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Committee: Finance

Testimony on: SB148 – “Maryland Coal Community Transition Act of 2021

Position: Favorable (with sponsor amendments)

Hearing Date: February 2, 2021

The Sierra Club and its over 70,000 Maryland members and supporters respectfully requests a favorable report on SB148, the Maryland Coal Community Transition Act of 2021 with sponsor amendments.

As Maryland confronts the climate crisis it is abundantly clear that the state must urgently commit to a managed transition off coal-fired power generation. The past 12 months have seen a remarkable shift in the coal industry in Maryland, underscoring the urgent need to pass legislation to manage the transition off coal. Five of the six coal-fired power plants in Maryland have either retired or announced their plans to retire in the coming years. With this transition clearly happening and workers already experiencing layoffs, the General Assembly must act this year to support impacted workers and the communities which historically have been overburdened by coal pollution.

SB148 performs three primary functions to help manage this transition, based on identified best practices by the Maryland Department of the Environment (MDE), the Maryland Commission on Climate Change, and other states facing a similar shift in the coal industry.

- First, the bill codifies dates by which Maryland’s power plants will stop burning coal, consistent with dates formally announced by the 5 of the 6 plant’s owners, resulting in all of the companies withdrawing the opposition they had last session to the bill. The timeline is spread across the 2020s. The establishment and codification of a facility retirement timeline is consistent with a best practice identified by the MDE for “Just Transition” away from fossil fuel facilities.
- Second, the bill establishes and provides an initial allocation of funds to a new financial account created to support workers impacted moving away from coal and communities that have borne the brunt of coal pollution for decades. The fund will be eligible to receive funds from state resources, private contributions, and, critically, federal resources.
- Third, the bill establishes a new longer-term fossil fuel transition planning process that will be informed by numerous public meetings and stakeholder conversations, and specifically prescribes that this Council include representatives from local communities, organized labor, state agencies and elected officials, and industry representatives.

Maryland must act during the 2021 session on SB148 in order to set itself up for success in these critical next few years of transition in Maryland announced by the companies. The newly-inaugurated Biden administration signed an Executive Order on January 27th, 2021 that establishes an Interagency Working Group on Coal and Power Plant Communities and Economic Revitalization. The Interagency Working Group will identify financial resources to be made available to coal communities facing the transition away from these power plants. Maryland must pass SB148 to ensure that it is ready to engage with and accept support from the federal government during our transition.

Founded in 1892, the Sierra Club is America’s oldest and largest grassroots environmental organization. The Maryland Chapter has over 75,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

Coal is the dirtiest fossil fuel on the electric grid, producing significant levels of harmful and toxic pollution including smog-forming nitrogen oxides, sulfur dioxide, mercury, lead, arsenic, selenium, and more. Coal has polluted Maryland’s air and waterways, including the Chesapeake Bay, for generations, and often that pollution has disproportionately impacted communities of color. In fact, the six Maryland coal plants graded in the NAACP’s 2016 *Coal Blooded* report received dismal environmental justice scores of F, D-, D, D, D+, and C.ⁱ

Maryland’s coal-fired power plants are also severe contributors to the climate crisis and the state will not meet state Greenhouse Gas Reduction Act nor international climate targets without ceasing burning coal at power plants. Analysis of international climate targets makes it clear that the U.S. and other higher-income countries must stop burning coal within a decade.ⁱⁱ Maryland’s own laws explicitly describe the state’s goal to “eliminate carbon-fueled generation from the state’s electric grid.”ⁱⁱⁱ

SB148 is a critical step in this process because it codifies dates by which Maryland power plants will stop burning coal, funds new worker and community transition programs, and creates a longer-term fossil fuel transition planning process that will engage even more impacted stakeholders.

In November 2020 the Maryland Commission on Climate Change (MCCC) – a Commission comprised of state agencies, scientists, environmental organizations, clean energy and fossil fuel representatives, and representatives of organized labor unions -- called on the General Assembly to pass legislation that manages the state’s transition off coal. The MCCC recommended:

The General Assembly should establish a clear, enforceable schedule to responsibly manage Maryland’s transition off its remaining coal-fired power plants by no later than 2030 and replace the capacity with equivalent non-coal-fired power, including the creation of a workforce and community transition plan to support laid-off workers and impacted communities.^{iv}

The Maryland Coal Community Transition Act of 2021 will respond to the MCCC’s recommendation and help the state more responsibly transition off coal in response to the climate crisis. Please provide a favorable report on SB148.

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ⁱ <https://www.naacp.org/wp-content/uploads/2016/04/CoalBlooded.pdf>.

ⁱⁱ https://climateanalytics.org/media/report_coal_phase_out_2019.pdf.

ⁱⁱⁱ Maryland Public Utilities Article §7-702(a)(2).

^{iv} <https://mde.maryland.gov/programs/Air/ClimateChange/MCCC/Documents/MCCCAnnualReport2020.pdf>.