



Maryland Energy Administration

TO: Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee
FROM: MEA
SUBJECT: HB 1272 - Department of the Environment - Cap-and-Invest Program - Establishment
DATE: March 7, 2024

MEA Position: LETTER OF INFORMATION

This bill would require the Maryland Department of the Environment (MDE) to work with the Maryland Commission on Climate Change to develop an economy-wide state cap-and-invest program to reduce climate-altering emissions in the state. This is consistent with the recommendations in Maryland's Climate Pollution Reduction Plan (December 2023).

Per the Climate Pollution Reduction Plan, it was recommended that MDE examine ways to add a new state cap and invest program. This would provide a critical new revenue stream for implementation of the Plan. MDE anticipates that it can meet the requirements of this bill with existing resources, including working to braiding the program (as needed) with the Regional Greenhouse Gas Initiative (RGGI).

Maryland is already a member state of RGGI, a regional cap-and-invest program among East Coast states that have cut emissions in half from fossil fuel-fired electric power generators. Maryland allocates proceeds from the sale of carbon dioxide allowances sold at auction into the Strategic Investment Energy Fund (SEIF), the special, non-lapsing fund administered by the Maryland Energy Administration (MEA). This revenue stream is utilized for implementing climate solutions programs within the energy sector. MDE already enforces Maryland's regulations for RGGI participation.

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly (landon.fahrig@maryland.gov, 410.931.1537).