

Third Act Maryland recommends a favorable vote on SB0590

I'm Laura Welch and I serve on the steering committee for Third Act Maryland, which is the state chapter of a national organization mobilizing seniors for climate and democracy. Nationally Third Act has 100,000 members, with 4000+ here in Maryland.

Cap-and-invest is a market-driven solution that sets a declining cap on emission levels, requires polluters to acquire and retire emission allowances, and invests the money from allowance sales back into the economy to make it cleaner and more equitable for all Marylanders. In Maryland, a cap and invest program could raise \$1 billion annually.

Maryland is falling short in meeting its climate targets, while the impacts of climate change are intensifying. At the same time, Maryland families face rising energy costs. An economy-wide cap-and-invest program could help address these challenges. Maryland already participates in the RGGI cap-and-invest program for electricity. This study, which was recommended by the Maryland Commission on Climate Change, would inform whether expanding cap-and-invest beyond electricity could be an environmentally and economically helpful approach.

SB0590 directs MDE, in coordination with other departments and stakeholders, to conduct a study to understand what an economy-wide cap-and-invest program for Maryland might look like and what effects it might have. The study would be paid for out of SEIF funds, with those funds paid back from cap-and-invest revenues if the program is implemented.

Because this program could lead to very significant economic and environmental benefits, Third Act Maryland recommends SB0590 be approved so we can understand if this is a good approach for the state.

Key policy questions for the study

- _What cap-and-invest design will best promote good environmental and economic outcomes?
- _How will it help achieve M_a_r_y_l_a_n_d_'s__climate pollution reduction targets?
- _How might it affect energy affordability and t_h_e__s_t_a_t_e_'s__e_c_o_n_o_m_y?__
- _How might revenues from auctions of emission allowances be used? (*See box* →)
- _W_h_a_t__a_r_e__t_h_e__i_m_p_l_i_c_a_t_i_o_n_s__o_f__l_i_n_k_i_n_g__to other North American cap-and-invest programs?

Revenue outlook

Cap-and-invest could raise serious money, potentially upwards of \$1 billion per year.

These revenues could be invested in:

Reducing energy bills, particularly for low- and moderate-income households, through rebates, energy efficiency, and more

Reducing emissions of greenhouse gases

Workforce development