

# HOUSE BILL 514

M3, M5, B1

9lr1771

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By: **Delegates Stein and Barve**

Introduced and read first time: February 4, 2019

Assigned to: Economic Matters and Environment and Transportation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Greenhouse Gas Emissions Reductions – Statewide Greenhouse Gas Inventory**  
3 **and Carbon Sequestration**

4 FOR the purpose of altering the publication requirements for the statewide greenhouse gas  
5 emissions inventory; requiring the Department of the Environment, beginning on a  
6 certain date and with a certain frequency, to establish a greenhouse gas emissions  
7 reduction target; requiring that the target be set at a certain amount and expressed  
8 in a certain manner; requiring the Department of the Environment to calculate  
9 certain greenhouse gas emissions reductions and carbon dioxide emissions on or  
10 before a certain date and with a certain frequency; requiring the Secretary of the  
11 Environment to determine the cost of sequestering certain carbon dioxide emissions  
12 in certain years; requiring the Secretary to provide certain costs to the Governor;  
13 requiring the Governor to include a certain amount in the State budget for certain  
14 fiscal years for carbon sequestration; requiring the Department of the Environment,  
15 in consultation with the Department of Agriculture, to issue a request for proposals  
16 to select a certain entity that will sequester carbon under certain circumstances;  
17 requiring that a certain proposal include certain carbon sequestration activities;  
18 requiring a certain person to demonstrate certain information in a certain proposal;  
19 authorizing the Department of the Environment to select multiple proposals;  
20 providing that the Department of the Environment is not required to sequester more  
21 than a certain amount of carbon dioxide emissions; requiring the Department of the  
22 Environment, in consultation with the Department of Agriculture, to award a  
23 contract for certain sequestration activities on or before a certain date and with a  
24 certain frequency; requiring that the funds for a certain contract be allocated on a  
25 certain date; providing for the termination of certain provisions of this Act; and  
26 generally relating to greenhouse gas emissions reductions.

27 BY renumbering

28 Article – Environment

29 Section 2–1201 and 2–1202, respectively

30 to be Section 2–1202 and 2–1201, respectively

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland  
2 (2013 Replacement Volume and 2018 Supplement)

3 BY adding to  
4 Article – Environment  
5 New part designation “Part I. Definitions” to immediately precede Section 2–1201;  
6 and new part designation “Part II. Greenhouse Gas Emissions Reduction Act”  
7 to immediately precede Section 2–1202  
8 Annotated Code of Maryland  
9 (2013 Replacement Volume and 2018 Supplement)  
10 (As enacted by Section 1 of this Act)

11 BY repealing and reenacting, with amendments,  
12 Article – Environment  
13 Section 2–1203  
14 Annotated Code of Maryland  
15 (2013 Replacement Volume and 2018 Supplement)

16 BY adding to  
17 Article – Environment  
18 Section 2–1214 through 2–1216 to be under the new part “Part III. Carbon  
19 Sequestration”  
20 Annotated Code of Maryland  
21 (2013 Replacement Volume and 2018 Supplement)

22 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
23 That Section(s) 2–1201 and 2–1202, respectively, of Article – Environment of the Annotated  
24 Code of Maryland be renumbered to be Section(s) 2–1202 and 2–1201, respectively.

25 SECTION 2. AND BE IT FURTHER ENACTED, That the new part designation  
26 “Part I. Definitions” be added to immediately precede Section 2–1201 of Article –  
27 Environment of the Annotated Code of Maryland, as enacted by Section 1 of this Act; and  
28 that the new part designation “Part II. Greenhouse Gas Emissions Reduction Act” be added  
29 to immediately precede Section 2–1202 of Article – Environment of the Annotated Code of  
30 Maryland, as enacted by Section 1 of this Act.

31 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
32 as follows:

33 **Article – Environment**

34 2–1203.

35 (a) On or before June 1, 2011, the Department shall publish:

36 (1) An inventory of statewide greenhouse gas emissions for calendar year  
37 2006; and

1 (2) Based on existing greenhouse gas emissions control measures, a  
2 projected “business as usual” inventory for calendar year 2020.

3 (b) The Department shall review and publish an updated statewide greenhouse  
4 gas emissions inventory for calendar year 2011 and for every [third] calendar year  
5 thereafter.

6 **2-1212. RESERVED.**

7 **2-1213. RESERVED.**

8 **PART III. CARBON SEQUESTRATION.**

9 **2-1214.**

10 (A) BEGINNING JANUARY 1, 2020, AND ON JANUARY 1 OF EACH  
11 EVEN-NUMBERED YEAR THEREAFTER THROUGH 2030, THE DEPARTMENT SHALL  
12 ESTABLISH A GREENHOUSE GAS EMISSIONS REDUCTION TARGET IN ACCORDANCE  
13 WITH SUBSECTION (B) OF THIS SECTION.

14 (B) THE TARGET ESTABLISHED UNDER SUBSECTION (A) OF THIS SECTION  
15 SHALL BE:

16 (1) SET AT AN AMOUNT THAT ENSURES THE REQUIREMENT TO  
17 REDUCE GREENHOUSE GAS EMISSIONS BY 40% FROM 2006 LEVELS BY 2030 UNDER  
18 § 2-1204.1 OF THIS SUBTITLE IS ACHIEVED; AND

19 (2) EXPRESSED:

20 (I) AS A PERCENTAGE OF THE STATE’S TOTAL ECONOMY-WIDE  
21 GREENHOUSE GAS EMISSIONS; AND

22 (II) IN MILLION METRIC TONS OF CARBON DIOXIDE  
23 EQUIVALENTS.

24 **2-1215.**

25 ON OR BEFORE JULY 1, 2021, AND ON OR BEFORE JULY 1 OF EACH  
26 ODD-NUMBERED YEAR THEREAFTER THROUGH 2031, THE DEPARTMENT SHALL  
27 CALCULATE:

28 (1) THE GREENHOUSE GAS EMISSIONS REDUCTIONS ACHIEVED  
29 DURING THE PREVIOUS TARGET PERIOD;

1           **(2) THE AMOUNT OF GREENHOUSE GAS EMISSIONS THAT EXCEEDED**  
2 **THE TARGET; AND**

3           **(3) THE AMOUNT OF CARBON DIOXIDE EMISSIONS EQUIVALENT TO**  
4 **THE AMOUNT OF GREENHOUSE GAS EMISSIONS THAT EXCEEDED THE TARGET.**

5 **2-1216.**

6           **(A) (1) FOR EACH YEAR IN WHICH THE DEPARTMENT DETERMINES THAT**  
7 **A TARGET HAS BEEN EXCEEDED, THE SECRETARY SHALL DETERMINE THE COST OF**  
8 **SEQUESTERING THE AMOUNT OF CARBON DIOXIDE EMISSIONS EQUIVALENT TO THE**  
9 **AMOUNT OF GREENHOUSE GAS EMISSIONS THAT EXCEEDED THE TARGET.**

10           **(2) THE SECRETARY SHALL PROVIDE THE COST OF SEQUESTRATION**  
11 **DETERMINED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE GOVERNOR.**

12           **(3) THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET FOR THE**  
13 **FISCAL YEAR AFTER WHICH A DETERMINATION IS MADE UNDER PARAGRAPH (1) OF**  
14 **THIS SUBSECTION AN AMOUNT EQUIVALENT TO THE COST OF SEQUESTRATION**  
15 **PROVIDED UNDER PARAGRAPH (2) OF THIS SUBSECTION, NOT TO EXCEED**  
16 **\$25,000,000.**

17           **(B) (1) IF GREENHOUSE GAS EMISSIONS FOR A PREVIOUS TARGET**  
18 **PERIOD EXCEEDED THE TARGET, THE DEPARTMENT, IN CONSULTATION WITH THE**  
19 **DEPARTMENT OF AGRICULTURE, SHALL ISSUE A REQUEST FOR PROPOSALS IN THE**  
20 **SAME YEAR THAT THE CALCULATION WAS MADE UNDER § 2-1215 OF THIS SUBTITLE**  
21 **TO SELECT A MARYLAND-BASED ENTITY THAT WILL SEQUESTER THE AMOUNT OF**  
22 **CARBON DIOXIDE EMISSIONS EQUIVALENT TO THE AMOUNT OF GREENHOUSE GAS**  
23 **EMISSIONS THAT EXCEEDED THE TARGET.**

24           **(2) (I) A PROPOSAL MUST INCLUDE CARBON DIOXIDE**  
25 **SEQUESTRATION ACTIVITIES THAT THE DEPARTMENT DETERMINES PROVIDE**  
26 **VERIFIABLE AND LONG-TERM SEQUESTRATION, INCLUDING FORESTATION AND**  
27 **AGRICULTURAL ACTIVITIES.**

28           **(II) IF A PERSON THAT SUBMITS A PROPOSAL IS ALREADY**  
29 **IMPLEMENTING ACTIVITIES THAT SEQUESTER CARBON DIOXIDE EMISSIONS, THE**  
30 **PERSON SHALL DEMONSTRATE IN THE PROPOSAL THAT:**

31                   **1. THE ACTIVITIES IN THE PROPOSAL ARE DISTINCT AND**  
32 **SEPARATE FROM THE ACTIVITIES CURRENTLY BEING IMPLEMENTED; AND**

1                   **2. THE AMOUNT OF CARBON DIOXIDE EMISSIONS**  
2 **PROPOSED TO BE SEQUESTERED IN THE PROPOSAL WILL BE ACHIEVED SOLELY**  
3 **THROUGH THE ACTIVITIES SPECIFIED IN THE PROPOSAL.**

4                   **(3) THE DEPARTMENT MAY SELECT MULTIPLE PROPOSALS FOR THE**  
5 **SEQUESTRATION OF CARBON DIOXIDE EMISSIONS.**

6                   **(4) THE DEPARTMENT IS NOT REQUIRED TO SEQUESTER MORE**  
7 **CARBON DIOXIDE EMISSIONS THAN THE EQUIVALENT AMOUNT OF GREENHOUSE GAS**  
8 **EMISSIONS THAT EXCEEDED THE TARGET.**

9                   **(5) (I) ON OR BEFORE DECEMBER 1 EACH YEAR IN WHICH THE**  
10 **DEPARTMENT DETERMINES THAT A TARGET HAS BEEN EXCEEDED, THE**  
11 **DEPARTMENT, IN CONSULTATION WITH THE DEPARTMENT OF AGRICULTURE,**  
12 **SHALL AWARD A CONTRACT FOR SEQUESTRATION ACTIVITIES:**

13                                   **1. THAT, IN THE AGGREGATE, DOES NOT EXCEED**  
14 **\$25,000,000; AND**

15                                   **2. WITH PRIORITY GIVEN TO PROPOSALS THAT**  
16 **SEQUESTER CARBON DIOXIDE ON THE MOST EFFICIENT BASIS.**

17                   **(II) THE FUNDS FOR A CONTRACT AWARDED UNDER THIS**  
18 **PARAGRAPH SHALL BE ALLOCATED ON JULY 1 OF THE YEAR AFTER THE**  
19 **DEPARTMENT DETERMINES THAT A TARGET HAS BEEN EXCEEDED.**

20                   SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
21 1, 2019. Section 3 of this Act shall remain effective for a period of 13 years and, at the end  
22 of June 30, 2032, Section 3 of this Act, with no further action required by the General  
23 Assembly, shall be abrogated and of no further force and effect.