

HB1199 – FAV

Study on Greenhouse Gas Emissions Economy-Wide Cap-and-Invest Program Maryland Climate Crisis Equity Act

Environment and Transportation Committee

Hearing: March 4, 2026

Dear Members of the Committee,

The Maryland Commission on Climate Change recommended a study of an economy-wide cap-and-invest program in its 2024 and 2025 recommendations. This study would inform whether expanding cap-and-invest beyond electricity could be an environmentally and economically helpful approach and, if so, how to design such a program effectively and equitably. The study would be paid for out of Strategic Energy Investment Fund (SEIF) funds, with those funds paid back from cap-and-invest revenues if the program is implemented.

Maryland families face rising energy costs. The impacts of climate change are intensifying and Maryland is falling short in meeting its climate targets. An economy-wide cap-and-invest program could help address these challenges. Cap-and-invest is a market-driven solution that sets a declining cap on emissions, 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.

Cap-and-invest could potentially raise as much as \$1 billion per year. These revenues could be invested in: (1) reducing energy bills, particularly for low- and moderate-income households, through rebates, energy efficiency, etc.; (2) reducing emissions; (3) enhancing resilience of the state's economy, communities, and ecosystems to climate impacts and extreme weather; and (4) workforce development.

If designed well, cap-and-invest could reduce emissions, lower energy bills, support workers, and reinvest billions into Maryland's economy.

I urge a favorable report.

Sincerely,

Maryrose Wilson

12102 Coppermine Road

Union Bridge MD 21791