Department of Legislative Services

Maryland General Assembly 2010 Session

FISCAL AND POLICY NOTE

House Joint Resolution 6(Delegate Hubbard)Rules and Executive Nominations

Comprehensive Federal Clean Energy Jobs and Climate Legislation

This joint resolution requests that the U.S. Congress pass, and the President sign, comprehensive federal clean energy jobs and climate legislation to create a unified framework for reducing greenhouse gas (GHG) emissions; protect low- and moderate-income Americans from increased energy costs; invest substantially in energy efficiency; advance nuclear energy research; and support specified alternative sources of energy. Such legislation should acknowledge the carbon intensive nature of the current U.S. economy and include emissions offsets that protect energy consumers. Finally, such legislation should not preempt state legislative efforts to control carbon emissions and advance innovations in the clean energy sector.

Fiscal Summary

State Effect: None. Compliance with this joint resolution will not affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: In recognition of Maryland's particular vulnerability to global climate change and in response to rising electricity prices, over the past several years the General Assembly has passed several pieces of legislation aimed at improving energy efficiency, promoting renewable energy, and reducing GHG emissions. Most notably, the legislation:

- required Maryland to join the Regional Greenhouse Gas Initiative (RGGI), a regional cap-and-trade system designed to reduce carbon dioxide emissions from specified electric generating units by 10% by 2018 (Chapters 23 and 301 of 2006);
- established the Strategic Energy Investment Fund (SEIF), administered by the Maryland Energy Administration (MEA), to receive auction proceeds generated through participation in RGGI (Chapters 127 and 128 of 2008);
- encourages clean energy generation by modifying Maryland's Renewable Portfolio Standard (RPS) to increase the percentage of electricity required to come from renewable energy sources (Chapters 125 and 126 of 2008);
- addressed energy efficiency by codifying the EmPOWER Maryland initiative to reduce per capita peak demand and electricity consumption by 15% below 2007 levels by 2015 (Chapter 131 of 2008); and
- requires the State to develop plans, adopt regulations, and implement programs to reduce GHG emissions by 25% from 2006 levels by 2020 (Chapters 171 and 172 of 2009).

More recently, MEA announced its comprehensive plan for its fiscal 2010 programs, the *EmPOWERing Maryland Clean Energy Programs*, aimed at (1) expanding energy efficiency; (2) promoting renewable generation; (3) financing clean energy innovation; and (4) providing consumers with energy information.

In January 2010, MEA released its *Maryland Energy Outlook* report that makes various recommendations for advancing the State's energy goals, including modifying the State's RPS; promoting the purchase and use of electric-drive vehicles; encouraging disclosure of energy consumption during property sales; and adopting an energy efficiency standard for televisions. Building on those recommendations, the Administration has introduced several pieces of legislation for consideration during the 2010 session relating to clean energy and green jobs, including bills that would accelerate the RPS; reauthorize the Renewable Energy Production Tax Credit; establish a regulatory framework for offshore wind energy development; and incentivize the purchase of plug-in electric vehicles.

In recent years, numerous bills have been introduced in the U.S. Congress that address climate change and clean energy. On June 26, 2009, the United States House of Representatives passed the American Clean Energy and Security Act (H.R. 2454). Among other things, the bill would establish a national cap-and-trade program to reduce GHG emissions. Concern has been raised, however, that State funding for SEIF could be

affected to the extent a federal cap-and-trade system preempts RGGI as part of federal climate change legislation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Energy Administration; Department of Legislative Services

Fiscal Note History: First Reader - March 4, 2010 ncs/lgc

Analysis by: Scott D. Kennedy

Direct Inquiries to: (410) 946-5510 (301) 970-5510