



# Maryland

## Department of the Environment

Larry Hogan, Governor  
Boyd K. Rutherford, Lt. Governor

Ben Grumbles, Secretary  
Horacio Tablada, Deputy Secretary

March 5, 2020

The Honorable Dereck E. Davis, Chair  
Economic Matters Committee  
House Office Building, Room 231  
Annapolis, MD 21401

**Re: House Bill 1206- Clean Energy and Energy Efficiency - Investment in Disadvantaged Communities**

Dear Chair Davis and Members of the Committee:

The Maryland Department of the Environment (MDE or the Department) has reviewed *House Bill 1206- Clean Energy and Energy Efficiency - Investment in Disadvantaged Communities* and would like to provide some information on this bill.

The Department is generally supportive of measures that focus resources on disadvantaged communities, but the requirements of HB 1206 present some issues that may affect implementation efforts should the bill pass. The principal issue is the requirement for MDE to designate disadvantaged communities in consultation with the Commission on Environmental Justice and Sustainable Communities (the Commission). Disadvantaged communities are to be designated based on geographic, environmental hazards, public health and socioeconomic criteria, including cumulative environmental burdens and other hazards that may affect public health; low levels of income home ownership and education; high unemployment and rent; members of groups who have experienced discrimination on race or ethnicity; and areas vulnerable to the impacts of climate change (including storm surges and urban heat island effect). MDE is also required to publish draft designation criteria on its Website and a draft list of communities.

An exercise to identify disadvantaged communities was undertaken several years ago by MDE, and it involved a less comprehensive approach than what is envisioned in this bill. The exercise used two factors – minority population and income - to try to identify disadvantaged communities across Maryland. Environmental groups, industry, legislative representatives and MDE were involved. The exercise ended after several months of discussion because a consensus could not be reached. Prior to that, MDE conducted an internal exercise to try to characterize what constitutes a heavy environmental burden for a community. Only one environmental factor was considered – the number of permits in a given area. That exercise ended without a solution due to a lack of robust data and an inability to reach a consensus on what number of permitted sources and what types of sources would be considered a burden. It also brought to light that some communities did not want to be described as “disadvantaged” mostly due to its negative connotation. Based on past experience, we believe identifying disadvantaged communities using the high number of criteria mandated in HB 1206 would be a lengthy and difficult effort.

HB 1206 also requires the Commission to develop policies and recommendations to place the highest priorities on spending from specific special fund accounts that support clean energy and energy efficient projects and investments and to do so no later than 2026. To achieve these priorities, the Commission is to consult with MDE, other state and local agencies, representatives of disadvantaged communities, clean energy industries and related energy interests, environmental advocates and the general public. Conducting public information gathering sessions across Maryland to solicit input from disadvantaged communities and the public is an element of the consultation process. After public input and consultation, the Commission is to work with MDE, the PSC and

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MEA to develop recommendations for providing assistance to disadvantaged communities, including recommendations for legislative and regulatory fixes to achieve the priorities. The Commission is to review its recommendations yearly, including MDE's methodology for identifying disadvantaged communities.

Because of the sheer number of factors to consider and the broadness of the groups MDE needs to consult in developing its criteria for identifying disadvantaged communities and the need to work with the Commission in several respects, MDE envisions that two additional staff would be needed to fulfill the bill's requirements to identify disadvantaged communities, to attend the required public information gathering sessions and to consult with the Commission to develop recommendations for funding opportunities and regulatory/statutory changes. The positions would be needed long term, as the process of evaluating the factors needing to be considered and the consultative process will likely be a multi-year effort and there is an ongoing review element built into the proposed legislation that would involve MDE.

Thank you for your consideration. We will continue to monitor *House Bill 1206- Clean Energy and Energy Efficiency - Investment in Disadvantaged Communities* during the Committee's deliberations, and I am available to answer any questions you may have. Please feel free to contact me at 410-260-6301 or by e-mail at [tyler.abbott@maryland.gov](mailto:tyler.abbott@maryland.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Tyler Abbott', with a long horizontal line extending to the left.

Tyler Abbott

cc: The Honorable Samuel Rosenberg  
George "Tad" Aburn, Director, Air and Radiation Administration