

Tuesday, February 20, 2024

**TO:** Brian Feldman, Chair of the Senate Education, Energy, and the Environment Committee; Pamela Beidle, Chair of the Senate Finance Committee; and Committee Members

**FROM:** Mariana Rosales, The Nature Conservancy, Director of Climate; Cait Kerr, The Nature Conservancy, State Policy Manager

**POSITION:** Support SB 958 Responding to Emergency Needs from Extreme Weather (RENEW) Act of 2024

The Nature Conservancy (TNC) supports SB 958, offered by Senator Hester. This bill will allocate necessary funds to prepare for and recover from worsening extreme weather events by establishing the Climate Change Adaptation and Mitigation Payment Program. SB 958 is consistent with Maryland's commitments to address climate change established in the Climate Solutions Now Act of 2022. These goals include reducing GHG emissions by 60% from 2006 levels by 2031 and achieving net-zero statewide GHG emissions by 2045.

Furthermore, the bill aligns with the recommendations of the Maryland Commission on Climate Change and the Maryland Department of the Environment. In particular, Maryland's Climate Pollution Reduction Plan includes this proposal as a potential new source of funding in the chapter on economy-wide policies. It is only fair to require polluters to pay for their pollution; the state would redirect those funds for clean economy investments to reduce the impacts on our communities and ecosystems.

Maryland is experiencing more frequent extreme weather events with increasing intensity, including heavy rainfall, high tides, and record heat, causing significant damage to infrastructure, homes, and natural habitats. Our existing infrastructure is not equipped to handle today's challenges and certainly not the expected challenges in the future. The RENEW Act will provide critical funding to upgrade stormwater management systems, improve shoreline protection, and enhance public buildings' resiliency. This bill will protect lives and property and promote a more sustainable and resilient future for our state.

The bill also seeks to address the needs of overburdened and underserved communities, as defined by the Climate Solutions Now Act of 2022. The RENEW Act allocates 40% of the Climate Change Adaptation and Mitigation Fund to support these communities, in line with President Biden's Justice40 initiative. These communities have been harmed the most by siting decisions for fossil fuel infrastructure and other polluting facilities, and are now being hit first and worst by climate change impacts. SB 958 aims to ensure that climate resilience investment benefits are equitably distributed across our state.

Governor Moore has called for investing \$1 billion annually to fight climate change. SB 958 will generate new revenue estimated at \$900 million per year for ten years without imposing additional costs on Maryland residents. As it currently stands, taxpayers across Maryland are paying for the cost of climate change, which are adding up and contributing to the state's projected budget shortfall. Under the RENEW Act, large out-of-state fossil fuel companies, which have historically contributed the most to climate change, will be required to pay a one-time penalty for their emissions. It is estimated that this penalty will cost these companies roughly one-fifth of one percent of their annual profits. These funds will be invested in critical infrastructure projects and climate resilience initiatives, which will create new jobs and benefit all Marylanders by creating more resilient, disaster-resistant communities and speeding up recovery when disasters do strike.

TNC commends Senator Hester for bringing forward a groundbreaking proposal to generate much-needed revenue for addressing climate change and promoting resilience in Maryland. Passing SB 958 is a crucial step in protecting our communities, ecosystems, and economy from the impacts of extreme weather events.

**Therefore, we urge a favorable report on SB 958.**