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February 14, 2022

The Honorable Kumar P. Barve, Chair, and
The Honorable Dana Stein, Vice Chair
Maryland House Environment and Transportation Committee
Room 251, House Office Building
Annapolis, Maryland 21401

Re: HB0653/SB0348 The Conservation Finance Act of 2022

Dear Chairman Barve, Vice Chairwoman Stein, and Members of the Committee,

RES writes in support of the Conservation Finance Act (CFA). As the nation's leading provider of ecological restoration and water resources solutions, with dedicated operations in Maryland, we appreciate the opportunity to lend our voice in support of the programs and policies in discussion for inclusion in the CFA.

In reviewing the legislative text, we believe the bill will advance policies and programs that will create enabling conditions for delivering innovative projects at scale, make critical adjustments to existing programs, and reinforce Maryland's commitment to developing and incorporating ecological best practices for future infrastructure development. The CFA will give Maryland agencies and restoration practitioners a set of tools that will preserve the state's leadership in water quality restoration while setting the stage for further market-based innovations.

Enabling Conditions for Scaling Innovative Projects

By codifying Pay-For-Success contracting, the CFA will help ensure restoration projects succeed by only paying as critical milestones are achieved. By partnering with the private sector to implement projects today and manage payments over a longer period, government agencies will be able to more effectively manage funding constraints in the near term. Pay-For-Success procurement will provide a cost-effective mechanism for agencies to develop innovative projects while maximizing the benefits of their restoration programs.

Additionally, provisions related to the Conowingo Dam restoration efforts will boost investment in the areas most essential for increasing dissolved oxygen in the Bay, namely by allowing Maryland to purchase nutrient pollution reductions from restoration projects across state lines. By creating enabling conditions for innovative restoration projects, the CFA will provide confidence for firms like RES to reliably invest resources in projects benefitting the health of the Bay and the local economy.

Critical Adjustments to Existing Programs

The CFA builds on the state's restoration successes by adjusting existing programs to ensure their intended outcomes are achieved more efficiently and intentionally. For example, state programs are currently funding more than 6,000 linear feet of stream restoration in Harford County, which RES is fully delivering. In addition to expanding authorizations for full delivery contracting through Pay-For-Success, changes in the draft CFA will ensure that DNR Trust Fund-supported, MDOT, and other projects will provide additionality over baseline conditions and continue to support innovation in nutrient reduction.



Environmental Best Practices for Future Infrastructure Development

As mobilization continues towards a proactive approach to climate change, voluntary carbon markets will play a key role in connecting investments to outcomes. By instituting a carbon market working group, Maryland can learn from existing carbon markets how best to implement a market-based reduction program tailored to the State's environmental goals. Meanwhile the CFA would create a Policy Advisory Commission focused on ramping up the speed and scale of green infrastructure projects such as wetland restorations and blue infrastructure projects such as oyster reef restoration, which have proven to be cost-effective in the long-term and provide multiple co-benefits for water quality, air quality, and carbon sequestration. The CFA would provide ample opportunities to convene environmental, industry, and governmental leaders to chart an achievable path towards meeting restoration and conservation goals.

The passage of this bill, the first of its kind in the nation, will demonstrate Maryland's leadership in developing innovative financing mechanisms and delivery approaches for ecological restoration projects in support of the state's environmental goals and promote a sustainable economy. RES fully supports the CFA and urges the Committee and the legislature's passage of the bill.

Thank you for your support for and consideration of this critical legislation.

Sincerely,

Michael Hare
Director, Government Affairs & Communication
RES

CC: Delegate Sara Love
Delegate Regina Boyce
Delegate Kumar Barve
Delegate Mary Lehman
Delegate Dana Stein
Senator Sarah Elfreth
Senator Jim Rosapepe
Senator Katie Fry Hester
Senator Guy Guzzone
Senator William Smith, Jr.