

Thursday January 28, 2021

TO: Paul Pinsky, Chair of Senate Education, Health and Environmental Affairs Committee; Guy Guzzone, Chair of Senate Budget and Taxation Committee; and Committee Members

FROM: Caitlin Kerr, The Nature Conservancy, Conservation & Climate Policy Analyst; and Mark Bryer, The Nature Conservancy, Chesapeake Bay Program Director

POSITION: Support SB 119 Clean Water Commerce Act of 2021

The Nature Conservancy (the Conservancy) supports SB 119 offered by Senators Guzzone and Elfreth. SB 119 would extend the state's existing Clean Water Commerce Act, which sunsets June 1st, 2021, through 2030. This legislation would also provide \$20 million annually from the Bay Restoration Fund, to be managed in a new 'Clean Water Commerce Fund.' This fund is intended to be used to purchase environmental outcomes that reduce nutrient and sediment loads and support achievement of Maryland's clean water goals. The application process to access these funds would use a publicly transparent and competitive procurement process; there is no exclusions of sectors, anyone can compete. Specifically, the bill allocates at least 35% to agricultural lands, 20% to frontline environmental justice communities, and 10% to nonagricultural landscape restoration projects. All nutrient and sediment reductions that qualify for funding must be verifiable and have a life expectancy of at least ten years.

We have challenging water quality problems to solve in the Chesapeake Bay. Maryland has invested significant resources to date to tackle these challenges, and yet there is still more work to do, especially in the face of climate change. With nutrient loads to the Bay increasing due to more frequent and intense storm events, we need more durable, cost-effective solutions. This bill will help realize those solutions across multiple sectors – the 'Pay for Success' model outlined in the bill drives down costs and provides incentives for nature-based practices that deliver environmental benefits to Maryland's citizens and its ecosystems for many years.

The Conservancy is dedicated to investing in practices that provide long-term nutrient reduction both in Maryland and also across the globe. Our experience has shown that these practices not only reduce nutrients effectively, but also provide critical co-benefits such as improved wildlife habitat, flood risk reduction, enhanced climate resilience, and real economic benefits to communities that rely upon the Bay. Furthermore, we have significant experience here in Maryland and around the world working with private finance to implement urgent conservation projects. This bill creates a unique opportunity to engage with and enhance the participation of private finance to help meet our water quality goals. We strongly believe that realizing this opportunity will both accelerate nutrient reductions and reduce the costs of those reductions.

The Conservancy commends Senator Guzzone and Senator Elfreth for recognizing the importance of the Clean Water Commerce Act and revitalizing the policy to incentivize innovative, cost-effective, equitable projects that will help Maryland meet our Chesapeake Bay water quality goals.

Therefore, we urge a favorable report on SB 119.