

Tuesday, March 26th, 2024

TO: Brian Feldman, Chair of the Senate Education, Energy, and the Environment Committee, and Committee Members

FROM: Mariana Rosales, The Nature Conservancy, Director of Climate; Cait Kerr, The Nature Conservancy, State Policy Manager

POSITION: Support HB 990 Environment - Greenhouse Gas Emissions Reductions – Manufacturers

The Nature Conservancy (TNC) supports HB 990 as submitted by its sponsor. This bill directs the Maryland Department of the Environment (MDE) to consider requiring emissions reductions from manufacturers that come to Maryland after 2023. It also sets a new pollution baseline for existing manufacturers to be regulated at their 2023 emissions levels.

According to the National Caucus of Environmental Legislators, Maryland is currently the only state to exempt manufacturers from meeting GHG emissions goals. The Maryland Commission on Climate Change recommended removing this exemption, and it is one of the six legislative actions recommended in MDE's Climate Pollution Reduction Plan. HB 990 is also consistent with Maryland's commitments to address climate change established in the Climate Solutions Now Act of 2022: reducing greenhouse gas emissions by 60% from 2006 levels by 2031 and achieving net-zero statewide greenhouse gas emissions by 2045.

The Center for Climate and Energy Solutions has found that almost a quarter of U.S. greenhouse gas emissions come directly from industrial sources, such as manufacturing, food processing, mining, and construction. While in Maryland the manufacturing sector only represents 10% of emissions, the Center for Global Sustainability (CGS) of the University of Maryland identified in its report, titled "Manufacturing Sector Decarbonization Strategies and Impacts in the State of Maryland," that the manufacturing sector currently has the ability to significantly reduce emissions without compromising economic and social growth.

In 2022, there were 6,693 manufacturing facilities within the state, employing over 100,000 people. The exemption was initially granted in part due to the potential negative impact it could have on this labor-intensive industry. However, the CGS study recognizes that reducing emissions brings economic opportunities. While this legislation enables MDE to regulate the GHG emissions from manufacturing, it does not require them to take any additional actions. Many manufacturers have taken steps independently to support the State's climate goals. The Department may choose to continue working with them to achieve the state goals without further regulations. The transition to a net-zero economy in our state should be inclusive and just. HB 990 is inclusive of these goals.

This bill as originally presented addresses climate change and would align Maryland's manufacturing standards with the rest of the country.

Therefore, we urge a favorable report on HB 990.