rate components. See e.g., *Georgia Ry. & Power Co. v. Railroad Comm'n*, 262 U.S. 625, 633 (1923); *Galveston Elec. Co. v. City of Galveston*, 258 U.S. 388, 399, (1922); *City of Chicago v. FPC*, 458 F.2d 731, 756 (D.C. Cir. 1971), cert. denied, 405 U.S. 1074 (1972).

There are also concerns about the region's ability to build enough infrastructure to handle high electrification. The United States Department of Energy's 2023 Transmission Needs Study found that PJM must increase within-region transmission by 61% by 2035 and interregional transfer capacity with the Midwest region by 474% by 2035, both relative to 2020 to accommodate high load and high clean energy growth.⁹ It can take decades to obtain permits for major transmission lines,¹⁰ and more time is needed to plan, purchase land, construct, and complete other transmission development activities. Pursuing GHG emission reduction measures through the State's integrated, multi-fuel energy system can help the State achieve its climate goals faster than waiting for the lengthy processes that are needed to support full electrification.

Emissions from Electricity Generation

While HB 516 is meant to reduce GHG emissions to help meet the State's climate goals, discouraging natural gas use in homes and buildings while exempting electricity generation from the fee may increase emissions. PJM's current and future electricity generation mix presents challenges to reducing GHG emissions through electrification. Today, fossil fuel resources comprise over 55% of PJM's generation mix,¹¹ with fossil generation often being higher during periods of peak demand,¹² and PJM has documented challenges in interconnecting new renewable energy resources.¹³ The CPRP further anticipates that the State's reliance on imported power from PJM will increase ~81% by 2030 and ~142% by 2035 as it retires additional in-State fossil resources and fails to add in-State zero-emission generation at a commensurate pace.¹⁴ The high reliance on fossil-fuel heavy electricity imports from PJM underlines the fact that electrification is not guaranteed to reduce GHG emissions, and HB 516 risks increasing that reliance and associated emissions. Since the use of fossil fuel for power generation by creating a more economically friendly environment for electricity generation end-use as opposed to end-uses in the buildings sector.

The State's inability to meet its own in-State renewable energy generation targets also highlights the challenges that the electric sector is facing to meet Maryland's climate goals. The Bureau of Ocean Energy Management (BOEM) recently excluded a proposed offshore wind energy area in Maryland from an offshore wind lease sale that is set to occur this year Furthermore BOEM determined that 78,265 acres off the shore of Ocean City, MD,¹⁵ were unviable due to the significant costs and mitigation of negative environmental effects that would be required.¹⁶ The excluded area was projected to generate between 1.1 - 2.2 GW of power.¹⁷ Meanwhile, Ørsted cancelled its Maryland offshore wind projects while the broader Northeast region has also hit

⁹ DOE. Transmission Needs Study <u>Mid-Atlantic Region</u> (Oct. 30, 2023).

¹⁰ National Governors Association Center for Best Practices. <u>Transmission Siting and Permitting: How Governor</u> <u>Leadership Can Advance Projects</u> (Feb. 2023). Page 7

¹¹ PJM. <u>Markets & Operations</u> (last accessed Feb. 20, 2024).

¹² PJM. Winter Operations of the PJM Grid: December 1, 2020 – February 28, 2021 (Apr. 7, 2021).

¹³ PJM. Energy Transition in PJM: Resource Retirements, Replacements & Risks (Feb. 24, 2023).

¹⁴ MDE. <u>Climate Pollution Reduction Plan – Climate Plan Data</u> (Dec. 28, 2023).

¹⁵ BOEM. <u>BOEM Finalizes Wind Energy Areas in the Central Atlantic</u> (Jul. 31, 2023).

¹⁶ BOEM. <u>Biden Harris Administration Advances Offshore Wind in the Central Atlantic</u> (Dec. 11, 2023).

¹⁷ Offshore WIND. <u>BOEM Issues Draft EIS for Maryland Offshore Wind Project</u> (Oct. 2, 2023).

major stumbling blocks in adding renewable energy sources.¹⁸ In 2021, Senate Bill 65 revised down the solar carve-out requirement in Maryland's renewable energy portfolio standard for every year from 2023-2029,¹⁹ and the State has been challenged to add sufficient new solar resources. According to the Public Service Commission's 2022 Annual Report, applications for in-State photovoltaic solar renewable energy credits were down by ~3.9% from 2021 and the total capacity of projects approved was only 263 MW, down more than 40% from 2021.²⁰

Lower carbon fuels and other GHG emission abatement strategies for the gas system can provide emissions benefits when compared to the emissions profile of the current and projected grid electricity supply, and these solutions should not be disadvantaged by the fee proposed in HB 516.

Conclusion

Washington Gas is committed to working with stakeholders to help achieve Maryland's GHG emissions reduction targets. Electrification is not the sole solution to climate change in Maryland. There is a role for existing and future technology innovation to support diverse pathways to decarbonizing Maryland, and the existing infrastructure can be leveraged to preserve affordability, reliability, safety, and security of service.

For the above reasons Washington Gas respectfully requests an unfavorable report on House Bill 516. Thank you for your consideration of this information.

Contact:

Manny Geraldo, State Government Relations and Public Policy Manager M 202.924.4511 | manuel.geraldo@washgas.com

¹⁸ Maryland Matters. <u>Md. offshore wind developer announces 'repositioning' of project, seeks new financial support</u> (Jan. 25, 2024).

¹⁹ Maryland General Assembly. <u>Senate Bill 65</u> (Jun. 1, 2021).

²⁰ Maryland Public Service Commission. <u>2022 Annual Report</u> (April 2023).

HB 516_MTBMA_UNF.pdf Uploaded by: Michael Sakata

Position: UNF



February 29th, 2024

Delegate C.T. Wilson, Chair House Economic Matters Committee 231 House Office Building Annapolis, MD 21401

RE: HB 516 – <u>UNFAVORABLE</u> – Climate Crisis and Environmental Justice Act of 2024

Dear Chair Wilson and Members of the Committee:

The Maryland Transportation Builders and Materials Association ("MTBMA") has been and continues to serve as the voice for Maryland's construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 516, the "Climate Crisis and Environmental Justice Act of 2024" establishes the Climate Crisis Initiative within the Department of the Environment to assess greenhouse gas pollution fees, establish the Household and Employer Benefit Fund, as well as the Climate Crisis Infrastructure Fund. While our organization appreciates the intent of this legislation and all legislation aimed at protecting our environment, we have serious concerns about how this bill will impact our members and the transportation industry as a whole.

This bill establishes a fee per ton of carbon dioxide on transportation fuels. Starting in 2025, the fee will be \$25 and increase by \$3 each year through 2034, where it will then increase to \$52 per year starting in 2035. This will cripple our transportation industry that relies on natural gas and other means to dry aggregate and produce the materials needed for our roads. With the State's massive cuts to the transportation budget over the six years, at the very least, resulting in less work for our member companies, how can the legislature pass a bill that will create such heavy taxes at such a challenging time? We appreciate you taking the time to consider our request, and respectfully ask for an **UNFAVORABLE** report on HB 516.

Thank you,

Michael Sakata President and CEO Maryland Transportation Builders and Materials Association

HB516_MAPDA_unf (2024).pdf Uploaded by: Mike O'Halloran

Position: UNF



TO: House Economic Matters and Environment & Transportation Committees

FROM: Mid-Atlantic Petroleum Distributors Association

DATE: February 29, 2024

RE: HOUSE BILL 516 – Climate Crisis and Environmental Justice Act of 2024

On behalf of Maryland's convenience stores and energy distributors, MAPDA urges the committee to issue an unfavorable report on HB516.

This legislation creates a carbon tax on certain non-transportation and transportation fuels used in the state. Further, these new fees cannot be passed on to the end-user.

The products that will be taxed under HB516 are critical and necessary energy choices for Maryland consumers, businesses, and industry. Adding these new costs without any way for a business to recoup them is untenable.

The costs associated with this bill will ultimately lead to increased costs at the gas pump, on energy bills, and in the costs of goods and services for all Marylanders including state and local governments.

For these reasons, MAPDA respectfully requests an unfavorable committee report on HB516.

HB 516_Chesapeake Utilities_Unfav (02-27-24) (Fina Uploaded by: Steve Baccino

Position: UNF



February 29, 2024

HOUSE ECONOMIC MATTERS COMMITTEE HB 516 – Climate Crisis and Environmental Justice Act of 2024

Statement in Opposition

Chesapeake Utilities Corporation ("Chesapeake Utilities") respectfully <u>OPPOSES</u> certain provisions contained in HB 516. Among other things, HB 516 seeks to implement a new greenhouse gas ("GHG") pollution fee collected on all fossil fuels brought into the State for combustion and would place an unnecessary tax on Maryland's 1.2 million customers who rely on natural gas to meet their energy needs.

Chesapeake Utilities operates natural gas local distribution companies that serve approximately 32,000 customers on Maryland's Eastern Shore in Caroline, Cecil, Dorchester, Somerset, Wicomico, and Worcester Counties. These public utilities are regulated by the Maryland Public Service Commission and have provided in the coldest months of the year safe, reliable, resilient, and affordable service in the State for decades. As a company, Chesapeake Utilities serves as a positive and informed resource in the State's ongoing energy discussions.

<u>HB 516 is Just a Penalty for Utilizing Natural Gas</u>. HB 516 is just a penalty for customers utilizing natural gas and ignores the role natural gas can continue to play to meet Maryland's climate goals and offset GHG emissions. This is especially relevant because HB 516 fails to consider emissions from electricity generation by explicity exempting electric generators from the new tax, who by the way are one of the leading causes of GHG emissions in the State. As such, HB 516 only penalizes natural gas customers for thier usage of natural gas and fails in its intent to reduce one of the leading causes of GHG emissions in the State. On the contrary, the fact that natural gas has been replacing the use of dirtier fuels, such as fuel oils, is a primary driver of lower emissions from the State's residential and commercial customers.

HB 516 Will Only Place Additonal Cost Burdens on Customers. HB 516's proposed tax on homes and businesses using natural gas will only place and additional regressive tax burden on the State's 1.2 million natural gas customes. Artifically increasing the price of natural gas by a GHG pollution fee will only increase the energy burden for Maryland's residents and businesses, further undermining affordability of energy for Maryland households. Under HB 516, natural gas customers will either be forced to electrify and pay the high upfront costs of converting their natural gas appliances and heating systems, or pay artifically higher fuel costs caused by the fee.

Chesapeake Utilities is Committed to Reducing Emissions. To be clear, Chesapeake Utilities is committed to reducing GHG emissions, which we have consistently done and have detailed in our 2022 Sustainability Report (<u>Sustainability Reporting - Chesapeake Utilities Corporation chpk.com</u>). We implement cost-effective solutions to expand energy options that increase efficiency and reduce carbon emissions and we collaborate with companies and organizations,



both within our industry and beyond, along with community partners, to promote best practices and raise awareness of environmental issues.

On behalf of Chesapeake Utilities Corporation, and our thousands of employees and their families who deliver energy safely and contribute every day in the communities where they live, work and serve, we respectfully request an unfavorable vote on HB 516.

Sincerely,

Chesapeake Utilities Corporation Steve Baccino, Governmental Affairs Director / Contact: sbaccino@chpk.com

HB0516.pdf Uploaded by: Suzanne Price Position: UNF

HB0515 is another government overreach, and a UN AGENDA21 tactic, meaning A push for socialist government, 15-min cities, Plan 2040. It's all totally UNAFFORDABLE.

CLIMATE HUSTLE to tax and fine us to death. Just read the nauseating title: 'Climate Crisis and Environmental Justice Act of 2024'

Say no to this dangerous and bad 'woke' bill that will cost a fortune to create and will NEVER actually be used as it is unsustainable, unaffordable and unreliable. And will drain each of us taxpayers.

Another bill NO ONE asked for.

Where is the MONEY coming from? Is this federally funded? Of course it is! What are the performance obligations? What conditions are being imposed?

It seems our basic needs are the UN WEF Agenda21 target: OUR FOOD OUR WATER OUR ENERGY OUR HOUSING

ALL VIA A MADE UP ENVIRONMENTAL 'CRISIS' ... YOUR BRAND IS CRISIS...

I adamantly oppose this bill/agenda and recommend any curious or fiscally responsible Maryland citizen-taxpayer to do the same. IT'S WOKE AND WILL MAKE MARYLAND BROKE.

Suzanne Price AACo

HB 516_MAA_UNF.pdf Uploaded by: Tim Smith Position: UNF

CHAIRMAN: Jeff Graf VICE CHAIRMAN **David Slaughter**

MARYLAND ASPHALT ASSOCIATION



TREASURER: Paul Bramble SECRETARY: **Curtis Hall** PRESIDENT: Tim Smith

February 29th, 2024

Delegate C.T. Wilson, Chair House Economic Matters Committee 231 House Office Building Annapolis, MD 21401

RE: HB 516 - UNFAVORABLE - Climate Crisis and Environmental Justice Act of 2024

Dear Chair Wilson and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 516, the "Climate Crisis and Environmental Justice Act of 2024" establishes the Climate Crisis Initiative within the Department of the Environment to assess greenhouse gas pollution fees, establish the Household and Employer Benefit Fund, as well as the Climate Crisis Infrastructure Fund. While our organization appreciates the intent of this legislation and all legislation aimed at protecting our environment, we have serious concerns about how this bill will impact our members and the transportation industry as a whole.

This bill establishes a fee per ton of carbon dioxide on transportation fuels. Starting in 2025, the fee will be \$25 and increase by \$3 each year through 2034, where it will then increase to \$52 per year starting in 2035. This will cripple our transportation industry that relies on natural gas and other means to dry aggregate and produce the materials needed for our roads. With the State's massive cuts to the transportation budget over the six years, at the very least, resulting in less work for our member companies, how can the legislature pass a bill that will create such heavy taxes at such a challenging time? We appreciate you taking the time to consider our request, and respectfully ask for an UNFAVORABLE report on HB 516.

Sincerely,

Tun Smith

Tim E. Smith. P.E. President Maryland Asphalt Association

THE MARYLAND ASPHALT ASSOCIATION, INC. | 2408 PEPPERMILL DRIVE, SUITE G, GLEN BURNIE, MARYLAND 21061 PHONE: (410) 761-2160 | FAX: (410) 761-0339 | WEBSITE: www.mdasphalt.org