

House Bill 803
Facilitating University Transformations by Unifying
Reductions in Emissions (FUTURE) Act
House Appropriations Committee
February 25, 2021

Letter of Information – Amendments Requested

Chair McIntosh, Vice-Chair Chang, and Members of the Committee,

Thank you for the opportunity to share our thoughts on House Bill 803 - Facilitating University Transformations by Unifying Reductions in Emissions (FUTURE) Act. St. Mary's College has been actively working to reduce its carbon footprint for many years. We were a leader in the early adoption of green building practices and have implemented a variety of energy conservation projects on campus, including an Energy Performance Contract that reduced energy use by 20%.

The College's sustainability efforts benefit from significant participation by the campus community. Our students have made substantial contributions, including funding our purchase of Renewable Energy Credits (REC's), which cover 100% of our electrical consumption, a geothermal heat pump system for our James P. Muldoon River Center, and a variety of other energy conservation projects, such as high efficient heat pumps in student residence halls.

While the College has successfully implemented a variety of meaningful initiatives, reaching full carbon neutrality, however, would be challenging and would require a significant additional investment. The costs associated with reaching carbon neutrality are difficult to determine for a variety of reasons, including the volatility of the market for offsets, uncertainty in developing markets for offsets in Maryland, the Chesapeake Bay Watershed, or through an Environmental Justice Offset project, and the more than 20 year implementation timeline required by the Bill. In addition, determining the carbon footprint for Scope 3 emissions (travel, water, and wastewater) will require significant analysis, further increasing the difficulty in estimating the cost to implement the Bill.

St. Mary's College's Scope 1 (on-campus consumed oil and gasoline) and Scope 2 (electrical) emissions are approximately 12,000 metric tons per year. Based on current pricing for offsets, the cost to acquire offsets for Scope 1 and Scope 2 emissions is estimated to be \$70,000 to \$120,000 per year, without factoring in any potential premium costs for a certain amount of offsets in locations required by the Bill.

The Bill is unclear whether the College's current practice of procuring REC's to cover our electrical consumption would qualify as an offset. If REC's are considered an acceptable offset for Scope 2 electrical emissions, then the cost to achieve carbon neutrality for Scope 1 emissions alone through offsets would be \$24,000 to \$40,000 per year. We suggest that the Bill be

amended to allow REC's to qualify as an acceptable offset for Scope 2 emissions. We should not be penalized for the proactive carbon reduction steps that we have taken to date.

The Bill also allows institutions to implement energy efficiency and/or renewable projects to contribute to their carbon neutrality efforts. These costs will depend on the extent and type of project. As examples, a solar project at St. Mary's College that would provide 10% of our electrical needs would cost \$1.5 to \$2.0 million and replacing our vehicles with all-electric vehicles would cost about \$0.5 million.

In addition to cost considerations, the College has concerns over a few specific aspects of the Bill. First, the requirement that the percentage of offsets located in Maryland, the Chesapeake Bay Watershed, or through an Environmental Justice Offset project shall increase incrementally, to reach 75% of total offsets by 2055, is difficult to assess given market uncertainties. We request that the incremental increase in the percent of offsets in these areas be reduced or, alternatively, a provision be added to the Bill that would require the State to periodically assess the market potential to achieve these requirements and adjust them as necessary.

Also, the College does not support the Bill's requirement that an existing faculty or staff member be responsible for implementing the Bill and that the individual must report directly to the President. The requirements of the Bill exceed the workload of current employees and would require the addition of an additional position. Further, having the position report directly to the President is inappropriate. The President has a substantial workload and adding another position under their direct supervision would be very challenging.

Thank you for your consideration and continued support of St. Mary's College of Maryland.

A handwritten signature in black ink, appearing to read 'Tuajuanda C. Jordan', written in a cursive style.

Tuajuanda C. Jordan, PhD
President

