

Thursday February 23, 2023

TO: Kumar Barve, Chair of House Environment and Transportation Committee; C. T. Wilson, Chair of the House Economic Matters Committee; and Committee Members

FROM: Michelle Dietz, The Nature Conservancy, Director of Government Relations; Caitlin Kerr, The Nature Conservancy, Conservation & Climate Policy Analyst

POSITION: Support HB 550 Maryland Energy Administration – Energy Programs – Modifications (Clean Transportation and Energy Act)

The Nature Conservancy (TNC) supports HB 550 offered by the Administration. In Maryland, TNC's work focuses on delivering science-based, on-the-ground solutions that secure clean water and healthy living environments for our communities, reducing greenhouse gas emissions and increasing resilience in the face of a changing climate. TNC has an institutional goal to help to reduce emissions by avoiding or sequestering 3 billion metric tons of carbon dioxide per year by 2030. We are dedicated to a future where people and nature thrive together.

The Climate Solutions Now Act of 2022 set state goals to reduce emissions by 60% by 2031 and reach net-zero by 2045. Governor Moore has set an even more ambitious goal for 100% renewable energy by 2035. These goals are achievable, but only through boldly and aggressive action starting today. State investment is needed to provide the private sector with the tools and incentives that allow them to be part of the solution. Renewable energy sources and a clean energy economy are essential parts of reaching state, national, and global low-carbon energy goals and combatting the negative health and environmental impacts caused by fossil fuels.

HB 550 demonstrates the Moore Administration's commitment to take the necessary bold actions for reaching Maryland's emissions reduction goals. This bill advances two of TNC's other top policy priorities this year: adopting the Clean Trucks Rule and advancing Clean Cars II. Adopting the Clean Trucks Rule would update Maryland's regulations on medium- and heavy-duty vehicle emissions in order to better protect public health and our environment. It is consistent with Maryland's commitments under the Multi-State Medium- and Heavy-Duty Zero Emission Vehicle Memorandum of Understanding as well as with state emissions reduction goals set by the Climate Solutions Now Act of 2022. Furthermore, the Maryland Commission on Climate Change recommends that the state adopt the Advanced Clean Trucks Rule by this year. HB 550 represents a key step in following through on Maryland's commitments to our residents and to other state governments.

Clean Cars II renews and extends an existing commitment and ensures that all private vehicles (cars and light-duty trucks) available for sale in Maryland by 2035 must be zero-emission or plug-in hybrids. Together with the Clean Trucks Rule, these initiatives take a critical step toward reducing pollution emitted from our transportation sector.

The transportation sector is the largest contributor to climate change in our country, our region, and in Maryland. It accounts for approximately 40% of greenhouse gas emissions statewide, predominately from on-

road sources. Gas-powered vehicles also emit air pollutants like particulate matter that harm pulmonary and cardiovascular health. Of the particulate matter that diesel-powered vehicles emit, 80%-95% is ‘ultrafine’ size, which has the ability to penetrate deep into the lungs and enter the circulation system. Nitrogen oxides from fossil fuel combustion, including diesel exhaust, are the major precursors of ground level ozone, which triggers asthma attacks. These dangerous health risks disproportionately impact Black and brown communities and low-income neighborhoods. Nitrogen oxides contribute to increasing new cases of childhood asthma. Enacting the Advanced Clean Trucks Rule and Clean Cars II could bring Maryland billions in savings in public health benefits between 2020-2050 by avoiding hundreds of hospital admissions and emergency room visits, hundreds premature deaths, and thousands of cases of respiratory illnesses.

In order to ensure that these two programs are successful, Maryland must invest significant resources in its vehicle charging stations infrastructure, and provide support for the incremental cost differences between fossil-fuel reliant vehicles and their clean alternatives. HB550 provides this essential investment from the Strategic Energy Investment Fund and, in particular, the account supported by Alternative Compliance Payments (ACP) made by utilities for non-attainment of the mandates of the Renewable Energy Portfolio Standard. HB 550 also commits to continuing ACP funds’ usage to support energy efficiency, solar renewables, and other “Tier 1” renewable sources that directly benefit low-income and environmental justice communities.

TNC also supports the amendments offered by the Maryland League of Conservation Voters. We believe that these recommendations will provide additional clarity, advance equity, and enhance this bill’s impact.

Maryland has set ambitious goals to reduce greenhouse gas emissions and combat climate change. We need to act now in order to meet our state climate goals and HB 550 will bring us closer to reaching these targets. TNC commends the Moore Administration on introducing this bill, which would improve public and environmental health in our state by reducing emissions from Maryland’s highest emitting economic sectors.

Therefore, we urge a favorable report on HB 550.