



## HB 1272

### Department of the Environment - Cap-and-Invest Program - Establishment

#### Testimony before the Economic Matters Committee

March 7, 2024

Position: FAVORABLE

Dear Chair Wilson, Vice Chair Crosby, and members of the committee. My name is Barbara Matheson. I represent the 700+ members of Indivisible Howard County. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We are providing written testimony today in support of HB1272. We thank Delegate Stein and his colleagues for sponsoring this bills.

HB1272 requires the Maryland Department of the Environment (MDE) in collaboration with the Maryland Commission on Climate Change to develop an economywide cap-and-invest program that reduces climate-altering emissions by the end of 2024. The program is consistent with recommendations in MDE's Maryland's Climate Pollution Reduction Plan. It is designed in a way that (1) achieves necessary climate pollution reductions, (2) addresses energy affordability and environmental justice, and (3) establishes protocols for participation in multistate or regional cap-and-invest programs.

Maryland since 2009 has participated in a successful cap-and-invest program – the Regional Greenhouse Gas Initiative (RGGI). In its first few years, RGGI reduced carbon emissions from electric power plants by 50%(1), had an economic impact of \$1.6 billion (2) and created 14,700 job-years (3). HB1227 would expand Maryland's participation in RGGI by extending coverage of emissions sources beyond fossil fuel power plants.

The program would require polluters to reduce climate pollution and purchase emission allowances for the emissions they produce. Both the cap and investment components accelerate progress. Caps along with incentives, standards, and mandates reduce GHG emissions. Revenue from the sale of allowances can promote remission reductions, enhance resiliency to climate impacts, and protect underserved and burdened communities.

Establishing an economy-wide cap-and-invest program is a strong and effective approach to further reduce GHG emissions and generate revenue. It moves Maryland toward its climate solution goals.

Thank you for your consideration of this essential bill.

**We respectfully urge a favorable report.**

Barbara Matheson, Columbia, MD

1. Murray, Brian C.; Maniloff, Peter T. (August 2015). "[Why Have Greenhouse Emissions in RGGI States Declined? An Econometric Attribution to Economic, Energy Market, and Policy Factors](#)" (PDF). *Energy Economics*. **51**: 581–589. doi:10.1016/j.eneco.2015.07.013.

2. "[The Economic Impacts of the Regional Greenhouse Gas Initiative on Ten Northeast and Mid-Atlantic States](#)" (PDF). Analysis Group. November 2011.<sup>^</sup>

3. "[The Economic Impacts of the Regional Greenhouse Gas Initiative on Nine Northeast and Mid-Atlantic States](#)" (PDF). Analysis Group. July 2011.