



Kim Coble
Executive Director

2024 Board of
Directors

Lynn Heller, Chair
The Hon. Nancy Kopp,
Treasurer
Kimberly Armstrong
Candace Dodson-Reed
Verna Harrison
Melanie Hartwig-Davis
Charles Hernick
The Hon. Steve Lafferty
Patrick Miller
Bonnie L. Norman
Katherine (Kitty)
Thomas

March 7, 2024

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

Chairs Wilson and Korman and Members of the Committees:

Maryland LCV supports HB 1272 - Department of the Environment - Cap-and-Invest Program - Establishment - and we thank Delegate Stein for his enduring leadership on climate and clean energy issues.

With the passage of the Climate Solutions Now Act in 2022, Maryland set the most ambitious short term greenhouse gas emissions reductions targets in the nation, 60% by 2031. To reach these goals, the Maryland Department of the Environment (MDE) published a roadmap, the [Maryland Climate Pollution Reduction Plan](#), on December 28, 2023. The cost of implementing all the policies in the plan is ~ \$1 billion per year. (It is also worth noting that the report states “between now and 2031, up to 27,400 additional jobs will be generated under the new policies of this plan; total personal income will increase by \$2.5 billion; and Gross Domestic Product (GDP) will increase by \$5.3 billion.”) While the Climate Plan did not commit to one specific funding mechanism, it laid out several options, including a cap and invest program.

Governor Moore recently made a \$90 million down payment on the plan: At least 50 percent of the funding will be directed to communities that have been historically overburdened and underserved, going towards electric school buses, vehicle charging stations, and building electrification. This is an important first step, and the state will need to continue to invest state, federal, and private dollars to meet our targets.

Generally, a cap and invest program establishes a limit on emissions levels, which declines over time, that requires polluters to purchase emission allowances, and invests the proceeds of allowance sales into specified uses, which are usually related to the damages caused by fossil fuel pollution. Maryland would not be the first state to consider this option. In addition to already participating in the Regional Greenhouse Gas Initiative (RGGI), which generated \$151 million for Maryland in 2022, California and Washington have cap and invest policies and New York is writing their policy now. In its first year, Washington’s policy brought in [\\$2.2 billion](#) to invest in protections for climate, clean air, and clean water that will directly benefit communities.

HB 1272 would codify MDE’s commitment in the Climate Plan to “in 2024...explore how expanding Maryland’s current cap and invest program (RGGI) to cover additional sources could work” with specific attention to addressing energy affordability and environmental justice. The legislature is considering several bills addressing funding climate solutions this session, and we have supported all of them because they are complementary and together will support the needed investments.

Maryland LCV urges a favorable report on HB 1272, which is a straightforward directive to develop a cap and invest program directed at implementing the Climate Plan.