



7338 Baltimore Ave
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Committee: Finance
Testimony on: SB887 “Electric Generation - Transition From Fossil Fuels - Carbon Dioxide Emissions Rate and Transition Account”
Position: Support
Hearing Date: February 25, 2020

The Maryland Sierra Club urges a Favorable report on this legislation, one of our priority bills for this session. Working with the Sponsor, we anticipate the offering of additional amendments that are intended to respond to some concerns raised by stakeholders, which do not alter the legislation’s purpose or essential effect.

The planet is facing a climate crisis and the response from Maryland and other wealthy nations must be immediate and ambitious. In this regard, the Intergovernmental Panel on Climate Change’s 2018 report concluded that, in order to minimize the impacts of devastating global climate change, it is abundantly clear that **wealthy nations like the United States must end coal burning for power by no later than 2030.**¹

This legislation manages the fundamental need for our state to transition off of coal by setting clear end-dates for the cessation of coal-burning at our power plants and, critically, establishes and funds a workforce and community transition account to support workers and communities who will be impacted by this transition. The bill is based on science, modeled on transition legislation and plans from other states, incorporates input from important constituencies, and implements some of the most critical best practices of “just transition” identified by the Maryland Department of the Environment (MDE).

Specifically, MDE found in its research that best practices for the transition off of fossil fuels include²:

- “providing a timeline for the phase-out of activities.”;
- “creating worker training programs that facilitate the transfer of employees to new jobs”;
- “providing a transition oversight body”; and
- “funding of the transition.”

This legislation implements these best practices. The legislation sets enforceable limits for carbon dioxide pollution emissions for each of Maryland’s remaining coal-fired power plants that translate to a cessation of burning coal at the facilities. It also annually allocates 20% of the proceeds from the Regional Greenhouse Gas Initiative to fund and establish a coal workforce and community transition account intended to support constituencies impacted by the transition off fossil fuels like coal. The account will be governed by impacted stakeholders. Its funds will be eligible to be used for paid worker retraining and financial support; investment in climate action projects in impacted communities; site deactivation, reuse, and remediation projects that hire from the high-quality workforce now employed at the plants; and support for portions of lost property tax revenues.

¹ <https://climateanalytics.org/publications/2019/coal-phase-out-insights-from-the-ipcc-special-report-on-15c-and-global-trends-since-2015/>

²

<https://mde.maryland.gov/programs/Air/ClimateChange/Documents/2019GGRAPlan/Appendices/Appendix%20%20-%20Just%20Transition.pdf>

The remainder of this testimony concisely summarizes the urgent need for the General Assembly to proactively manage the transition off of coal by setting firm dates for facility transition and by funding support for impacted workers and communities.

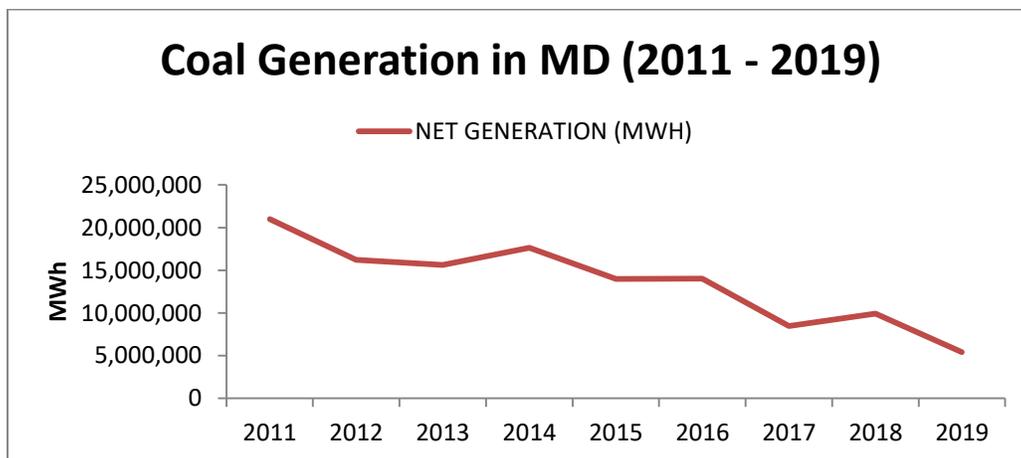
Coal-fired power is a health- and climate-harming 19th century technology. It is facing a precipitous decline across the country:

- Since 2010, over 300 coal plants have retired or announced formal plans for facility deactivation.
- Since 2007, coal generation has declined by nearly half.
- From 2018 to 2019, coal generation experienced its largest annual decline in generation in history.

Maryland has six coal-fired power plants. Notwithstanding their severe decline in electricity generation, the facilities remain an outsized and major contributor to pollution in the state.

Coal Plant Name	County	Age
Warrior Run	Allegany County	20
Brandon Shores	Anne Arundel County	36
Morgantown	Charles County	50
Chalk Point	Prince George's County	56
Dickerson	Montgomery County	61
H.A. Wagner	Anne Arundel County	61

- Four of Maryland's six coal plants are over the average age of facility retirement announcement and/or physical deactivation (49 years and 52 years, respectively).
- Coal-fired electricity generation has declined by 75% from 2011 through Nov 2019.



- In 2017 MDE, conducted its most recent official Greenhouse Gas Emissions Inventory and found that Maryland **coal plants are responsible for 75% of the climate pollution from in-state**

power generators, despite generating less than 14% of the gross electricity consumed in the state.³

- In 2019, the six coal plants emitted **nearly 5,500 tons of dangerous sulfur dioxide pollution**, compared to just under 225 tons from the other 36 power units located in Maryland which have sulfur dioxide emission records in the U.S. Environmental Protection Agency's Air Markets Program database.
- In 2019 the six coal plants emitted nearly **2,700 tons of smog-forming nitrogen oxides**.
 - Breathing smog is like getting sunburn on your lungs and over **85% of Marylanders live in counties that are failing to meet federal Clean Air Act healthy air standards for smog.**
- Plant discharge data shows numerous **discharges of toxic pollution like mercury, selenium, and arsenic which exceed the limits set forth in the EPA's Effluent Limitation Guidelines, finalized in 2015.**

The pollution from Maryland's coal plants is not distributed equitably.

- In a report issued by the NAACP, the Indigenous Environmental Network, and the Little Village Environmental Justice Organization, **four of Maryland's six coal plants received a D or F grade for their inequitable impact on health outcomes in low income communities and communities of color.**
- There are 167 plants which were scored in the report and which remain online or without formal plans to retire. Of those 167, Maryland's scored plants are all in the top 50 of worst performers:
 - Brandon Shores – 24th worst
 - Warrior Run – 29th worst
 - H.A. Wagner – 36th worst
 - Morgantown – 48th worst

Maryland needs an enforceable plan to manage the transition off coal.

- Without an enforceable plan for the cessation of coal burning, we are placing our workers and communities at risk.
- Maryland's grid operator, PJM, only requires 90 days notice before facility deactivation, which is not enough time to properly prepare for potential layoffs or loss of property taxes for a local government.
- As documented in numerous reports and case studies, the loss of a facility that employs dozens of workers and provides a historic economic structure for a community can be very disruptive. A proactive plan will reduce the disruption and provide pathways for additional investment in the impacted communities.

Maryland does not need to, nor should it, rely on coal-fired power for grid services.

- Two of Maryland's coal-fired power plants, Chalk Point and Dickerson, previously filed for a 2017 deactivation date with the grid operator, whose analysis revealed that any necessary grid upgrades were "expected to be completed in time for the units to deactivate as scheduled."
- The PJM grid has approximately 13,000 MW of excess capacity above its self-imposed requirements to meet peak summer load.

³ This is based on data from the U.S. Energy Information Administration's Electric Power Monthly Reports and the 2017 MDE Greenhouse Gas Emissions Inventory.



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- The electricity generated by Maryland coal plants can be replaced by the clean energy that will be deployed as a result of the Maryland's Renewable Energy Portfolio Standard – in 2019, coal generation in Maryland was approximately 5.5 million MWh, and the requirements expected for Maryland offshore wind and solar in Maryland is nearly 10 million MWh (via the sale of Renewable Energy Credits) in 2025.

Maryland is not alone in planning a transition beyond coal.

- New Mexico's recent Energy Transition Act moved forward with securitization efforts to aid the transition off coal and provided financial support for impacted workers and communities
- New York, a partner state in the Regional Greenhouse Gas Initiative, managed the transition off of coal by instituting a carbon dioxide emission rate that coal cannot meet and established a community transition account. The account allows local communities facing tax-base loss to apply for funds to help fill the gap of that tax-base loss.
- Washington state passed legislation in 2011 to manage the deactivation of the Centralia coal plant by setting firm dates for the boiler deactivations and establishment of a community transition account to invest in workers and community development in the impacted area.
- The Virginia legislature has passed climate action legislation out of both chambers that includes the date-certain of facility deactivation across the coal-fired power plant fleet.

The General Assembly has an opportunity through this legislation to bring together critical stakeholders in the state – industry, labor leaders, community leaders, environmental leaders, local officials, and more – to establish a cohesive plan that manages the real-world decline of our coal-fired power plants.

Please move favorably on this legislation.

Sincerely,

Josh Tulkin
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David Smedick
Senior Campaign Representative
Sierra Club