



5550 Newbury Street, Suite B
Baltimore, MD 21209
P: 443.921.9441
F: 410.235.1503

March 30, 2021

The Honorable Kumar P. Barve, Chair, and Members
Maryland House Environment and Transportation Committee
The Honorable Maggie McIntosh, Chair, and Members
Maryland House Appropriations Committee
House Office Building Rm 251
6 Bladen Street
Annapolis, Maryland 21401

Re: SB0737 The Comprehensive Conservation Finance Act of 2021

Dear Chair Barve, Chair McIntosh and Committee Members:

I am writing on behalf of Ecosystem Investment Partners (EIP), a proud, Baltimore-based ecological restoration investment firm, to endorse the recently proposed Comprehensive Conservation Finance Act.

No U.S. state legislative body has ever proposed or passed any legislation that could be reasonably called a comprehensive conservation finance act. However, one will almost certainly do so soon, as the potential benefits of such legislation for climate, water quality, taxpayers, and innovation are increasingly clear.

Founded here in Maryland in 2006, EIP has grown to become a national leader in delivering market-based, privately-funded ecosystem restoration and conservation at scale. Over the past six years in Maryland alone, EIP has successfully restored and conserved over 20 miles of degraded streams to improve Chesapeake Bay water quality and improve aquatic habitat. Nationwide, EIP has restored over 44,000 acres of wetlands and 180 miles of similarly degraded streams; all accomplished using private capital and market-based systems like are proposed in the Comprehensive Conservation Finance Act.

The legislative proposal creates a number of changes that would open up Maryland to much larger scale investment-backed projects. In particular, language to prioritize dam removals, changes that link state revolving fund loans with DNR Trust Fund capital in Pay for Success contracts, and potential openings on Susquehanna River watershed investment.

EIP, and a growing number of firms like us, carry out Pay for Performance or "turn-key" restoration for the Maryland Department of Transportation, counties, and through the DNR

Trust Fund. Procurement code changes should make it easier for state or county agencies to contract with firms like ours for completed restoration work and do so with normally greater scale and at very competitive costs. And restoration companies like EIP assume the risk of successful delivery; if our restoration is not successful, the taxpayers do not pay for it. The changes proposed to the DNR Bay Trust Fund, and more generally on Pay for Success procurement, are important. In particular, we are supportive of the idea that programs would be able to use additional models or measurement systems to quantify and reward delivery of environmental outcomes, rather than process or effort. In particular, we are supportive of the idea that the program would have an 'innovation and co-benefits' track that would allow the Department of Environment to approve additional models or measurement systems to quantify and reward project benefits.

While we carry out projects that meet Bay Program-approved practice standards all the time, it is clear to our restoration designers and engineers that there are ways to get even higher performance from adjusted project designs.

Lastly, we want to encourage the Legislature to enact this proposal because it benefits Maryland for a different reason: momentum. Whether on carbon, flood risk reduction, aquatic restoration, or water quality, there are global and national efforts underway - primarily led by the business and investment community - to launch new initiatives. Legislation like this gives Maryland a chance to stand out. Decades of work have already made Maryland into a bright spot for conservation investment, but this is a small state and it can be hard to get noticed by large sources of capital and technical capacity to help deploy it. This legislation would almost certainly play a big role in Maryland getting the media attention it deserves and more deal development initiative from investment and restoration companies and green infrastructure advocates from across the country. And the momentum that comes from that interest is likely to beget more momentum for further investment.

We respectfully recommend that this is a perfect time for our great state under your leadership to advance this cutting-edge proposal and secure our place as the first state in the country to have done so.

Sincerely,



Nicholas Dilks
Managing Partner

CC: Vice Chair Dana M. Stein, Environment and Transportation Committee
Vice Chair Mark S. Chang, Appropriations Committee
Subcommittee Chair Marc A. Korman, Transportation and Environment Appropriations
Tim Male, EPIC
John Griffin, Chesapeake Conservancy