

February 24th, 2020

Senator George C. Edwards and Members of the Budget and Taxation Committee
James Senate Office Building, Room 323
11 Bladen St., Annapolis, MD 21401

Dear Senator George C. Edwards and Members of the Budget and Taxation Committee:

I am writing in support of Senate Bill 0865, Public Service Company Franchise Tax – Credit for Purchase of Maryland–Mined Coal – Extension, and in opposition to Senate Bill 0902.

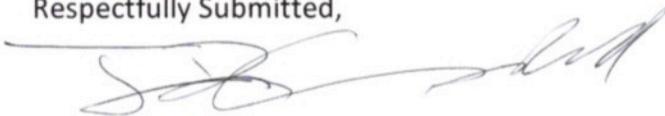
In the coal business in Maryland we understand that adjustments are required of energy producers moving forward. I ask that the legislature please keep in mind that there is a natural time horizon of a decade or slightly more for both the supply of Maryland thermal coal and the standing arrangements with power producers. It is also worth acknowledging that Warrior Run is a particularly efficient and clean coal plant. All of the inefficient coal power plants went out of business over the last decade.

The area's principal employers, the companies involved in coal in George's Creek, already face a myriad of challenges staying open, profitable and providing good jobs. Along with the recent closing of the paper mill in Luke, any effort to hasten the demise of the coal business is going to have severe consequences on the economy and the working population in the area.

Everyone involved is working towards a transition to a less fossil fuel intensive economy. We are looking at ash beneficiation, manufacturing in the energy sector, and repurposing the paper mill. These business development and jobs efforts will take time. Disrupting the local economy and the community by ending the tax credit now will have the effect of draining George's Creek of the people, talent, resources and revenues needed for the transition. What would instead be helpful is to extend the tax credit and then enact thoughtful legislation that further supports local economic development and a transition to a modern energy economy.

Going green should not involve abandoning the communities and that brought you this far.

Respectfully Submitted,



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