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March 1, 2024

**SUPPORT: HB990- Environment-Greenhouse Gas Emissions Reductions -
Manufacturers**

Chair Korman and Wilson and Members of the Committees:

Maryland LCV and the undersigned organizations support HB990 (Environment-Greenhouse Gas Emissions Reductions - Manufacturers) and thank Delegate Stein for his continued leadership in driving Maryland's leadership in advancing strong climate policy.

In 2022, the Maryland General Assembly passed the Climate Solutions Now Act (CSNA), which set ambitious goals and put Maryland at the forefront of strong climate policy nationally. In December 2023, the Maryland Department of the Environment released the Climate Pollution Reduction Plan (Climate Plan), outlining the path to reach the goals set by the CSNA - including a series of legislative actions.¹ HB990 advances one of those recommended actions: allowing the Department of the Environment to require greenhouse gas (GHG) emissions reductions from the state's manufacturing sector. This action is also recommended in the 2023 Annual Report of the Maryland Commission on Climate Change.²

The 2009 Greenhouse Gas Reduction Act (GGRA) required Maryland to reduce state-wide greenhouse gas (GHG) emissions by 25% by 2020 using 2006 as a baseline while ensuring a positive impact on Maryland's economy. The Act authorized the Maryland Department of the Environment (MDE) to regulate GHG emissions from all sectors of Maryland's economy with one exception: the manufacturing sector. In 2016, the Act was renewed with new targets of 40% reduction by 2030, but maintained the manufacturing exemption. In 2022, when the General Assembly renewed its commitment to climate emission reduction through the Climate Solutions Now Act, the exemption remained in place - however the Climate Plan is clear that removing this provision is critical reaching our state's climate goals.

According to the National Caucus of Environmental Legislators (NCEL), Maryland is currently the only state with GHG reduction goals to exempt manufacturers from meeting these goals.

HB00990 does three things:

¹<https://mde.maryland.gov/programs/air/ClimateChange/Maryland%20Climate%20Reduction%20Plan/Maryland%27s%20Climate%20Pollution%20Reduction%20Plan%20-%20Final%20-%20Dec%2028%202023.pdf>

²[https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Pages/MCCCReports.aspx#:~:text=The%202023%20Commission%20on%20Climate,Gas%20\(GHG\)%20reduction%20mitigation](https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Pages/MCCCReports.aspx#:~:text=The%202023%20Commission%20on%20Climate,Gas%20(GHG)%20reduction%20mitigation)

- 1) Directs MDE to consider requiring emissions reductions from manufacturers that come to Maryland after 2023
- 2) Removes the exemption from GHG emissions for existing cement manufacturers given their large contribution to the state's GHG emissions.
- 3) Sets a new pollution baseline for existing manufacturers to be regulated at their 2023 emissions levels.

Emissions from the Manufacturing Sector in Maryland

In 2022, there were 6,693 manufacturing facilities within the state, employing over 100,000 people. They are distributed throughout the state. Maryland's manufacturers accounted for nearly 10% of statewide emissions in 2020. Although the total emissions in the sector has decreased from 2006 levels, there has been a 21% growth in cement facility emissions.

Cement Manufacturers

In Maryland, the two highest emitting manufacturing facilities are cement production plants - Heidelberg Materials' Union Bridge facility and LafargeHolcim's Hagerstown Facility. These two plants accounted for 35% of total industrial emissions in Maryland in 2020. About 67% of the emissions are related to process and 33% are related to fuel emissions. The Union Bridge facility emits about 5x as much as the Hagerstown facility. Although Union Bridge is more efficient and produces less CO₂ per metric ton of cement manufactured.

Both the Union Bridge and Hagerstown facilities have invested in efficiency improvements to reduce CO₂ and non-CO₂ emissions. As a result, emissions from the Hagerstown facility dropped significantly between 2014 and 2017, despite an expansion in production capacity. An investment was also made to provide approximately 25% of the power consumed by the Hagerstown facility from solar.

There are further actions that can be taken to reduce emissions from the cement facilities. Hagerstown can reduce emissions by 87% and Union Bridge by 80% compared to 2006 by product switching from Ordinary Portland Cement to Portland Limestone Cement, fuel switching and carbon capture utilization and storage.³ The cement industry has committed to net-zero emissions by 2050, so state regulations could support the industry's decarbonization commitment.

It is critical to reiterate that this legislation enables the Department of the Environment to regulate the GHG emissions. It does not require them to take any additional actions. As indicated above, many manufacturers have taken steps independently to support the State's climate goals. For these "good actors," the Department may choose to continue working with them to achieve the state goals without further regulations.

Maryland LCV and the following organizations urge a favorable report on this priority bill.

³ *Impacts on Maryland's Manufacturing Sector*, 23 Aug. 2022, mde.maryland.gov/programs/Air/ClimateChange/MCCC/MWG/Manufacturing%20Study%20preliminary%20results.pdf.

Annapolis Green
Audubon Mid-Atlantic
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Chesapeake Physicians for Social Responsibility
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