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Delegate Dana Stein Testimony in Support of HB 990
Environment – Greenhouse Gas Emissions Reduction - Manufacturers

Chairman Feldman, Vice Chairwoman Kagan, and Members of the Education, Energy, and the Environment Committee:

HB 990 would bring the manufacturing sector under the scope of the greenhouse gas law, subject to certain exceptions. As amended, there was no debate in either House committee or on the House floor about the bill.

The first time the legislature committed to reduce state-wide, greenhouse gas (GHG) emissions was in the 2009 Greenhouse Gas Reduction Act. The Act required Maryland to reduce GHG emissions by 25% by 2020. It authorized the Maryland Department of the Environment (MDE) to regulate GHG emissions from all sectors of Maryland's economy with one exception: the manufacturing sector. When we renewed and expanded our GHG reduction goals in 2016 and 2022, we maintained the manufacturing exemption.

But, according to the National Caucus of Environmental Legislators (NCEL), Maryland is currently the only state with a climate plan that exempts manufacturers from meeting GHG emissions goals. Additionally, this exemption conflicts with the State's *Climate Pollution Reduction Plan*, which calls for an "all of society approach" to meeting our GHG reduction goals.

This bill would modify the exemption on manufacturing and is based on a recommendation of the Maryland Commission on Climate Change that was approved by a vote of 18 to 1. It's also one of six legislative actions advanced in the *Maryland Climate Pollution Reduction Plan* released by MDE in December 2023.

HB 990 would do a few things:

1) It enables MDE to consider emissions reductions from manufacturers that come to Maryland after 2023.
2) It removes the exemption for existing cement manufacturers given their large contribution to the state's GHG emissions

3) It allows MDE to regulate emissions from existing manufacturers provided the regulations do not require a manufacturer to reduce emissions below its 2023 levels or increase its costs significantly beyond 2023 costs.

Cement manufacturers are brought under MDE regulation because the two highest emitting manufacturing facilities are cement production plants. Fortunately, the cement industry has committed to net-zero emissions by 2050, and one of the plants has already reduced emissions through fuel switching.

As amended in the House, the bill requires MDE, in any regulation of cement production, to consider the extent to which the industry is energy intensive and trade exposed, to provide credit for early action investments made by the industry to reduce emissions, and factor in other considerations. MDE must also consult with cement manufacturers and other stakeholders.

With this amendment, there was no opposition to the legislation in the House.

To sum up - the legislature passed the most aggressive GHG reduction goals in the country and has enacted legislature reducing emissions from the transportation sector and the building industry. It only makes sense that we also consider reduction emissions from the manufacturing sector.