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THE MARYLAND HOUSE OF DELEGATES
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**HOUSE BILL 1065 – COAL COMBUSTION BY-PRODUCT MATERIALS – GRANT
PROGRAM AND PROCUREMENT PREFERENCE**

FAVORABLE WITH AMENDMENTS

CHAIR KORMAN, VICE CHAIR GUYTON, AND DISTINGUISHED MEMBERS OF THE ENVIRONMENT AND TRANSPORTATION COMMITTEE, I AM REQUESTING YOUR SUPPORT OF HOUSE BILL 1065.

PURPOSE: THIS BILL ESTABLISHES THE COAL COMBUSTION BY-PRODUCT GRANT PROGRAM AND CREATES PROCUREMENT PRIORITIES FOR ELIGIBLE GRANTEEES THAT USE MARYLAND-SOURCED COAL COMBUSTION BY-PRODUCTS.

THIS INNOVATIVE LEGISLATION REPRESENTS A SIGNIFICANT STEP FORWARD IN ADDRESSING BOTH ENVIRONMENTAL CHALLENGES AND ECONOMIC OPPORTUNITIES IN COMMUNITIES THAT HAVE BEEN IMPACTED BY COAL-FIRED POWER GENERATION AND THE COAL ASH LEFT BEHIND.

THE BILL TURNS A MAJOR ENVIRONMENTAL LIABILITY INTO A MANUFACTURING AND CLIMATE SOLUTION, WHILE PROTECTING PUBLIC HEALTH AND SUPPORTING PREVAILING WAGE JOBS IN MARYLAND.

DETAILS OF THE BILL HB 1065 DIRECTS THE MARYLAND DEPT. OF ENVIRONMENT TO CREATE A GRANT PROGRAM FOR MANUFACTURERS OF CEMENT, CONCRETE, AND CONSTRUCTION MATERIALS THAT USE MARYLAND-SOURCED COAL COMBUSTION PRODUCTS, MORE COMMONLY KNOWN AS COAL ASH.

A REGULATION ISSUED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY IN 2015 FORMALLY RECOGNIZED THE BENEFICIAL REUSE OF ENCAPSULATED COAL ASH IN BUILDING MATERIALS SUCH AS CEMENT AND CONCRETE. COAL ASH IS COMMONLY USED IN ROADS, BRIDGES, DAMS AND BUILDINGS THAT ARE MADE OF CONCRETE.

MDE, WILL ADMINISTER THE GRANT PROGRAM AND IDENTIFY FEDERAL AND OTHER FUNDING SOURCES FOR THE PROGRAM.

FIRST, HB 1065 DIRECTLY ADVANCES MARYLAND’S CLIMATE AND GREENHOUSE GAS REDUCTION COMMITMENTS BY TARGETING ONE OF THE MOST CARBON-INTENSIVE SECTORS OF OUR ECONOMY: CEMENT AND CONCRETE¹. CEMENT PRODUCTION IS A WELL-KNOWN SOURCE OF INDUSTRIAL GREENHOUSE GAS EMISSIONS, AND THE BILL REQUIRES THAT ELIGIBLE MANUFACTURERS DEMONSTRATE MEASURABLE GREENHOUSE GAS EMISSIONS REDUCTION BENEFITS THROUGH THE USE OF STATE-SOURCED COAL COMBUSTION BY-PRODUCTS COMPARED WITH CONVENTIONAL FEEDSTOCK.

HB 1065 ALLOWS AN ELIGIBLE MANUFACTURER TO RECEIVE GREENHOUSE GAS EMISSIONS RELIEF OR CREDIT RECOGNITION FOR EMISSIONS LEVELS BELOW THEIR 2023 BASELINE,

BY LINKING GRANTS AND PREFERENCES TO VERIFIED EMISSIONS REDUCTIONS, THE BILL ENSURES THAT PUBLIC DOLLARS PURCHASE REAL, QUANTIFIABLE CLIMATE BENEFITS.

SECOND: HB 1065 PRIORITIZES SAFETY BY BUILDING IN STRONG GUARDRAILS AROUND THE REUSE OF COAL ASH. THE BILL DIRECTS MDE TO ESTABLISH CRITERIA FOR STATE-SOURCED COAL ASH TO INCLUDE:

ENVIRONMENTAL REVIEW OF SOURCES AND METHODS OF TRANSPORT IN ORDER TO ENSURE NO INCREASE IN RISK TO GROUNDWATER OR AIR EMISSIONS.

REUSED MATERIALS MUST MEET ENVIRONMENTAL SAFETY STANDARDS WITH RESPECT TO POLLUTANTS OF CONCERN, SO COMMUNITIES ARE NOT ASKED TO TRADE ONE FORM OF POLLUTION FOR ANOTHER.

THE REPORTING REQUIREMENTS IN HB 1065—INCLUDING TONNAGE OF STATE-SOURCED COAL COMBUSTION BY-PRODUCTS USED AND GREENHOUSE GAS EMISSIONS REDUCTIONS ACHIEVED—PROMOTE TRANSPARENCY AND ACCOUNTABILITY TO BOTH THE GENERAL ASSEMBLY AND THE PUBLIC.

THIRD, HB 1065 IS AN ECONOMIC DEVELOPMENT TOOL FOR MARYLAND’S MANUFACTURING AND CONSTRUCTION SECTORS. THE GRANT PROGRAM WILL HELP OFFSET THE COSTS OF ADAPTING PROCESSES, CONDUCTING ENVIRONMENTAL PRODUCT DECLARATIONS OR LIFE-CYCLE ASSESSMENTS, AND MAY HELP INTEGRATE NEW FEEDSTOCKS INTO PRODUCTION.

THIS SUPPORT IS PARTICULARLY IMPORTANT FOR SMALLER OR REGIONAL MANUFACTURERS THAT MAY LACK THE CAPITAL TO MAKE THESE INNOVATIONS ON THEIR OWN YET PLAY A CRITICAL ROLE IN LOCAL JOBS AND SUPPLY CHAINS.

¹ [Journal of Building Engineering](#) Decarbonising cement and concrete production: Strategies, challenges and pathways for sustainable development 6/1/24

BY ENCOURAGING IN-STATE USE OF STATE-SOURCED BY-PRODUCTS, HB 1065 KEEPS MORE ECONOMIC ACTIVITY, INVESTMENT, AND EMPLOYMENT WITHIN MARYLAND'S BORDERS INSTEAD OF IMPORTING THESE MATERIALS FROM OTHER STATES OR FROM OVERSEAS.

HB 1065 RESPONSIBLY ADDRESSES A LONG-STANDING WASTE AND LEGACY POLLUTION CHALLENGE. COAL ASH POSES RISKS TO GROUNDWATER, SURFACE WATER, AND AIR QUALITY.

THE BILL TAKES A PROACTIVE APPROACH BY CREATING A REGULATED, SAFETY-FOCUSED PATHWAY FOR BENEFICIAL REUSE OF COAL ASH IN CEMENT, CONCRETE, AND OTHER CONSTRUCTION MATERIALS, SUBJECT TO ENVIRONMENTAL CRITERIA SET BY MDE. INSTEAD OF STORING COAL ASH INDEFINITELY, HB 1065 CHANNELS IT INTO CAREFULLY CONTROLLED, PRODUCTS THAT REDUCE DEMAND FOR VIRGIN MATERIALS AND MITIGATE THE ONGOING RISKS OF COAL ASH LEAKING INTO GROUNDWATER AND CONTAMINATING SURFACE WATER AND AIR.

FINALLY, HB 1065 MAKES THE STATE OF MARYLAND A LEADER THROUGH ITS OWN PROCUREMENT PRACTICES. THE BILL PROVIDES A PROCUREMENT PREFERENCE FOR:

PREFERENCE MUST BE GIVEN TO PROJECTS THAT USE CEMENT, CONCRETE, OR CONSTRUCTION MATERIALS PRODUCED WITH STATE-SOURCED COAL ASH AND THAT DEMONSTRATE A QUANTIFIED REDUCTION IN GREENHOUSE GAS EMISSIONS BELOW A BASELINE CEMENT MIX, AS EVIDENCED BY AN ENVIRONMENTAL PRODUCT DECLARATION OR LIFE-CYCLE ASSESSMENT.

THIS LANGUAGE ENSURES THAT THE STATE IS NOT SIMPLY BUYING A LABEL, BUT PAYING FOR DOCUMENTED, VERIFIED EMISSIONS REDUCTIONS THAT CAN BE COMPARED ACROSS PROJECTS AND SUPPLIERS. THE PROCUREMENT PREFERENCE FURTHER SIGNALS TO THE MARKET THAT LOW-CARBON BUILDING MATERIALS HAVE A STRONG FUTURE IN MARYLAND, ENCOURAGING PRIVATE INVESTMENT AND INNOVATION TO FOLLOW THE STATE'S LEAD.

HB 1065 BUILDS IN FISCAL ACCOUNTABILITY AND PROGRAM INTEGRITY. BY REQUIRING MDE TO DEVELOP CRITERIA, TRACK TONNAGE OF STATE-SOURCED BY-PRODUCTS USED, AND MEASURE GREENHOUSE GAS EMISSIONS REDUCTIONS, THIS WILL ENABLE FUTURE GENERAL ASSEMBLY OVERSIGHT AND POLICY ADJUSTMENTS BASED ON REAL-WORLD PERFORMANCE, ENSURING THAT THE PROGRAM DELIVERS VALUE FOR MARYLANDERS AND HELPS INTEGRATE THIS PROGRAM INTO THE BROADER FRAMEWORK OF MARYLAND'S GREENHOUSE GAS REDUCTION STRATEGY.

AMENDMENTS: I AM OFFERING THREE SPONSOR AMENDMENTS TO THE BILL:

1. PAGE 3, LINE 21. ADD THE PHRASE “FEDERAL AND OTHER” BEFORE FUNDING;
2. PAGE 5, BEGINNING IN LINE 14; STRIKE “AND” AFTER TRACEABILITY AND STRIKE ALL OF LINES 15 AND 16;
3. PAGE 6, STRIKE LINES 26 AND 27 AND SUBSITUTE: “ELIGIBLE PROJECT” MEANS A PROJECT THAT RECEIVES JOINT STATE AND FEDERAL FUNDING.

IN CLOSING: I URGE THE COMMITTEE TO SUPPORT HB 1065 BECAUSE IT EMBODIES THE KIND OF PRACTICAL, SCIENCE-INFORMED, AND ECONOMICALLY SMART POLICYMAKING THAT HAS MADE MARYLAND A NATIONAL LEADER ON ENVIRONMENTAL AND CLIMATE ISSUES.

THANK YOU FOR YOUR CONSIDERATION OF HB 1065 AND FOR YOUR ONGOING WORK TO PROTECT MARYLAND’S ENVIRONMENT AND STRENGTHEN ITS COMMUNITIES. I RESPECTFULLY REQUEST A FAVORABLE REPORT.

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