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Honorable C. T. Wilson
Economic Matters Committee
Room 231
House Office Building
Annapolis, Maryland 21401

Re: HB 708 - Support with Amendments
On Behalf of NAIOP and MBIA

Dear Chairman Barve:

The Maryland Building Industry Association (MBIA) and NAIOP (a commercial real estate development association) support House Bill 708 with certain amendments. The amendments are designed to conform the bill to the recommendation of the Maryland Commission on Climate Change and to assure that the state utilizes all available and effective technologies to reach the state's greenhouse gas reduction targets.

These two associations support responsible and appropriate legislation to reduce greenhouses gases in accordance with scientific recommendations from the United Nation's International Panel on Climate Change (IPCC). At the same time, we recognize that Maryland can only contribute to a world-wide effort. The truth is that Maryland's actions, alone, will not alter the impacts on sea level or average temperatures. We should still do our part but, if we try to over-achieve, we could do harm to our economy without a material impact on climate change.

Accordingly, we offer the attached amendments to conform the greenhouse gas reduction targets to those recommended by the Maryland Commission on Climate Change after the Commission's review of the IPCC recommendations. The current law calls for a 40% reduction by 2030. The bill calls for a 60% by 2032. The Commission's recommendation is for a 50% reduction by 2030 – the same deadline as current law but 10% less than required by current law. The Commission's work has suggested that a 50% reduction by 2030 might be possible although very expensive and difficult. None of the work by the Commission has suggested that a 60% reduction would be possible by the early 2030s.

The second amendment simply assures that we are not comparing apples to oranges. It requires that the analysis of gas reduction measures use the same scientific principles and pathway assumptions that were used by the IPCC to develop the gas reduction targets adopted by the bill.

The bill also proposes to forbid the use of experimental carbon capture programs in developing Maryland Climate Action plan. The truth is that to exceed the 50% threshold and have any chance of reaching the net-zero target established by the bill, new technologies will be necessary. Virtually every human activity produces greenhouses gases, but no existing technology would capture all of those emissions. Maryland should be a leader in the development of the new technologies as long as the technologies are expected to produce verifiable benefits.

The bill adds the words “compared to a no-action scenario” to the cost-effectiveness test under the Greenhouse Gas Reduction Act. NAIOP and MBIA recommend clarifying language that what is intended is no action by the state of Maryland rather than no action by world actors such as China, Russia, or India. Maryland should do its part to reduce greenhouse gas emissions but cannot be held responsible for events on the world stage.

NAIOP and MBIA request a favorable report with the addition of the attached amendments.

Sincerely,

Michael C. Powell

Michael C. Powell

MCP/MCP

AMENDMENTS TO HOUSE BILL 708

Offered by NAIOP and MBIA

Amendment No. 1:

On page 7, in line 12, strike “60%” and substitute “50%” and in the same line, strike “2032” and substitute “2030”.

On page 7, in line 21, strike “60%” and substitute “50%”

On page 7, in line 22, strike “2032” and insert “2030”

Note: This amendment conforms the bill to the recommendations of the Maryland Commission on Climate Change. The Commission determined that, to comply with the United Nation’s IPCC guidelines, a 50% reduction by 2030 was necessary and sufficient. Failing to reach IPCC guidelines would mean that Maryland is not doing its part to combat climate change however, exceeding the UN requirements by an additional 10% would necessarily involve economic disruption without material benefit to the world’s climate.

Amendment No. 2:

On page 8, after line 8, insert: “(3) AN ANALYSIS OF PROPOSED MITIGATION MEASURES USING THE SCIENTIFIC POLICIES AND PATHWAYS UTILIZED BY THE INTERGOVERNMENTAL PANEL ON CLIMATE CHANGE TO DEVELOP RECOMMENDATIONS FOR GREENHOUSE GAS REDUCTION MEASURES.

NOTE: This requires that the greenhouse gas reduction plan uses the same scientific principles used by the IPCC to develop the recommendations for greenhouse gas reduction.

Amendment No. 3:

On page 8, starting in line 14, strike “HAD BEEN SCIENTIFICALLY PROVEN” and insert “IS EXPECTED”

Note: In order to achieve the net-zero goals of the legislation, Maryland will need to be a leader in the exploration of new technology and methods. The change still requires carbon technology to be verified but no longer forbids the use of a technology until it has been thoroughly explored elsewhere.

Amendment No. 4:

On page 10, line 14, after “NO-ACTION” insert “BY MARYLAND”

Note: This clarifies that the cost -effectiveness test in the legislation compares action by Maryland versus no action by Maryland instead of comparing action by the state to a lack of action by the remainder of the world.