



**SB590 – SUPPORT**

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**TESTIMONY SUPPORTING SB 590:  
Study on Greenhouse Gas Emissions Economy–Wide Cap–and–Invest Program  
(Maryland Climate Crisis Equity Act)**

Senate Education, Energy, and Environment Committee

February 24th, 2026

Dear Chair Feldman, Vice Chair Kagan, and members of the Education, Energy, and Environment Committee;

I write today on behalf of Ceres to respectfully urge a favorable report from the Committee on SB 590, the Maryland Climate Crisis Equity Act. Ceres works with investors, companies, and financial leaders to promote sustainability solutions. Through our Business for Innovative Climate and Energy Policy Network (BICEP), we mobilize over 80 major employers, including several businesses doing business in Maryland, to advocate for more affordable and sustainable climate and clean energy policies.

Ceres is a nonprofit sustainability organization working with the most influential investors and companies to build leadership and drive solutions throughout the economy. Our network includes more than 220 institutional investors managing over \$41 trillion in assets and hundreds of leading companies across sectors. Ceres submits this testimony in strong support of Senate Bill 590, which directs the Maryland Department of the Environment to conduct a rigorous, evidence-based study of an economy-wide cap-and-invest program.

**Market Certainty Is the Prerequisite for Private Investment**

Maryland's business and investor communities are not asking the state to move slowly on climate, they are asking the state to move predictably. Long-term capital allocation decisions in clean energy generation, grid infrastructure, industrial decarbonization, and clean transportation require durable, well-structured policy signals. A cap-and-invest program, when properly designed, creates exactly that: a declining emissions cap that tells investors what the trajectory is, and an auction mechanism that creates a carbon price

signal companies can model into project financials over 10-, 20-, and 30-year time horizons.

The study required by SB 590 will lay the analytical groundwork needed to design a program that maximizes market confidence. In particular, the bill's mandate to evaluate auction mechanisms that "respond automatically to changes in market price and demand" reflects sophisticated understanding of what business needs: a program that is responsive and self-correcting, not one that swings unpredictably with political cycles. Peer programs in California and Washington have demonstrated that well-designed cap-and-invest programs attract investment.

### **Economic Competitiveness Requires Getting the Design Right**

We support the bill's requirement that the study evaluate the treatment of emissions-intensive, trade-exposed industries. Maryland competes for manufacturing, logistics, and industrial investment with jurisdictions that may not price carbon. A well-designed program with carefully calibrated allowance allocations and targeted protections for trade-exposed sectors levels the playing field and prevents carbon leakage without sacrificing environmental integrity.

The study's economic modeling requirement is particularly valuable. Directing the Department to analyze impacts on "the State's economy and economic competitiveness" and to identify "remedial measures" for potential adverse impacts means Maryland will enter any future legislative debate armed with relevant data.

### **Revenue Investment Drives Clean Economy Job Creation**

Maryland's Regional Greenhouse Gas Initiative participation has generated more than \$1.6 billion since 2008 — an investment record that demonstrates the economic productivity of cap-and-invest revenue. An economy-wide program would generate substantially more, creating a sustainable funding stream for workforce development in clean energy fields, clean transportation infrastructure, and energy efficiency programs that reduce operating costs for Maryland businesses and households alike.

SB 590 appropriately directs the study to evaluate revenue uses including workforce development and clean energy expansion, which translates directly into quality jobs in Maryland. Major companies across the construction, manufacturing, finance, and technology sectors are actively seeking locations where clean economy workforce

pipelines are being built. A Maryland cap-and-invest program with well-targeted revenue investment would enhance the state's competitive position for exactly these employers.

### **Ratepayer Protection Is Sound Business Policy**

The bill addresses energy affordability directly by requiring the study to analyze potential cost impacts on consumers, evaluate no-cost allowance allocations to utilities to mitigate customer costs, and develop strategies to ensure low-income households experience no net increase in energy costs. These are sound design principles that make a program more durable and less vulnerable to reversal.

A Maryland cap-and-invest program designed with built-in affordability protections is one they can rely on to persist across administrations into the future, which is precisely the kind of regulatory stability that supports long-term investment at scale.

Ceres urges a favorable report on SB 590.

Respectfully submitted,

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