



Bill: HB 1272-Department of the Environment- Cap-and-Invest Program- Establishment

Position: OPPOSE

Dear Chair, Vice Chair, and Members of the Committee:

On behalf of the Maryland Coalition for Inclusive Energy Solutions (MCIES), a trade association promoting the inclusivity of all energy sources to meet the state's energy needs, I am writing to oppose HB 1272.

The bill requires the Maryland Department of the Environment (MDE) to develop an economywide cap-and-invest program within a relatively short timeframe, which raises serious questions about the practicality of designing a program that adequately addresses the complex issues of energy affordability and environmental justice. Indeed, MDE's December 2023 Climate Pathway Report directs the agency to "consider if cap and invest or another policy is best for Maryland."¹ That report stated that a cap and invest program would require certain fossil fuel sources to pay at least \$1 billion per year. This extraordinary cost would be paid by Maryland's energy users. HB 1272 ignores MDE's own recommendation that the agency study the potential costs and benefits of a cap and invest program and, instead, requires adoption of this program without the necessary deliberations.

Moreover, while HB 1272 outlines lofty goals, it provides little detail on how the program will achieve necessary climate pollution reductions while simultaneously addressing energy affordability and environmental justice. Access to reliable and affordable energy is a basic human necessity. Energy policies must be crafted with a clear understanding of their socio-economic impacts, ensuring that they do not disproportionately burden low-income households or exacerbate existing inequalities.

The MCIES has serious concerns that HB 1272 will have a detrimental impact on Marylanders who are likely to see higher energy bills, much like what is happening in Washington because of a similar law passed in 2021. Just two years after its passage, a repeal effort of Washington's law is already underway, and it is our understanding it will be on the November ballot. We support Maryland's climate and sustainability goals and are committed to energy policies that alleviate energy burden, so that all Marylanders can affordably access the energy they need.

For these reasons, we respectfully request an unfavorable report.

Sincerely,

George Anas
President

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<https://mde.maryland.gov/programs/air/ClimateChange/Maryland%20Climate%20Reduction%20Plan/Maryland%27s%20Climate%20Pollution%20Reduction%20Plan%20-%20Final%20-%20Dec%2028%202023.pdf>