SIERRA CLUB
MARYLAND CHAPTER

P.O. Box 278
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Committee: Economic Matters

Testimony on: HB 0128, Responding to Emergency Needs From Extreme Weather (RENEW) Act of 2025

Position: Support

Hearing Date: January 23, 2025

The Maryland Chapter of the Sierra Club urges a favorable report for HB 0128, the RENEW Act. The funds raised from large climate polluters under this legislation will help Maryland offset the significant damage from burning fossil fuels these entities produced or processed while knowingly damaging our environment. Rather than further burdening a stretched Maryland budget or the state's residents, this bill would make polluters pay.

This bill calls for the largest generators of greenhouse gases from fossil fuels that do business in Maryland to pay the costs of mitigating and adapting to the damages caused in Maryland by their climate pollution. Each fossil fuel producer or processor that has generated at least 1 billion tons of carbon dioxide equivalent (CO2e) globally and does business or sells into Maryland would pay its proportionate share of the current and future costs of climate impacts from these fossil fuels. This would apply to around 40 companies – and includes most of the largest, most polluting fossil fuel companies in the world. Payments from the fossil fuel companies would continue for nine years. The funds generated will be deposited into a Climate Change Adaptation and Mitigation Fund. The monies raised will be used to harden infrastructure, protect shorelines, upgrade water and wastewater facilities, install heat pumps in low-income households, cover the costs of staffing needed at government agencies, among a long list of other adaptation, mitigation and health measures. The RENEW Act is similar to superfund legislation that provides funding for cleanup of toxic waste.

Climate pollution has caused and will continue to cause significant damage to our shorelines, coastal wetlands, biodiversity, water and wastewater management facilities, roads, schools and other private and government buildings. In 2024 there were eight climate events in Maryland that cost at least $1 billion[1]. The heat, extreme weather impacts and particulate pollution from the combustion of fossil fuels cause significant health problems which disproportionately impact low-income Maryland residents. Preventing future damage by strengthening infrastructure and reducing the output of greenhouse gases will require significant investments.

[1] National Centers for Environmental Information, https://www.ncei.noaa.gov/access/billions/summary-stats/MD/2024

Founded in 1892, the Sierra Club is America's oldest and largest grassroots environmental organization. The Maryland Chapter has over 70,000 members and supporters, and the Sierra Club nationwide has over 800,000 members and nearly four million supporters.

The Climate Change Adaptation and Mitigation Fund could potentially cover a significant proportion of the mitigation costs that Maryland needs to meet its climate goals and to adapt to current and future damages caused by climate change. Among the mitigation actions supported by the fund will be: watershed restoration, DHCD whole home retrofits, support for transit-oriented development, energy storage grants, medium- and heavy-duty zero emission vehicle grants, funds to attract cleantech and renewable energy businesses, zero-emission vehicle school buses, low- and moderate-income fuel switching programs, bikeways, and staff at state agencies to support these programs. Adaptation spending authorized under the Act will include: flood management, dam safety, watershed protection, stream restoration, stormwater and sewer system updates, defensive upgrades to transportation infrastructure, and planning grants to prepare for extreme flooding. Health spending would support the Health Resource Equity Communities Program and the Office of Minority Health and Health Disparities.

The RENEW Act is unlikely to raise the cost of fossil fuels for Maryland's residents, businesses and utilities because the Act assesses charges based on past actions. In general, market prices are based on current costs of production and competition, not sunk costs. The Act also focuses on large businesses, so competitive pricing by smaller firms will also make it difficult for large firms to pass along their assessed charges to customers.

The State Treasurer's office will determine the past and future costs of mitigating and adapting to climate change that are generated by polluters that each exceeded 1 billion tons of greenhouse gases from fossil fuels between 1994 and 2023. The costs in excess of 1 billion tons per entity will be allocated proportionately to those large fossil fuel polluters. The polluters will all be entities that do business in or with Maryland entities or have sold products to residents, businesses, organizations, or governments in Maryland. The RENEW Act applies to fuels produced or processed since 1994 when producers became aware of the damages from generating greenhouse gases.

Upon passage of the RENEW Act, Maryland will be joining Vermont and New York, which have recently passed similar legislation. Related legislation is also currently under consideration in Massachusetts, New Jersey, California, and Minnesota.

The Maryland Chapter of the Sierra Club strongly supports HB 0128. We urge a favorable report.

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